



OKLAHOMA

Economic Indicators

July 2022

OKLAHOMA ECONOMIC INDICATORS

Oklahoma Employment Security Commission
Shelley Zumwalt, Executive Director

Economic Research and Analysis Division
Lynn Gray, Director & Chief Economist

Prepared by
Monty Evans, Senior Economist

Will Rogers Memorial Office Building
Labor Market Information Unit
P.O. Box 52003
Oklahoma City, OK 73152-2003
Phone: (405) 557-5369
Fax: (405) 525-0139
E-mail: lmi1@oesc.state.ok.us

July 2022

This publication is issued and is part of the activities of the Oklahoma Employment Security Commission as authorized by the Oklahoma Employment Security Act. An electronic copy has been deposited with the Publishing Clearinghouse of the Oklahoma Department of Libraries.

Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request for individuals with disabilities

TABLE OF CONTENTS

SPECIAL REPORT: OKLAHOMA BUSINESS EMPLOYMENT DYNAMICS: 3rd Quarter 2021 ..	2
U.S. Real Gross Domestic Product and Quarterly Change.....	8
Oklahoma’s Real Gross Domestic Product and Quarterly Change	10
Industry Share of Oklahoma’s Economy.....	11
Metropolitan Area Contribution to State Real GDP	12
Leading Index for Oklahoma.....	13
U.S. and Oklahoma Unemployment Rates	14
U.S. and Oklahoma Nonfarm Payroll Employment	15
Oklahoma Employment Change by Industry (2020-2021)	16
U.S. and Oklahoma Manufacturing Employment.....	17
Purchasing Managers’ Index (Manufacturing)	18
Oklahoma Active Rotary Rigs and Cushing, OK WTI Spot Price.....	20
Oklahoma Active Rotary Rigs and Henry Hub Natural Gas Spot Price.	22
U.S. Total Residential Building Permits.....	24
Oklahoma Total Residential Building Permits.....	25
U.S. and Oklahoma Real Personal Income.....	26
Industry Contribution to Oklahoma Personal Income.....	27
U.S. Adjusted Retail Sales	28
Oklahoma Total Adjusted Retail Sales.....	29

OKLAHOMA BUSINESS EMPLOYMENT DYNAMICS: 3rd Quarter 2021

Gross Job Gains and Gross Job Losses: 3rd Quarter 2021

From June 2021 to September 2021, gross job gains from opening and expanding private-sector establishments in Oklahoma totaled 88,311, an increase of 7,040 jobs from the previous quarter. Over this period, gross job losses from closing and contracting private-sector establishments numbered 87,915, an increase of 12,807 jobs from the previous quarter, according to the Oklahoma Employment Security Commission, Economic Research and Analysis Division, and the U.S. Bureau of Labor Statistics, (see Chart 1, below and Table 1, page 7). The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 396 jobs in Oklahoma’s private sector during the 3rd quarter of 2021.

Chart 1

Private sector gross job gains and gross job losses in Oklahoma
March 2011 - September 2021, seasonally adjusted



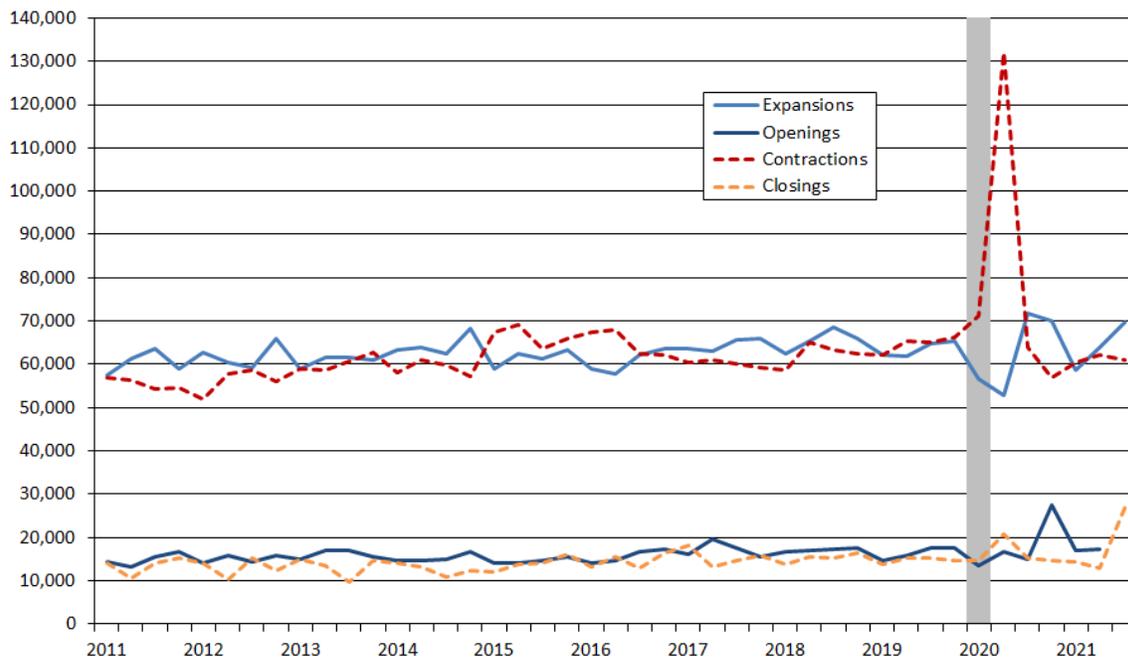
Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession period.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. *Gross job gains* are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. *Gross job losses* are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross job gains and the number of gross job losses is the net change in employment.

Gross job losses in Oklahoma the 2nd quarter of 2020 (152,932) were at the highest level since BED record keeping began in 1992, eclipsing the previous high set in the 1st quarter of 2009, towards the end of the ‘Great Recession’, when 101,545 jobs were lost.

Chart 2

Components of private sector gross job gains and losses in Oklahoma
March 2011 - September 2021, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

Gross Job Gains and Losses: Openings vs. Closings and Expansions vs. Contractions

Gross job gains are the sum of increases in employment due to expansions at existing establishments and the addition of new jobs at opening establishments. Gross job gains at expanding establishments in Oklahoma totaled 69,854 in the 3rd quarter of 2021, an increase of 5,972 jobs compared to the previous quarter. Opening establishments accounted for 18,457 of the jobs gained in the 3rd quarter of 2021, an increase of 1,068 jobs from the previous quarter, (see Chart 2, above).

Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. Contracting establishments in Oklahoma lost 61,027 jobs in the 3rd quarter of 2021, a decrease of 1,243 jobs from the prior quarter. In the 3rd quarter, closing establishments lost 26,888 jobs, an increase of 14,050 jobs from the previous quarter.

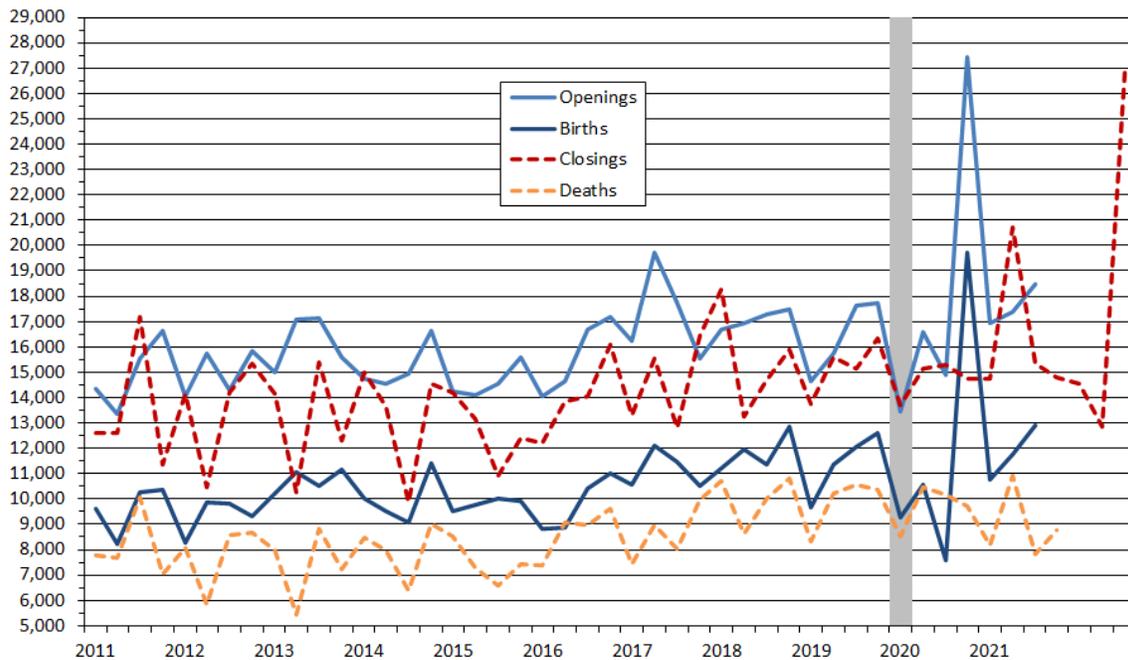
Establishment Births and Deaths

In Oklahoma, the number of private sector establishment births, (a subset of the openings data), increased by 203, for a total of 3,504 establishments in the 3rd quarter of 2021. These new establishments accounted for 12,902 jobs, an increase of 1,149 jobs from the previous quarter, (see Chart 3, next page).

Data for establishment deaths, (a subset of the closings data), are now available through the 4th quarter of 2020, when 8,796 jobs were lost at 2,258 establishments, a decrease of 981 jobs from the 3rd quarter of 2020, (see Chart 3, next page).

Chart 3

Employment from private sector openings, closings, births and deaths in Oklahoma
March 2011 - September 2021, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

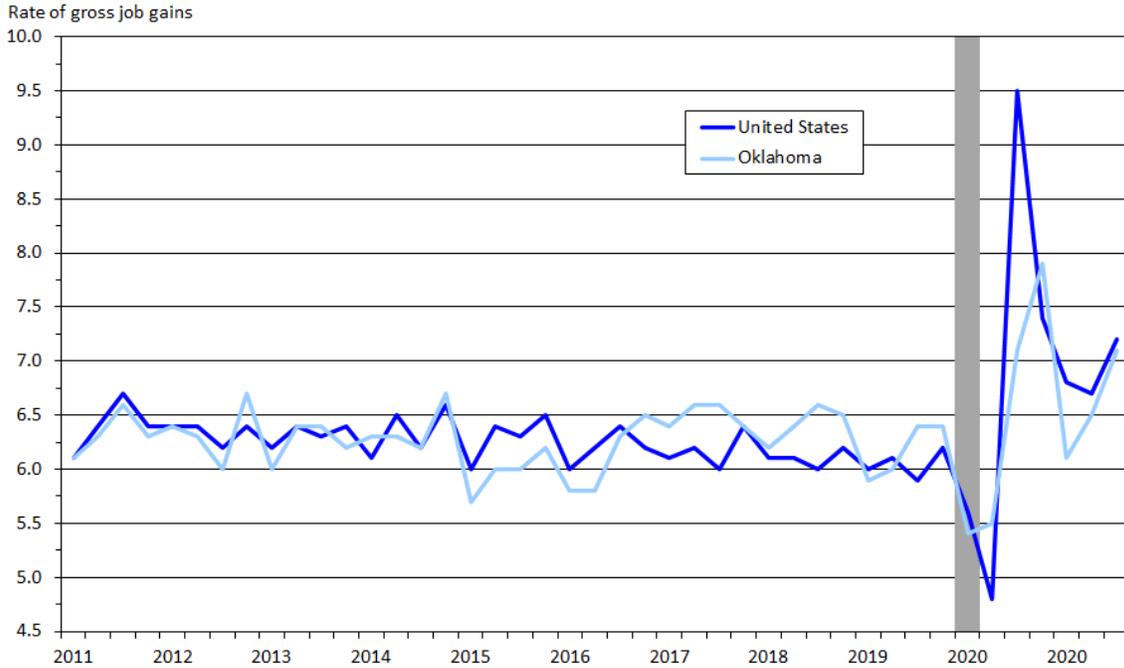
Gross Job Gains and Gross Job Losses: Percent of Total Private Sector Employment

In the 3rd quarter of 2021, gross job gains represented 7.1 percent of private-sector employment in Oklahoma with expansions accounting for 5.6 percent of total private sector employment and openings contributing 1.5 percent. Nationally, gross job gains accounted for 7.2 percent of private sector employment in the 3rd quarter of 2021. With few exceptions, Oklahoma's rates of gross job gains have generally tracked with the U.S. rates. However, beginning in the 1st quarter of 2015, the rate of Oklahoma's gross job gains slipped below the national rate for seven consecutive quarters, exceeded the U.S. rate in the following nine quarters but has lagged behind the U.S. rate in seven out of the past 11 quarters, (see Chart 4, next page).

In the 3rd quarter of 2021, gross job losses represented 7.0 percent of private-sector employment in Oklahoma, with contractions accounting for 4.9 percent and closings adding another 2.1 percent. The national rate of gross job losses was 6.2 percent in the 3rd quarter of 2021. From the 3rd quarter 2013 forward, Oklahoma's rate of gross job losses has shown more volatility especially the period beginning 1st quarter 2015 through 1st quarter 2017, then began to track more with national trends from the 4th quarter of 2017 forward (see Chart 5, next page).

Chart 4

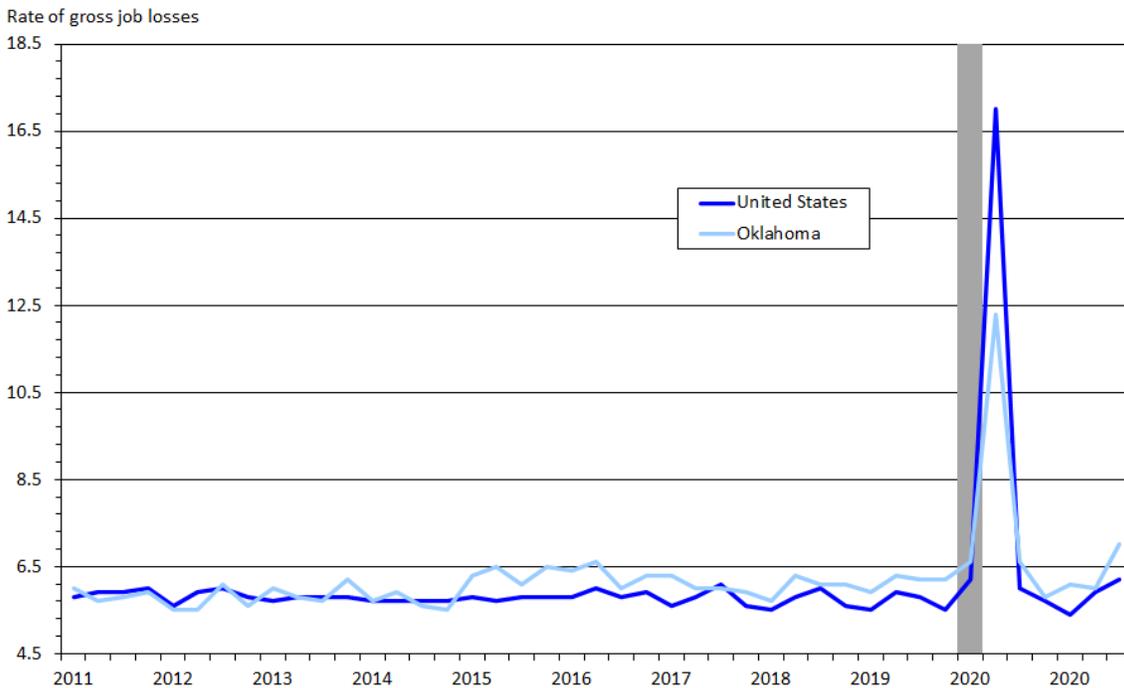
Private sector gross job gains as a percent of employment, United States and Oklahoma
March 2011 - September 2021, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

Chart 5

Private sector gross job losses as a percent of employment, United States and Oklahoma
March 2011 - September 2021, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession periods.

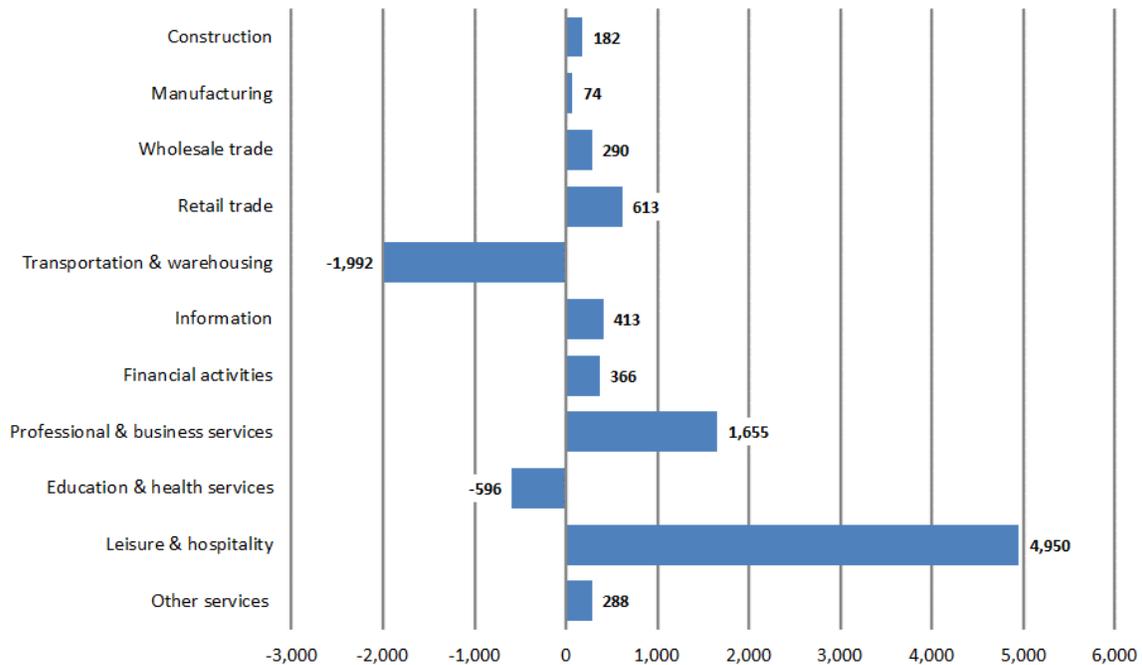
Gross Job Gains and Gross Job Losses by Industry: 3rd Quarter 2021

Gross job gains exceeded gross job losses in six of Oklahoma’s 11 reported industries in the 3rd quarter of 2021. Oklahoma’s service-providing industries experienced a net job increase of 3,216 jobs in the 3rd quarter. This was the result of 72,691 gross job gains and 69,475 gross job losses. Within service-providing industries, the leisure and hospitality sector had the largest over-the-quarter net job increase, gaining 1,091 jobs, followed by the transportation and warehousing sector with a net increase of 928 jobs in the 3rd quarter. The education and health services sector reported the largest over-the-quarter net job loss of 510 jobs in the 2nd quarter of 2021.

Goods-producing industries reported a net job decrease of 2,829 jobs in the 3rd quarter of 2021. Within goods-producing industries, the construction sector reported the largest net job loss of 2,533 jobs. The manufacturing sector had a net job decrease of 296 jobs in the 3rd quarter of 2021, (see Chart 6 below).

Chart 6

Private sector net change in jobs by industry, Oklahoma
June 2021, seasonally adjusted



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

Table 1. Oklahoma: Three-month private sector gross job gains and losses, seasonally adjusted					
Category	3 months ended				
	Sep 2020	Dec 2020	March 2020	June 2021	Sep 2021
	Levels				
Gross job gains.....	86,685	97,432	75,490	81,271	88,311
Expanding establishments	71,782	69,986	58,549	63,882	69,854
Opening establishments	14,903	27,446	16,941	17,389	18,457
Gross job losses.....	79,279	71,686	75,024	75,108	87,915
Contracting establishments	63,957	56,908	60,492	62,270	61,027
Closing establishments	15,322	14,778	14,532	12,838	26,888
Net employment change ¹	7,406	25,746	466	6,163	396
	Rates (percent)				
Gross job gains.....	7.1	7.9	6.1	6.5	7.1
Expanding establishments	5.9	5.7	4.7	5.1	5.6
Opening establishments	1.2	2.2	1.4	1.4	1.5
Gross job losses.....	6.6	5.8	6.1	6.0	7.0
Contracting establishments	5.3	4.6	4.9	5.0	4.9
Closing establishments	1.3	1.2	1.2	1.0	2.1
Net employment change ¹	0.5	2.1	0.0	0.5	0.1
Source: U.S Bureau of Labor Statistics					
*Net employment change is the difference between total gross job gains and total gross job losses.					

More Information

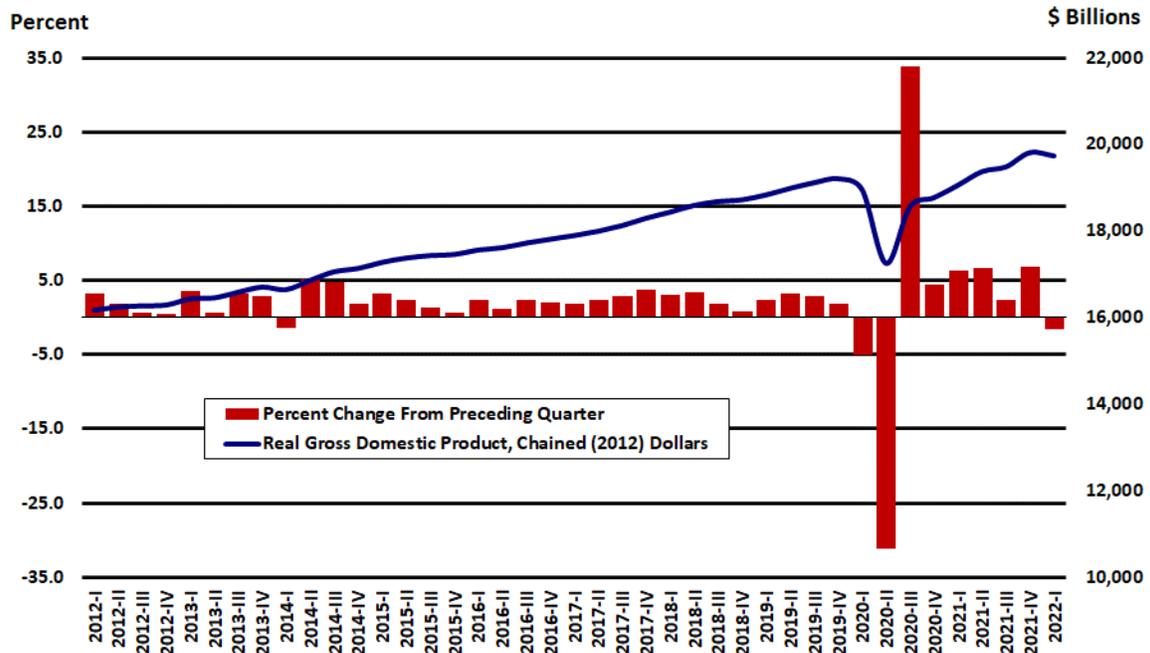
A copy of the full 3rd quarter 2021 Oklahoma BED report along with technical notes and detailed tables is available on the OESC website at: [Business Employment Dynamics-3rd Quarter 2021 \(oklahoma.gov\)](https://www.oesc.ok.gov/business-employment-dynamics-3rd-quarter-2021-oklahoma.gov)

Additional information about the Business Employment Dynamics program is available online at: <http://www.bls.gov/bdm>

Real Gross Domestic Product and Quarterly Change

1st Quarter 2012 to 1st Quarter 2022 ("Third" Estimate)

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



Definition & Importance

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 Bureau of Economic Analysis (BEA), U.S. Department of Commerce releases GDP data on a quarterly basis, usually during the fourth week of the month. Data are for the prior quarter, so data released in April are for the 1st quarter. Each quarter's data are revised in each of the following two months after the initial release. Each revision is based on more complete economic data.

Background

There are four major components to GDP:

1. *Personal consumption expenditures*: Individuals purchase durable goods (such as furniture and cars), nondurable goods (such as clothing and food) and services (such as banking, education, and transportation).
2. *Investment*: Private housing purchases are classified as residential investment. Businesses invest in nonresidential structures, durable equipment, and computer software. Inventories at all stages of production are counted as investment. Only inventory changes, not levels, are added to GDP.
3. *Net exports*: Equal the sum of exports less imports. Exports are the purchases by foreigners of goods and services produced in the United States. Imports represent domestic purchases of foreign-produced goods and services and are deducted from the calculation of GDP.
4. *Government*: Government purchases of goods and services are the compensation of government employees and purchases from businesses and abroad. Data show the portion

attributed to consumption and investment. Government outlays for transfer payments or interest payments are not included in GDP.

The four major categories of GDP—personal consumption expenditures, investment, net exports and government—all reveal important information about the economy and should be monitored separately. This allows one to determine the strengths and weaknesses of the economy.

Current Developments

The U.S. contracted slightly more than previously estimated in the first three months of the year, despite consumers and businesses both spending at a brisk pace. Real gross domestic product (GDP) decreased at an annual rate of 1.6 percent in the 1st quarter of 2022, according to the "third" estimate released by the Bureau of Economic Analysis (BEA). The decrease was revised down 0.1 percentage point from the "second" estimate released in May. In the 4th quarter, real GDP increased 6.9 percent.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, grew at a 1.8 percent rate instead of the 3.1 percent pace reported earlier. The decrease in consumer spending reflected revisions to services, estimated to have increased at a 3.0 percent rate rather than the previously reported 4.8 percent pace. Outlays on durable goods, such as automobiles, was also revised down to 5.9 percent, instead of a 6.8 percent rate. Spending on nondurable goods, such as clothing, declined 3.7 percent, unchanged from the previous estimate. Personal consumption expenditures (PCE) added 1.24 percentage points to 1st quarter GDP growth, down from 2.09 percentage points reported earlier.

Business investment climbed 10.0 percent in the 1st quarter, led by spending on equipment. Outlays on equipment jumped 14.1 percent in the 1st quarter, led by spending on information processing and related equipment. Spending on intellectual property products, such as computer software, grew at an 11.2 percent rate. Spending on structures, which are tied to the oil and gas sector and commercial real estate, decreased 0.9 percent. Nonresidential fixed investment added 1.26 percentage point to 1st quarter GDP, up from 1.16 percentage points estimated earlier.

Business inventories increased at a \$188.5 billion rate, rather than the \$149.6 billion pace reported last month, reflecting increases in the retail sector, mostly in general merchandise stores, as the moderate pace of spending left inventories significantly higher than previously estimated. The change in private inventories trimmed 0.35 percentage point from GDP growth in the 1st quarter, instead of subtracting 1.09 percentage points previously reported.

Housing construction slipped in the 1st quarter, as higher borrowing rates appear to be slowing the housing market. Residential housing investment increased at a 0.4 percent rate, unchanged from the previously reported estimate. Residential fixed investment added only 0.02 percentage point to 1st quarter GDP, unchanged from previously estimated.

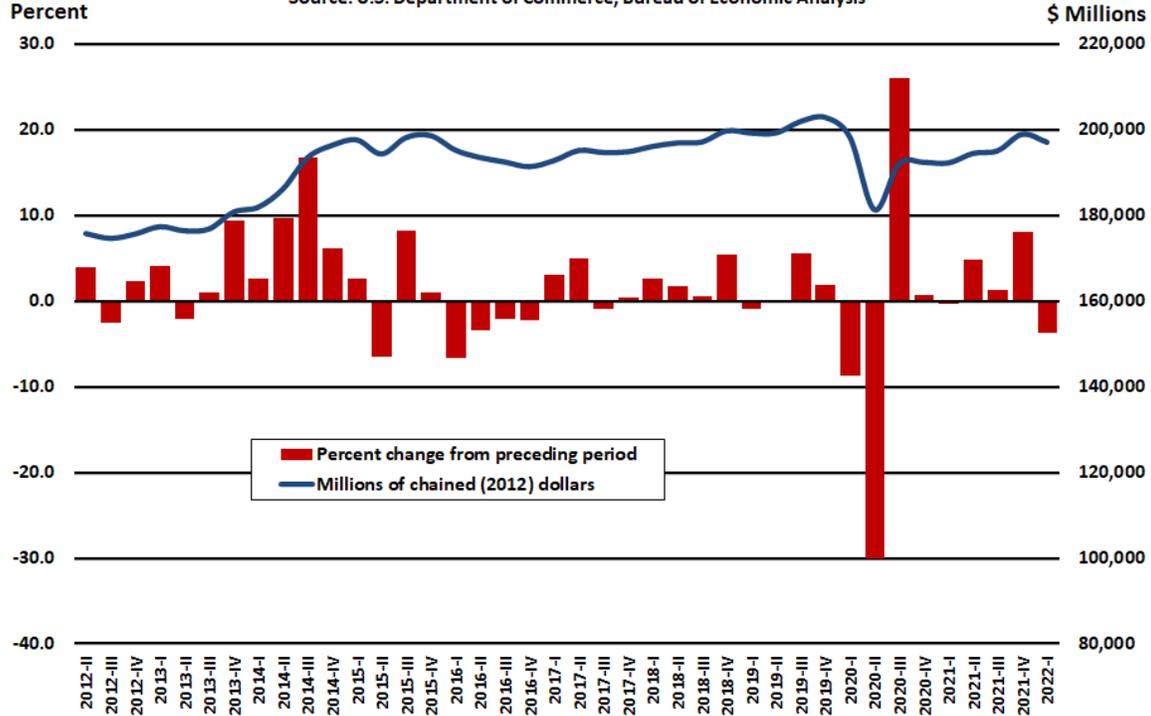
Imports surged 18.9 percent in the 1st quarter, as the trade deficit widened to a record high. At the same time, exports plunged 5.4 percent. The widening of trade deficit slashed 3.23 percentage point from 1st quarter GDP, unchanged from the "second" estimate.

Government consumption expenditures declined again in the 1st quarter, reflecting decreases in government pandemic assistance payments. Federal government spending dipped 6.8 percent in the 1st quarter, as national defense spending plunged 9.9 percent, while nondefense spending declined 2.5 percent. Consumption outlays by state and local governments decreased 0.5 percent in the 1st quarter. Government consumption expenditures and investment subtracted 0.46 percentage point from 1st quarter GDP.

Oklahoma Real Gross Domestic Product and Quarterly Change

1st Quarter 2012 to 1st Quarter 2022, Seasonally Adjusted Annual Rates

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



Definition & Importance

The U.S. Bureau of Economic Analysis (BEA) recently began producing statistics of quarterly gross domestic product (GDP) by state dating back to 2005. These new statistics provide a more complete picture of economic growth across states that can be used with other regional data to gain a better understanding of regional economies as they evolve from quarter to quarter. The new data provide a fuller description of the accelerations, decelerations, and turning points in economic growth at the state level, including key information about changes in the distribution of industrial infrastructure across states.

Current Developments

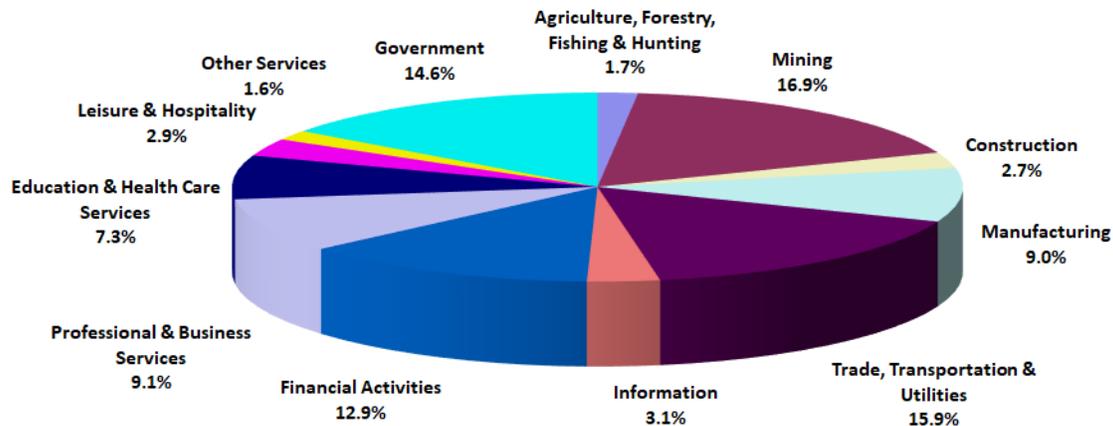
Real gross domestic product (GDP) by state—a measure of nationwide growth calculated as the sum of GDP of all states and the District of Columbia—decreased in 46 states and the District of Columbia in the 1st quarter of 2022, as real GDP for the nation decreased at an annual rate of 1.6 percent, according to the Bureau of Economic Analysis (BEA). The percent change in real GDP in the first quarter ranged from 1.2 percent in New Hampshire to -9.7 percent in Wyoming.

Oklahoma’s real GDP declined 3.7 percent in the 1st quarter of 2022, following an 8.1 percent pace in the 4th quarter, ranking Oklahoma 43rd among all other states and the District of Columbia. Statewide GDP was at a level of 197.0 billion (in constant 2012 dollars) in the 1st quarter, down \$1.8 billion from the 4th quarter level of \$198.8 billion.

Industry Share of Oklahoma's Economy, 1st Quarter 2022

(by percentage of Gross Domestic Product)

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



Real GDP decreased in 8 of the 21 industry groups that the BEA prepares quarterly state estimates. Nondurable goods manufacturing, retail trade, and finance and insurance decreased 17.0, 10.2, and 7.1 percent, respectively, for the nation and were the leading contributors to the decrease in real GDP. These three industries contributed decreases in all 50 states and the District of Columbia. In Oklahoma, nondurable goods manufacturing, retail trade, and finance and insurance subtracted -0.88, -0.52, and -0.22 percentage point, respectively, from 1st quarter GDP.

Mining, quarrying, and oil and gas extraction contributed decreases in 49 states, including Oklahoma. This industry was the leading contributor to the decreases in 10 states, including Wyoming, Alaska, North Dakota, West Virginia, and New Mexico—the 5 states with the largest decreases in real GDP. In Oklahoma, mining, quarrying, and oil and gas extraction was the leading contributor to the decrease in 1st quarter GDP, subtracting 2.09 percentage points.

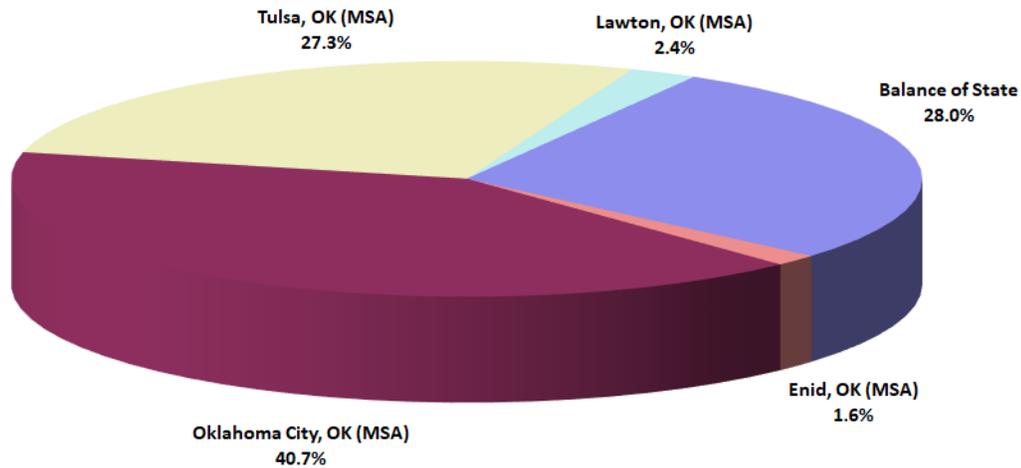
Government and government enterprises was the leading contributor to the increases in New Hampshire and Massachusetts—the states with the largest and third-largest increases in real GDP, respectively. In Oklahoma, government and government enterprises added 0.38 percentage points to the state's GDP in the 1st quarter of 2022.

Agriculture, forestry, fishing, and hunting was the leading contributor to the increase in Vermont—the state with the second-largest increase. In Oklahoma, agriculture, forestry, fishing, and hunting subtracted 0.55 percentage point from 1st quarter GDP.

Utilities was the leading contributor to the increase in Michigan—the only other state with an increase. Utilities was also the leading contributor to 1st quarter GDP in Oklahoma, adding 0.49 percentage point.

Metropolitan Area Contribution to State Real Gross Domestic Product 2020

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



Definition & Importance

Metropolitan Statistical Areas (MSA) are 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.

GDP by metropolitan area is the sub-state counterpart of the Nation's gross domestic product (GDP), the BEA's featured and most comprehensive measure of U.S. economic activity. GDP by metropolitan area is derived as the sum of the GDP originating in all the industries in the metropolitan area. Nationally, metropolitan statistical areas represent approximately 90 percent of total GDP. In Oklahoma, the four MSAs of Oklahoma City, Tulsa, Lawton, and Enid accounted for 71.8 percent of total state GDP in 2019.

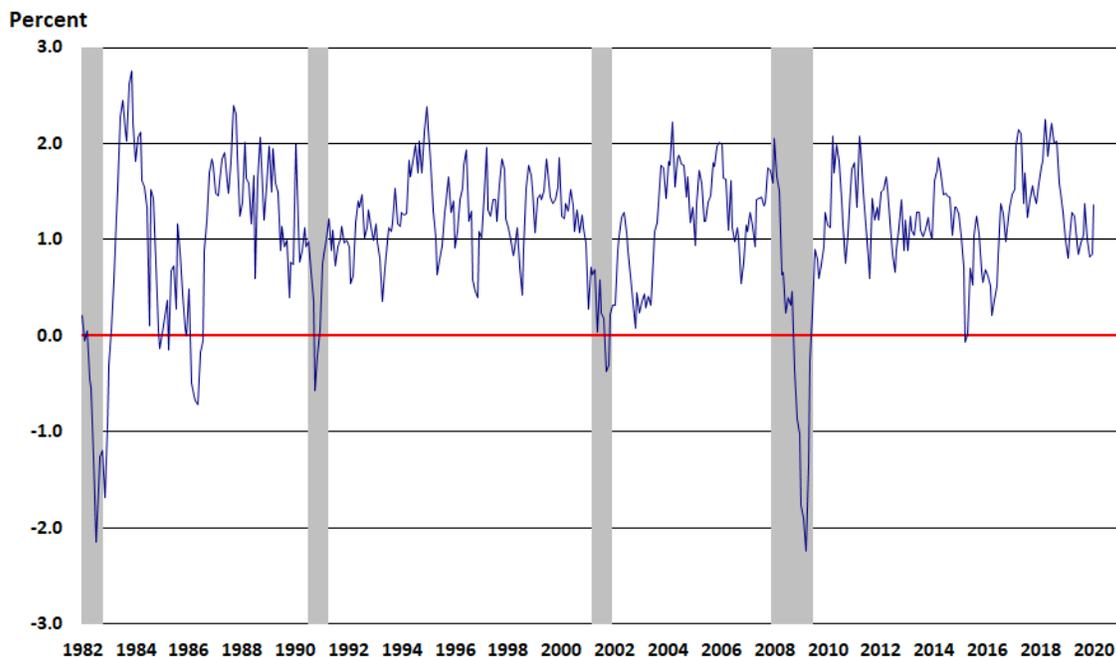
Current Developments

Real gross domestic product (GDP) declined in 351 out of 384 metropolitan areas in 2020, according to the U.S. Bureau of Economic Analysis (BEA). The percent change in real GDP by metropolitan area ranged from 5.2 percent in Sierra Vista-Douglas, AZ to -20.4 percent in Kahului-Wailuku-Lahaina, HI. Real GDP for U.S. metropolitan areas decreased 3.5 percent in 2020, as every major industry group, (with the exception of information and finance, insurance, real estate, rental, and leasing), saw declines over the year.

In 2020, none of Oklahoma's four metropolitan areas experienced positive GDP growth. Enid MSA's GDP fell 5.0 percent in 2020 to a level of \$2.99 billion, ranking it 306th among 384 metro areas. Lawton MSA GDP declined 2.0 percent in 2020 to a level of \$4.55 billion, and ranked 134th among U.S. metro areas. Oklahoma City MSA dropped 5.4 percent to \$77.3 billion and ranked 333rd, lifted by professional, scientific, and technical services. Tulsa MSA's GDP fell 5.0 percent to a level of \$51.9 and ranked 309th in 2020, boosted by mining, quarrying, and oil and gas extraction.

Leading Index for Oklahoma, 1982-2020

Source: Federal Reserve Bank of Philadelphia (retrieved from FRED, Federal Reserve Bank of St. Louis)



NOTE: Shaded areas represent National Bureau of Economic Research defined recession periods.

Definition & Importance

The Federal Reserve Bank of Philadelphia produces leading indexes for each of the 50 states. The indexes are calculated monthly and are usually released a week after the release of the coincident indexes. The Bank issues a release each month describing the current and future economic situation of the 50 states with special coverage of the Third District: Pennsylvania, New Jersey, and Delaware.

The leading index for each state predicts the six-month growth rate of the state's coincident index. In addition to the coincident index, the models include other variables that lead the economy: state-level residential housing permits (1 to 4 units), state initial unemployment insurance claims, delivery times from the Institute for Supply Management (ISM) manufacturing survey, and the interest rate spread between the 10-year Treasury bond and the 3-month Treasury bill.

Current Developments

The Federal Reserve Bank of Philadelphia has released the leading indexes for the 50 states for February 2020. Forty-nine state coincident indexes, including Oklahoma's, were projected to grow over the next six months, while one was expected to decrease. For comparison purposes, the Philadelphia Fed has also developed a similar leading index for its U.S. coincident index, which is projected to grow 1.7 percent over the next six months.

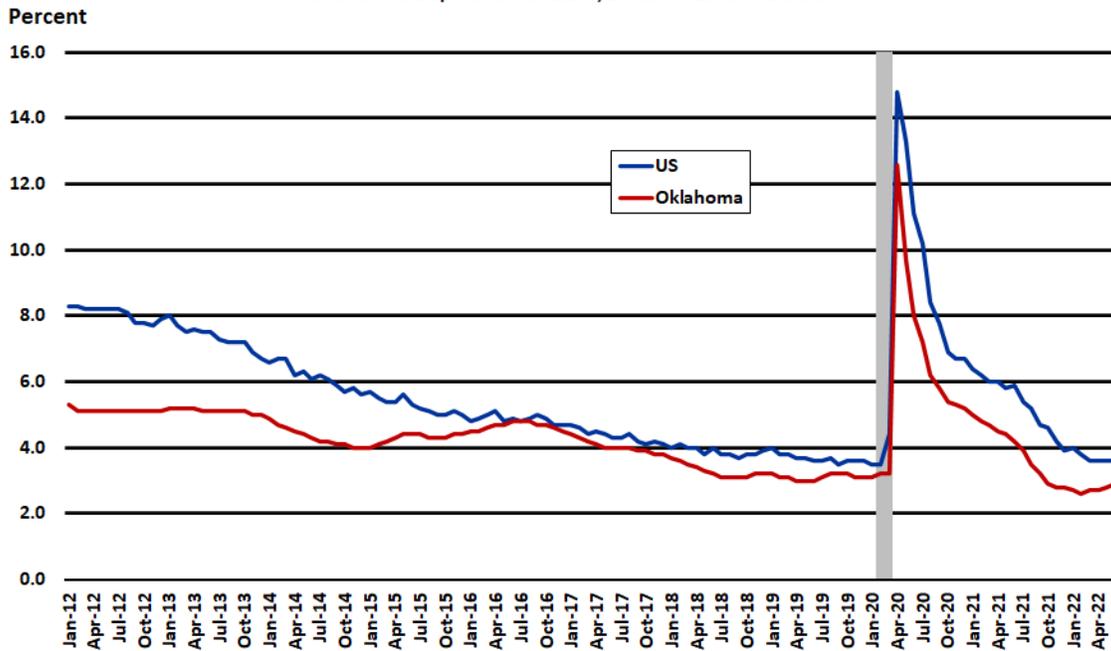
Oklahoma's leading index rose for a third straight month in February to a level of 1.79 percent.

The Philadelphia Fed noted that the February 2020 release of the state leading indexes was based on data from the time period largely unaffected by the COVID-19 outbreak. Given the extreme impact on initial unemployment claims in recent weeks, their standard approach for estimating the six-month change in coincident indexes may not be reliable in coming months. Therefore, they expect to suspend the release of upcoming state leading indexes until further notice.

U.S. and Oklahoma Unemployment Rate (Seasonally Adjusted)

January 2012 to June 2022

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

The Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) program produces monthly estimates of total employment and unemployment from a national survey of 60,000 households. The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people 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 and reveals the degree to which labor resources are utilized in the economy.

Current Developments

The U.S. unemployment rate held steady again in June, just shy of the half century low reached two years ago. The unemployment rate was 3.6 percent for the third month in a row in May, and the number of unemployed persons was essentially unchanged, according to the Bureau of Labor Statistics (BLS). The BLS noted that these measures are little different from their values in February 2020 (3.5 percent and 5.7 million, respectively), prior to the coronavirus (COVID-19) pandemic.

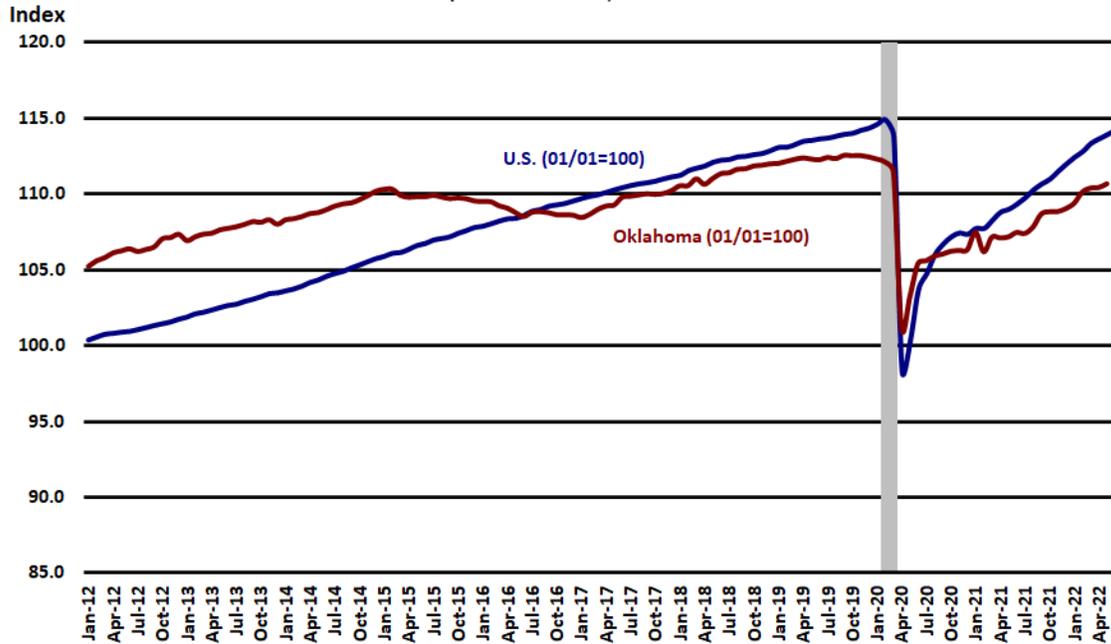
Oklahoma's seasonally adjusted unemployment rate edged up to 2.9 percent in June. Over the year, Oklahoma's seasonally adjusted unemployment rate was 1.3 percentage points lower than June 2021.

In May, Latimer County posted Oklahoma's highest county unemployment rate of 6.3 percent, while Beaver and Cimarron Counties shared the lowest county unemployment rate of 1.5 percent. Unemployment rates in May were lower than a year earlier in all of Oklahoma's 77 counties.

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

Index: January 2001=100

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

Nonfarm payroll employment data is produced by the Current Employment Statistics (CES) program of the Bureau of Labor Statistics (BLS). The CES Survey is a monthly survey of approximately 145,000 businesses and government agencies representing approximately 697,000 worksites throughout the United States. The CES program has provided estimates of employment, hours, and earnings data by industry for the nation as a whole, all States, and most major metropolitan areas since 1939. In order to account for the size disparity between of U.S. and Oklahoma employment levels, we have indexed the data with January 2001 as the start value.

Payroll employment is one of the most current and reliable indicators of economic conditions and recessionary trends. Increases in nonfarm payrolls translate into earnings that workers will spend on goods and services in the economy. The greater the increases in employment, the faster the total economic growth.

Current Developments

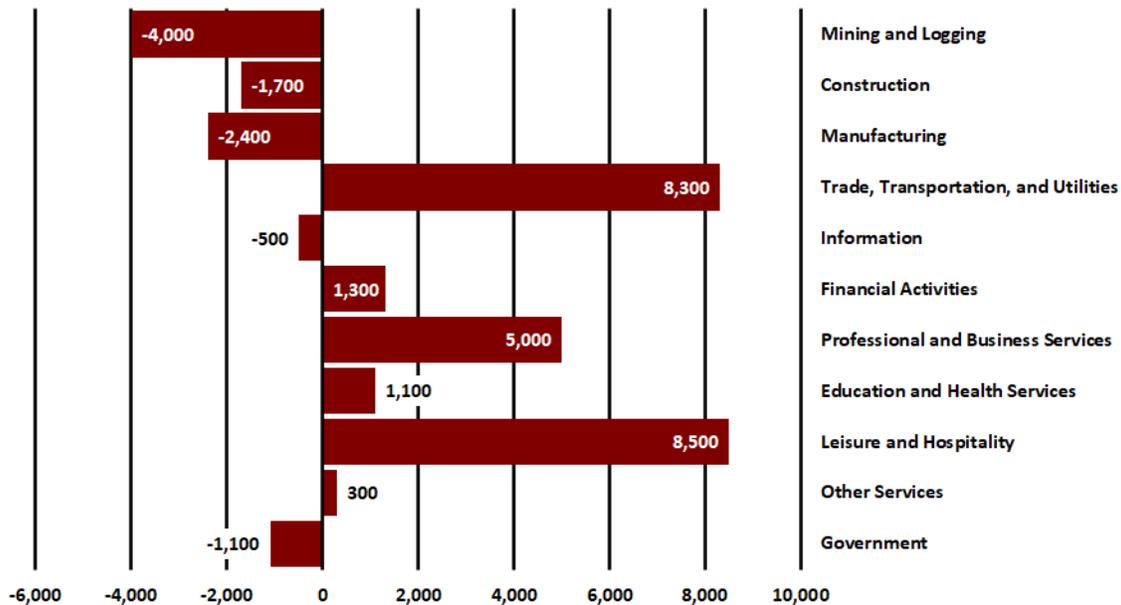
U.S. employers added jobs at a healthy pace again in June, extending a streak of solid hiring and underpinning the strength of the labor market. Total nonfarm payroll employment rose by 372,000 in June, according to the Bureau of Labor Statistics (BLS). Job growth was widespread over the month, led by gains in professional and business services (74,000 jobs), leisure and hospitality (67,000 jobs), and health care (57,000 jobs). However, nonfarm employment is down by 524,000, or 0.3 percent, from its pre-pandemic level in February 2020.

Oklahoma's seasonally adjusted nonfarm employment grew by 9,500 jobs (0.6 percent) in June, to a level of 1,688,600 while May's estimate was downwardly revised to 1,679,100. In June, seven of Oklahoma's supersectors added jobs as education and health services (4,000 jobs) posted the largest monthly gain followed by leisure and hospitality (1,900 jobs). Other services (-800 jobs) followed by construction and professional and business services (-300 jobs each) posted the largest over-the-month job losses in June.

Oklahoma Employment Change by Industry, 2020-2021

Annual Averages (Not Seasonally Adjusted)

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



Definition & Importance

Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a declining employment trend indicate those which are becoming less important in 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 re-employment, retraining, and other workforce and economic development programs is contained within these data. For this analysis, we are using CES non-seasonally adjusted annual averages to compare year-over-year employment changes.

Current Developments

Oklahoma's annual average nonfarm employment added jobs in 2021, following a dip in 2020 as business closures due to the COVID-19 pandemic pulled employment down. Total nonfarm employment added a non-seasonally adjusted 14,900 jobs (0.9 percent) in 2021. For comparison, 77,500 jobs were lost for a 4.5 percent decline in the previous year.

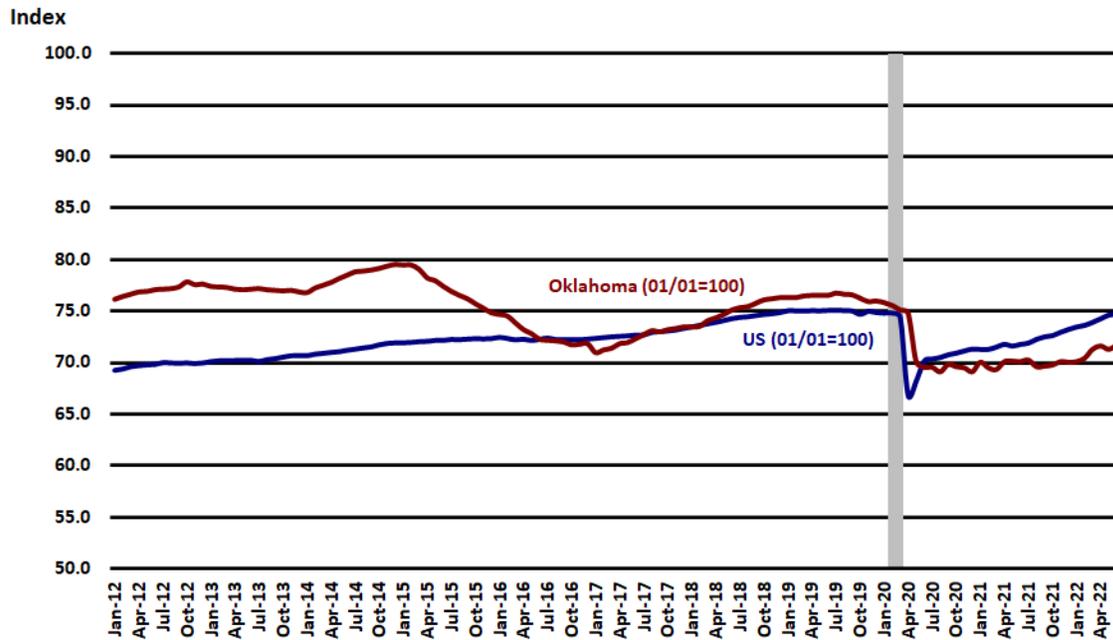
In 2021, six of 11 of Oklahoma's supersectors reported job gains. Leisure and hospitality saw the largest job gain adding 8,500 jobs (5.4 percent), as accommodation and food services accounted for the bulk of the job gains (7,700 jobs). Trade, transportation, and utilities shed a non-seasonally adjusted 8,300 jobs (2.7 percent), as retail trade added 4,900 jobs over the year. Professional and business services employment grew by 5,000 jobs (6.3 percent) as employment services gained 4,200 jobs. Other sectors adding jobs were financial activities (-1,300 jobs), and education and health services (1,100 jobs).

Mining and logging shed 4,000 jobs (-12.7 percent) during the 2020-2021 period as support activities for mining lost 2,500 jobs. Manufacturing employment declined by 2,400 jobs (-1.8 percent) with durable goods manufacturing accounting for all the job losses. Construction dropped 1,700 jobs (-2.2 percent). Government employment declined by 1,100 jobs (-0.3 percent), while information shed 500 jobs.

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

Index: January 2001 = 100

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

Manufacturing employment data is also produced by the Bureau of Labor Statistics' Current Employment Statistics (CES) program. Manufacturing and production are still important parts of both the U.S. and Oklahoma economies. According to the *2020 County Business Patterns*, the manufacturing sector was the 5th-largest employer, employing 12.0 million workers in the United States—and the top 10 average annual employee payroll at \$61,653. In Oklahoma, manufacturing accounts for one of the largest shares of private output and employment in the state. In addition, many manufacturing jobs are among the highest paying jobs in the state. In order to account for the size disparity between the U.S. and Oklahoma employment levels, we have indexed the data with January 2001 as the starting value.

Current Developments

U.S. manufacturing employment continued to add jobs in June, restoring manufacturing payrolls to just above pre-pandemic levels. Employment in manufacturing increased by 29,000 in June and has returned to its February 2020 level, according to the Bureau of Labor Statistics (BLS). Job gains in June occurred mostly in nondurable goods (18,000 jobs).

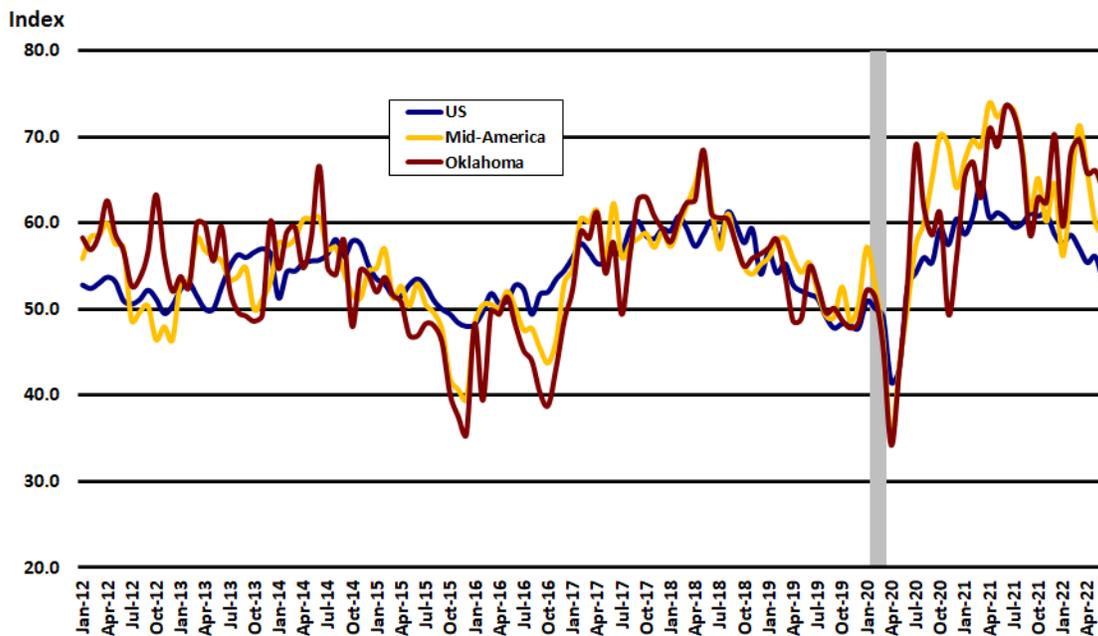
Oklahoma manufacturing employment added a seasonally adjusted 900 jobs (0.7 percent) over the month in June to a level of 133,400. Durable goods manufacturing gained 500 jobs (0.6 percent) while non-durable goods manufacturing added 400 jobs (0.9 percent).

Over the year, statewide manufacturing employment added a seasonally adjusted 4,300 jobs (3.3 percent) compared to June 2021, as durable goods manufacturing gained 2,700 jobs (3.2 percent) and non-durable goods manufacturing added 1,600 jobs (3.6 percent).

Purchasing Managers' Index (Manufacturing)

January 2012 to June 2022

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

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, which accounts for about 12 percent of the U.S. economy. 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®.

Current Developments

U.S. factory activity slowed to two-year low in June, as a gauge of new orders contracted for the first time in two years. The June Manufacturing PMI® registered 53 percent, down 3.1 percentage points from the reading of 56.1 percent in May, according to the latest [ISM Manufacturing Report On Business](#)®. This is the lowest Manufacturing PMI® reading since June 2020, when it registered 52.4 percent.

The survey's forward-looking measure of new orders dropped to 49.2 in June, from a reading of 55.1 in May. The gauge of factory employment declined further to a reading of 47.3 from 49.6 in May, reflecting continued worker shortages. Prices eased again in June as the Prices Index dropped to a reading of 78.5 from 82.2 in May. The measure of supplier deliveries tumbled to 57.3 from 65.7 in May. A reading above 50 indicates slower deliveries to factories.

The Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, rose above growth neutral for the 25th straight month. The June Business Conditions Index, which uses the identical methodology as the national ISM and ranges between 0 and 100 with 50.0 representing growth neutral, sank to a still-solid 58.6 from May's 60.0.

"Creighton's monthly survey results indicate the region continues to add manufacturing activity at a solid pace but is pointing to slower growth with significant inflationary pressures ahead. Supply chain disruptions did ease in June, according to supply managers," said Ernie Goss, Ph.D., director of Creighton University's Economic Forecasting Group and the Jack A. MacAllister Chair in Regional Economics in the Heider College of Business.

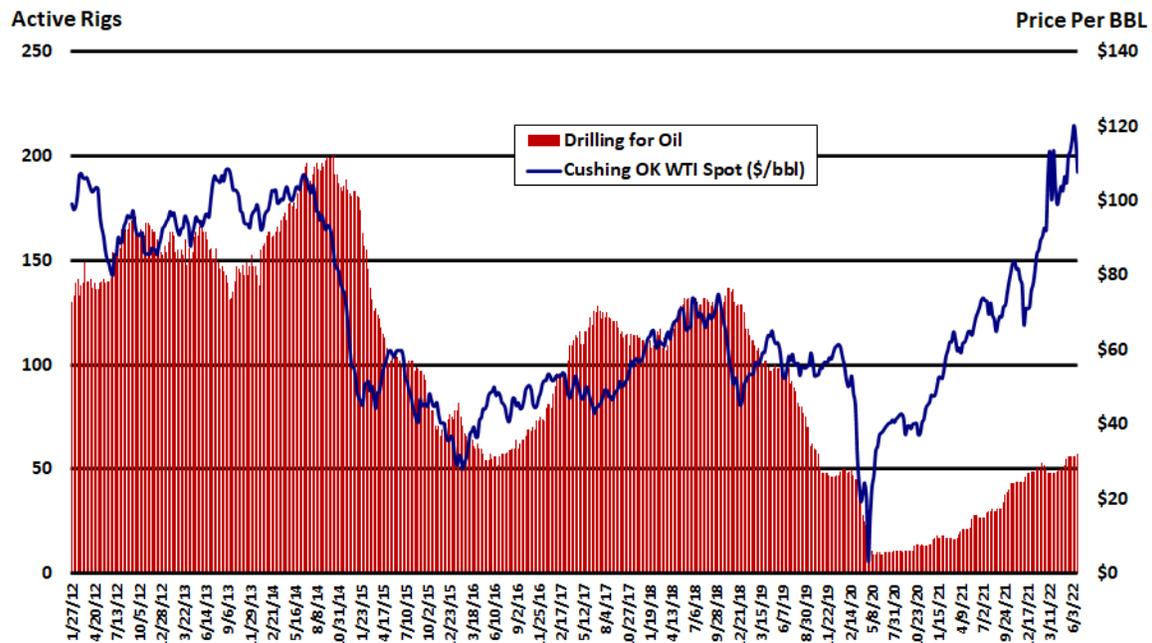
Oklahoma's Business Conditions Index declined slightly in June to a level indicating still healthy growth. The June index decreased to 63.7 from 66.1 in May. Components of the overall June index were: new orders at 45.1, production or sales at 56.2, delivery lead time at 73.5, inventories at 71.5, and employment at 72.1.

"Over the last 12 months, according to U.S. Bureau of Labor Statistics data, manufacturers in the state have boosted the average hourly work week by 0.2 percent (fifth in the region) and increased average hourly earnings by 5.6 percent (sixth in the region)," said Goss.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

January 2012 to June 2022

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



Definition & Importance

Crude oil is an important commodity in the global market. Prices fluctuate depending on supply and demand conditions in the world. Since oil is such an important part of the economy, it can also help determine the direction of inflation. In the U.S. consumer prices have moderated whenever oil prices have fallen but have accelerated when oil prices have risen. The U.S. Energy Information Administration (EIA) provides weekly information on petroleum inventories in the U.S., whether produced here or abroad.

The Baker Hughes rig count is an important indicator for the energy industry and Oklahoma. When drilling rigs are active, they consume products and services produced by the oil service industry. The active rig count acts as a leading indicator of demand for products used in drilling, completing, producing, and processing hydrocarbons.

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 set in the domestic spot market at Cushing, Oklahoma.

Background

The discovery of oil transformed Oklahoma's economy. By the time Oklahoma became a state in 1907, it was the largest oil producer in the nation. Excluding federal offshore areas, Oklahoma was the 4th-largest crude oil producer among the states in 2020, accounting for nearly 5 percent of the nation's crude oil production (at 211,808,000 barrels). Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma. One of the 100 largest oil fields in the United States, the Sho-Vel-Tum field, is in Oklahoma and has continuously produced crude oil since its discovery in 1905.

The city of Cushing, in central Oklahoma, is a major crude oil trading hub connecting Gulf Coast producers to Midwest refining markets and is home to about 14 percent of the nation's commercial crude oil storage capacity. 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.

However, production from those regions is in decline, and an underused crude oil pipeline system has been reversed to deliver rapidly expanding heavy crude oil supply produced in Alberta, Canada to Cushing, where it can access Gulf Coast refining markets. For this reason, Cushing is the designated delivery point for the New York Mercantile Exchange (NYMEX) crude oil futures contracts. Crude oil supplies from Cushing that are not delivered to the Midwest are fed to Oklahoma's five refineries. As of January 2020, Oklahoma had 5 operable petroleum refineries with a combined daily processing capacity of almost 523,000 barrels per calendar day, nearly 3 percent of the total U.S. capacity.

Current Developments

According to the July 2022 [Short-Term Energy Outlook](#) (STEO), the U.S. Energy Information Administration (EIA) reported that the spot price of international benchmark Brent crude oil averaged \$71 per barrel (bbl) in 2021. EIA forecasts that Brent price will average \$104/bbl in 2022 and \$94/bbl in 2023. EIA reported that domestic benchmark West Texas Intermediate (WTI-Cushing) averaged \$68.21/bbl in 2021 and forecasts it will average \$98.79/bbl in 2022 and \$89.75/bbl in 2023. U.S. crude oil production in EIA's forecast averages 11.9 million bbl/d in 2022 and 12.8 million bbl/d in 2023, which would set a record for most U.S. crude oil production in a year. The current record is 12.3 million bbl/d, set in 2019.

Crude production in Oklahoma decreased slightly over the month in April—the most recently reported monthly data point. Statewide field production of crude oil was at a preliminary level of 12,551,000 bbl in April, 148,000 bbl (-1.2 percent) less than the upwardly revised March level of 12,699,000 bbl, according to data reported by the EIA. Compared to a year ago, Oklahoma crude production was up 585,000 bbl (4.9 percent) from the April 2021 production level of 11,966,000 bbl.

West Texas Intermediate (WTI) crude oil for delivery at Cushing, Oklahoma, averaged \$114.84/bbl in June, climbing \$5.29/bbl from May's average of \$109.55/bbl. Rising crude oil prices have contributed to an increasing number of active oil rigs and rising crude oil production.

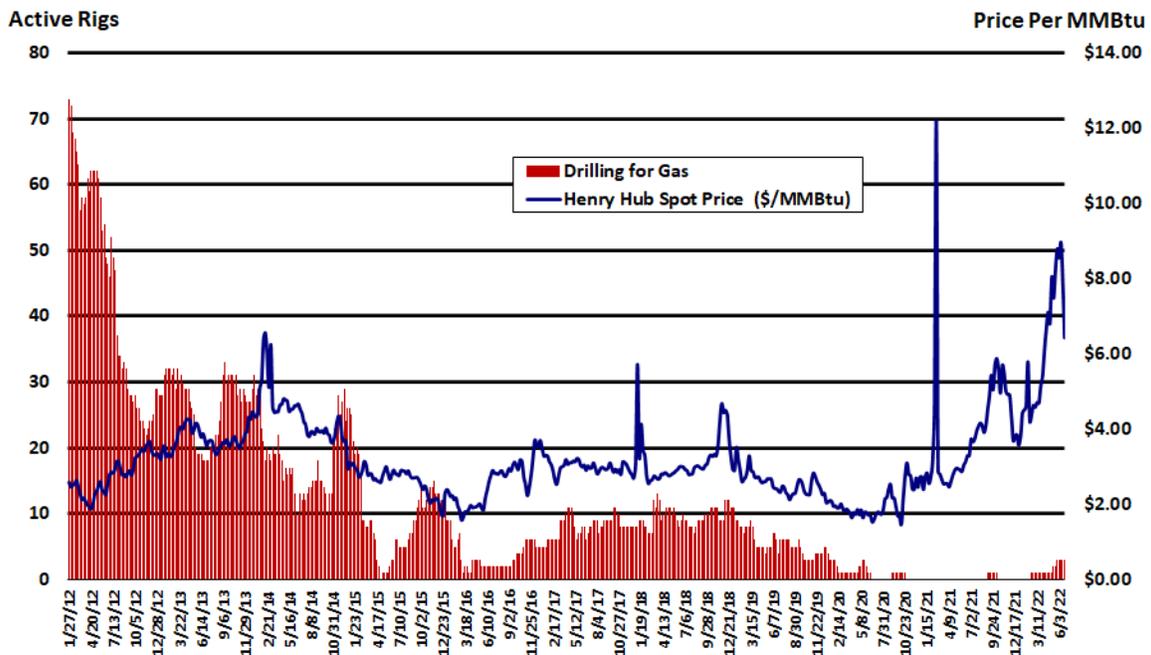
According to oil field services company Baker Hughes, oil-directed rig activity in the United States, which reflect crude oil drilling, was up 10 at 594 for the week ending June 24, 2022, while the nation's total rig count was up 13 to a level of 753. Compared to a year ago, the nation's total rig count was 283 more than 470 rigs reported on June 25, 2021.

For the week ending June 24, 2022, the state's total active rig count was at a level of 60, and up 1 rig from a month earlier, according to Baker Hughes. Oil-directed rigs accounted for 95 percent of total rig activity in the month of June. Oklahoma's active rig count was up 33 from 27 active rigs reported operating on June 25, 2021.

Oklahoma Active Rotary Rigs & Henry Hub Natural Gas Spot Price

January 2012 to June 2022

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



Definition & Importance

The U.S. Energy Information Administration (EIA) provides weekly information on natural gas stocks in underground storage for the U.S., and three regions of the country. The level of inventories helps determine prices for natural gas products. Natural gas product prices are determined by supply and demand—like any other good or service. During periods of strong economic growth, one would expect demand to be robust. If inventories are low, this will lead to increases in natural gas prices. If inventories are high and rising in a period of strong demand, prices may not need to increase at all, or as much. However, during a period of sluggish economic activity, demand for natural gas may not be as strong. If inventories are rising, this may push down oil prices.

The Henry Hub in Erath, Louisiana is a key benchmark location for natural gas pricing throughout the United States. The Henry Hub is the largest centralized point for natural gas spot and futures trading in the United States. The New York Mercantile Exchange (NYMEX) uses the Henry Hub as the point of delivery for its natural gas futures contract. Henry Hub “spot gas” represents natural gas sales contracted for *next day* delivery and title transfer at the Henry Hub. The settlement prices at the Henry Hub are used as benchmarks for the entire North American natural gas market. Approximately 49 percent of U.S. wellhead production either occurs near the Henry Hub or passes close to the Henry Hub as it moves to downstream consumption markets.

Background

Oklahoma's proved natural gas reserves are the 3rd-largest in the nation, after Texas and Pennsylvania. The state has 8 percent of the nation's total proved reserves and contains all or part of 14 of the 100 largest U.S. natural gas fields, as measured by proved reserves. Annual natural gas production was at an all-time high of almost 3.2 trillion cubic feet in 2019.

Most natural gas in Oklahoma is consumed by the electricity generation and industrial sectors. About half of Oklahoma households use natural gas as their primary energy source for home heating. Nevertheless, only about one-seventh of Oklahoma's natural gas output is consumed within the state. The remaining supply is sent via pipeline to northern and eastern markets through Kansas, Texas, and Arkansas.

Current Developments

In the July 2022 [Short-Term Energy Outlook](#) (STEO), the U.S. Energy Information Administration (EIA) reported that the spot price of natural gas at Henry Hub averaged \$6.07 per million British thermal units (MMBtu) in the 1st half of 2022. The average price increased in each month from January through May, when it reached \$8.14/MMBtu before declining to \$7.70/MMBtu in June. EIA expects the Henry Hub spot price will average \$5.97/MMBtu in 2H22 and average \$4.76/MMBtu in 2023.

Oklahoma natural gas production rose for the second month in a row in April. Statewide natural gas gross withdrawals were at a preliminary level of 222,897 million cubic feet (MMcf) in April, up 3,008 MMcf (1.4 percent) from the upwardly revised March level of 219,889 MMcf. Over the year, statewide natural gas production was up 8,563 MMcf (4.0 percent) from the April 2021 level of 214,334 MMcf.

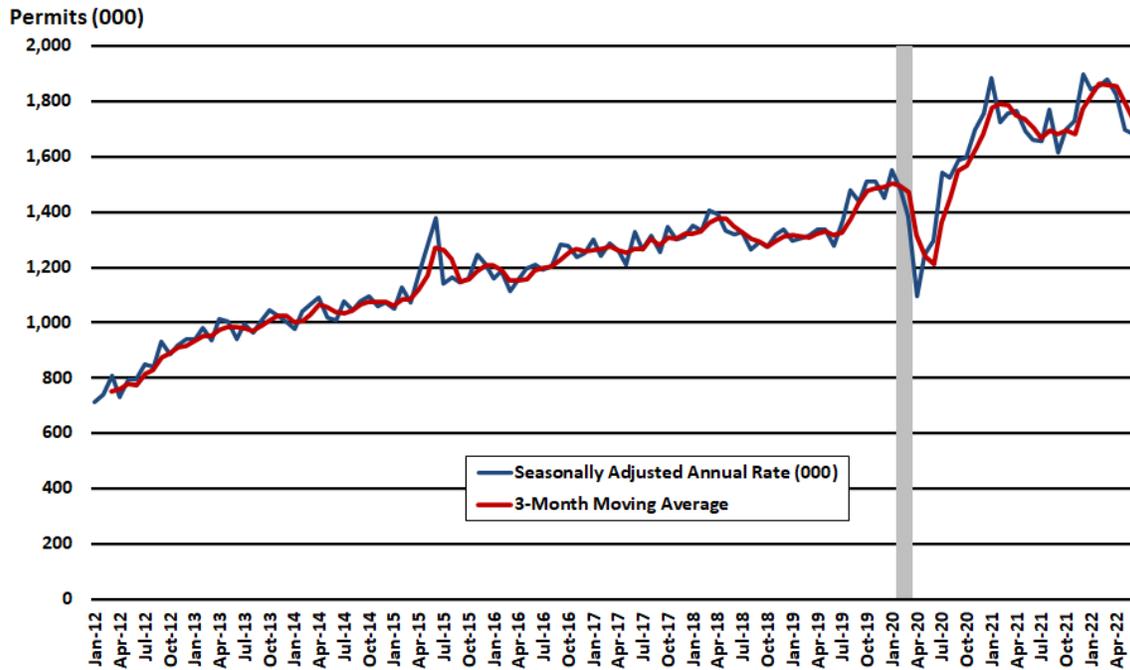
According to Baker Hughes, for the week ending June 24, 2022, the national natural gas rig count was at 155, a gain of 2 rigs over the week and up 59 rigs over the year.

Oklahoma drillers reported 3 active natural gas-directed rigs for the week ending June 24, 2022, according to Baker Hughes.

U.S. New Private Housing Units Authorized by Building Permit

January 2012 to June 2022, Seasonally Adjusted

Source: U.S. Census Bureau and Department of Housing and Urban Development



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

The U.S. Census Bureau and the Department of Housing and Urban Development jointly provide monthly national and regional data on the number of new housing units authorized by building permits; authorized, but not started; started; under construction; and completed. The data are for new, privately-owned housing units (single and multifamily), excluding "HUD-code" manufactured homes. 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 following three months; therefore, we also use a three-month moving average.

While home construction represents a small portion of the housing market, it has an outsize impact on the economy. Each home built creates an average of three jobs for a year and about \$130,000 in taxes, according to the National Association of Home Builders. Overall, homebuilding fell to its lowest levels in 50 years in 2009, when builders began work on just 554,000 homes.

Current Developments

U.S. applications to build, a sign of future residential construction activity, fell again in June, suggesting the housing market may be slowing amid soaring prices, shortages of materials, and rising mortgage rates. Privately-owned housing units authorized by building permits in June were at a seasonally adjusted annual rate of 1,685,000, 0.6 percent below the revised May rate of 1,695,000, but 1.4 percent above the June 2021 rate of 1,661,000, according to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

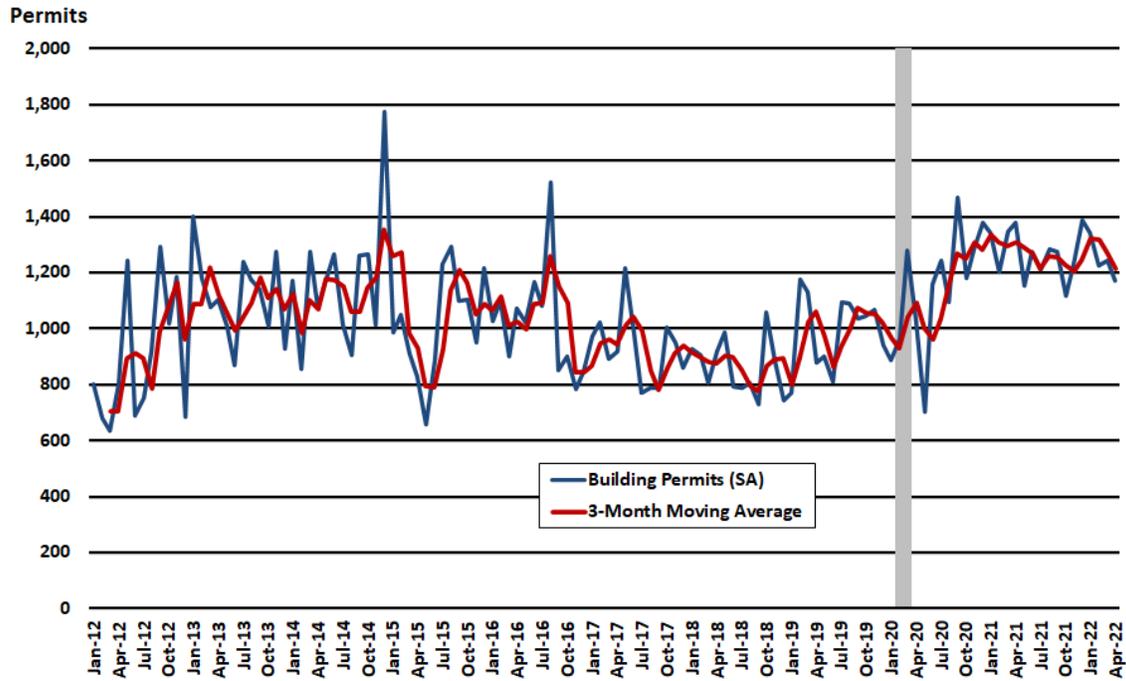
Permits for single-family homes plunged 8.0 percent to a rate of 1.66 million units in June. Building permits for multi-family housing projects dropped 13.1 percent to a rate of 666,000 units.

Builder confidence for July dropped its lowest level since May 2020. The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) dropped 12 points to 55 from 67 in June.

Oklahoma New Private Housing Units Authorized by Building Permit

January 2012 to April 2022, Seasonally Adjusted

Sources: U.S. Census Bureau and Department of Housing and Urban Development, Federal Reserve Bank of St. Louis



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

The data services of the Federal Reserve Bank of St. Louis produce a seasonally adjusted series including monthly state level data on the number of new housing units authorized by building permits. These adjustments are made using the X-12 Procedure of SAS to remove the seasonal component of the series so that non-seasonal trends can be analyzed. This procedure is based on the U.S. Bureau of the Census X-12-ARIMA Seasonal Adjustment Program.

Current Developments

Oklahoma home builders requested fewer applications for new residential construction in April, as permits for single family homes fell to the lowest level in two years. Total residential permitting in April was at a seasonally adjusted level of 1,171, down 70 (-5.7 percent) from the March level of 1,241, and down 208 (-15.1 percent) from the April 2021 level of 1,379 permits, according to figures from the U.S. Census Bureau and the Federal Reserve Bank of St. Louis.

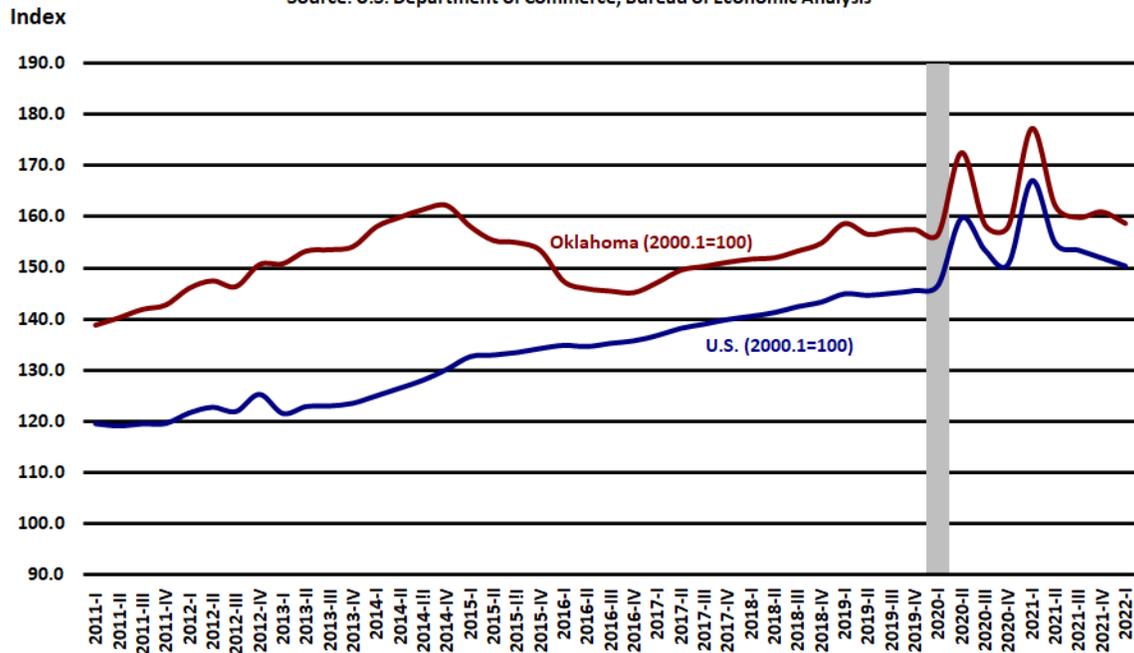
In April, permitting for single family homes was at a level of 1,030 units, down 118 (-10.3 percent), from the downwardly revised level of 1,148 in March. Multi-family permitting was at a seasonally adjusted level of 141 in April, up 47 (50.6 percent), from the previous month's level of 94 permits. Single-family permitting accounted for 88 percent of total residential permitting activity in April while the more volatile multi-family permitting accounted for 12 percent.

Statewide residential construction in 2021 rose to the highest level since 2006. Oklahoma total residential permitting for 2021 was at a revised seasonally adjusted level of 15,199 permits. This is 1,518 permits (11.1 percent) more than the 13,682 total permits issued during 2020.

U.S. and Oklahoma Real Personal Income, Q1/12 to Q1/22

Index: 1st Quarter 2000 = 100

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

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 vastly 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.

Current Developments

U.S. consumer spending slowed in May as households are facing rising prices across the economy along with elevated interest rates. Personal income increased \$113.4 billion (0.5 percent) in May, according to estimates released by the Bureau of Economic Analysis (BEA). Disposable personal income (DPI) increased \$96.5 billion (0.5 percent) and personal consumption expenditures (PCE) increased \$32.7 billion (0.2 percent). Real DPI decreased 0.1 percent in May and Real PCE decreased 0.4 percent; goods decreased 1.6 percent and services increased 0.3 percent. The PCE price index increased 0.6 percent. Excluding food and energy, the PCE price index increased 0.3 percent.

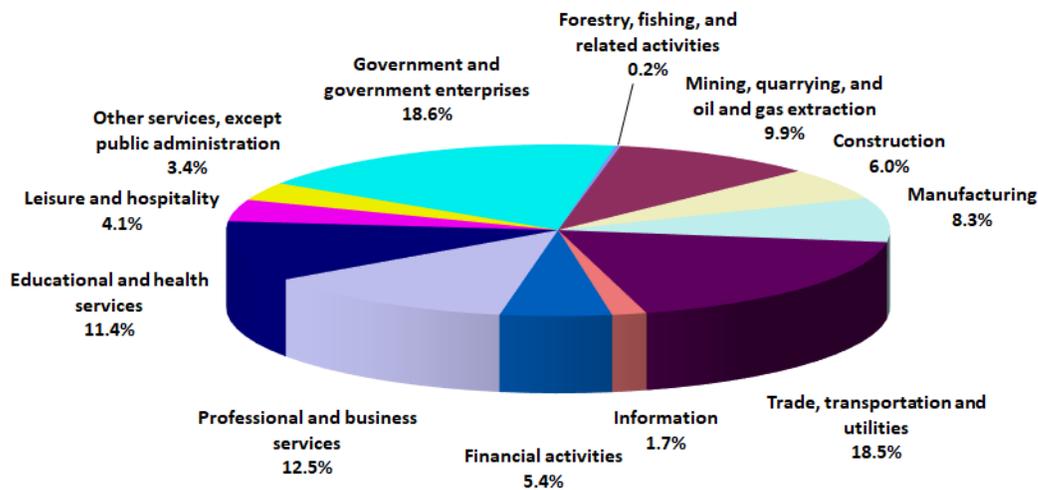
In May, spending on services such as housing and utilities increased 0.3 percent. Outlays for goods decreased 1.6 percent, as a decrease in motor vehicles and parts was partly offset by an increase in gasoline and other energy goods.

With inflation wiping out compensation gains, consumers are tapping into savings to fund their spending. The personal savings rate—personal saving as a percentage of disposable personal income—rose slightly to 5.4 percent in May, a three-month high, but near its lowest since 2009.

Oklahoma Nonfarm Industry Contribution to Earnings

First Quarter 2022

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



Definition & Importance

Quarterly estimates of state personal income are seasonally adjusted at annual rates by the Bureau of Economic Analysis (BEA). Quarterly personal income estimates are revised on a regular schedule to reflect more complete information than the data that were available when the estimates were initially prepared and to incorporate updated seasonal factors.

Current Developments

State personal income—a measure of nationwide income calculated as the sum of personal income of all states and the District of Columbia— increased 4.8 percent at an annual rate in the 1st quarter of 2022 after increasing 3.6 percent in the 4th quarter of 2021, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA). The percent change in personal income across all states ranged from 8.5 percent in South Dakota to 1.3 percent in Hawaii.

Oklahoma’s personal income increased at a 3.2 percent rate in the 1st quarter of 2021, to a level of \$214.7 billion, ranking the state 42nd among all states. For the 4th quarter of 2021, Oklahoma’s personal income was revised upward to \$213.0 billion (10.8 percent) from the previous estimate of \$211.3 billion (8.2 percent).

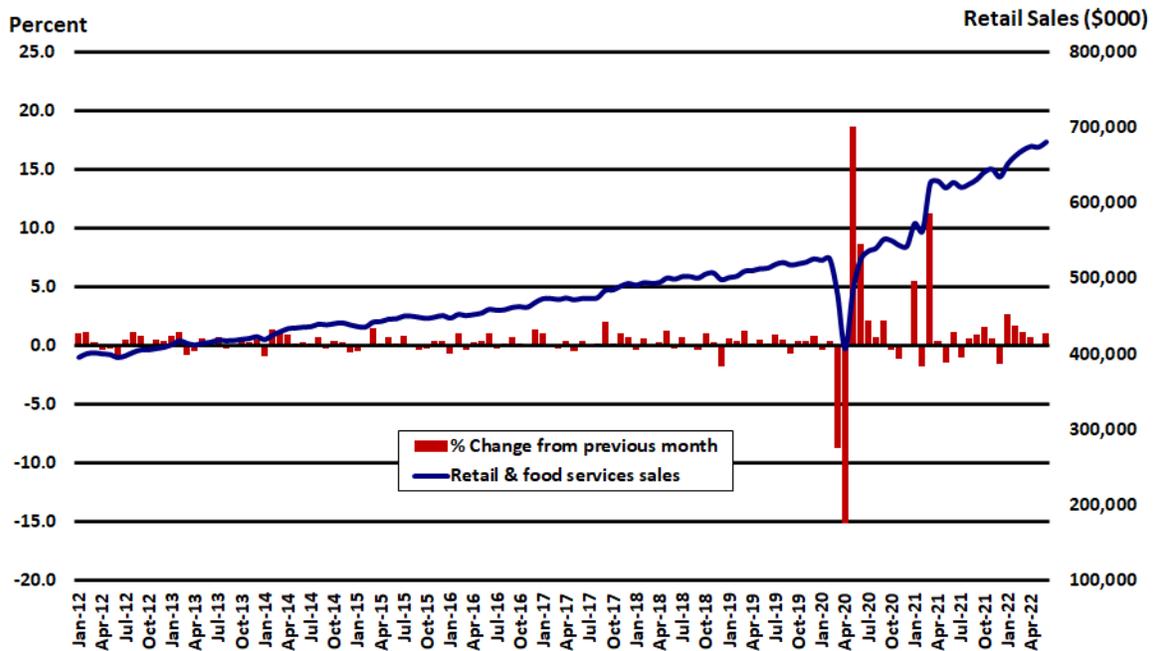
Earnings increased in 23 of the 24 industries for which BEA prepares quarterly estimates. Professional, scientific, and technical services; construction; and administrative and support and waste management and remediation services were the leading contributors to the overall growth in earnings. The percent change in earnings across all states ranged from 13.5 percent in North Dakota to 3.0 percent in Hawaii. In Oklahoma, earnings grew 6.9 percent in the 1st quarter of 2022.

In South Dakota, North Dakota, Iowa, and Idaho, the states with the largest increases in personal income, an increase in farm earnings was the leading contributor to the increase in personal income in the 1st quarter. In Oklahoma, farm earnings added 0.16 percentage point from total earnings in the 1st quarter of 2022.

U.S. Retail Sales (Adjusted for Seasonal, Holiday, and Trading-Day Differences)

January 2012 to June 2022

Source: U.S. Census Bureau, Advance Monthly Sales for Retail Trade and Food Services



Definition & Importance

Retail sales measure the total receipts at stores that sell merchandise and related services to final consumers. Sales are by retail and food services stores. Data are collected from the Monthly Retail Trade Survey conducted by the U.S. Bureau of the Census. Essentially, retail sales cover the durables and nondurables portions of consumer spending. Consumer spending accounts for roughly two-thirds of the U.S. GDP 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.

Current Developments

U.S. retail spending increased in June amid a surge in inflation, as rising costs for food and gasoline helped drive the over-the-month increase. Advance estimates of U.S. retail and food services sales for June 2022, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$680.6 billion, an increase of 1.0 percent from the previous month, and 8.4 percent above June 2021, according to the U.S. Census Bureau. Total sales for the April 2022 through June 2022 period were up 8.1 percent from the same period a year ago. The April 2022 to May 2022 percent change was revised from down 0.3 percent to down 0.1 percent.

Sales at auto dealerships rose 0.8 percent in June, after plunging 3.0 percent in May. Receipts at service stations climbed 3.6 percent, as prices at the pump briefly topped \$5 a gallon. Excluding the volatile automobile and gasoline categories, retail sales rose 0.7 percent in June.

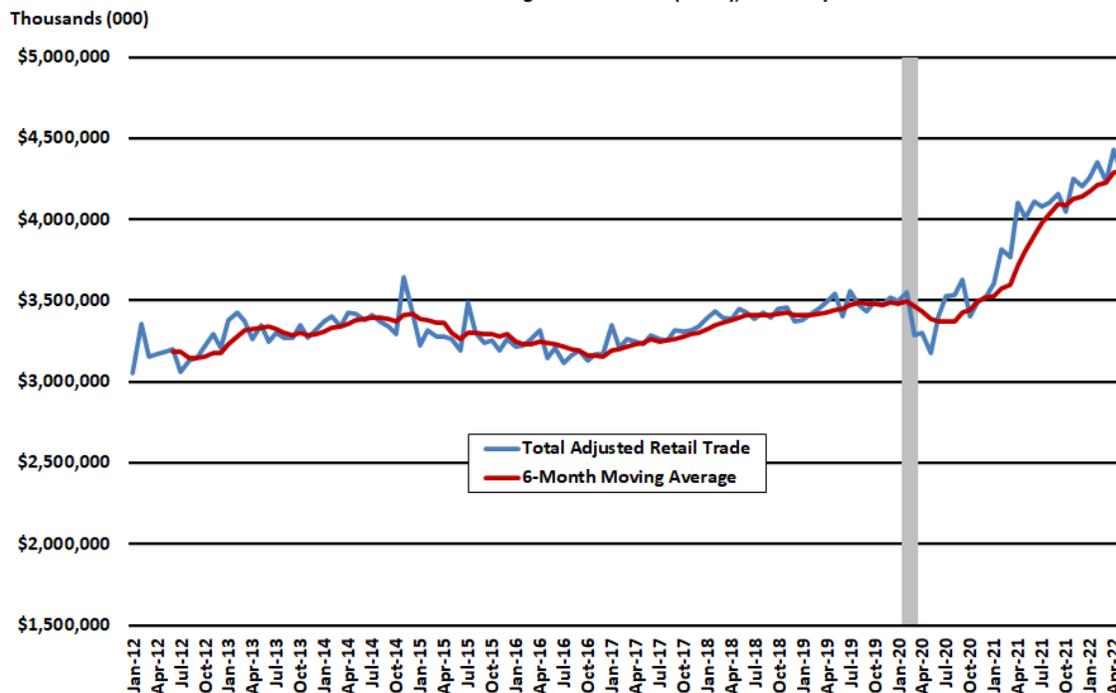
Sales at bars and restaurants increased 1.0 percent in June and furniture and home store sales were up 1.4 percent. However, some brick-and-mortar sales fell over the month, with general merchandise off 0.2 percent due to a 2.6 percent decline in department stores, while online sales rose 2.2 percent.

The less volatile “core” or retail-control group sales which are used to calculate gross domestic product, and strips out automobiles, gasoline, building materials, and food services sales was up 0.8 percent in June, while May was revised lower declining 0.3 percent rather than 0.0 previously reported.

Oklahoma Total Adjusted Retail Trade

January 2012 to May 2022

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



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Definition & Importance

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.

Current Developments

Statewide retail spending fell in May, as sales at service stations plunged due to lower pump prices. Total adjusted retail trade in May was at a level of \$4.30 billion, down 3.2 percent from the revised April level of \$4.43 billion. Over the year, total adjusted retail trade was up 7.0 percent from the May 2021 level of \$4.01 billion. Excluding estimated gasoline sales, total retail sales for May increased 0.4 percent over the month.

In May, total durable goods sales increased 1.0 percent, as five of six durable goods categories reported growing receipts over the month. Used merchandise (2.1 percent); lumber & hardware (1.7 percent); computer, electronics & music stores (1.4 percent); auto accessories & repair (0.3 percent); and furniture (-2.2 percent) reported gains over the month. The only declining durable goods category in May was miscellaneous durable goods (-0.6 percent).

Non-durable goods expenditures declined 4.6 percent in May, as the volatile estimated gasoline sales dropped sharply, falling 21.8 percent over the month. Advancing non-durable goods categories in May were food stores (0.2 percent); liquor stores (0.3 percent); eating & drinking places (0.4 percent); and apparel (0.7 percent). Drug store sales (-1.1 percent) was the only declining non-durable goods category over the month. Receipts at general merchandise stores and miscellaneous non-durable goods sales were flat in May.

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. This product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The U.S. Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.