

SPECIAL REPORT:

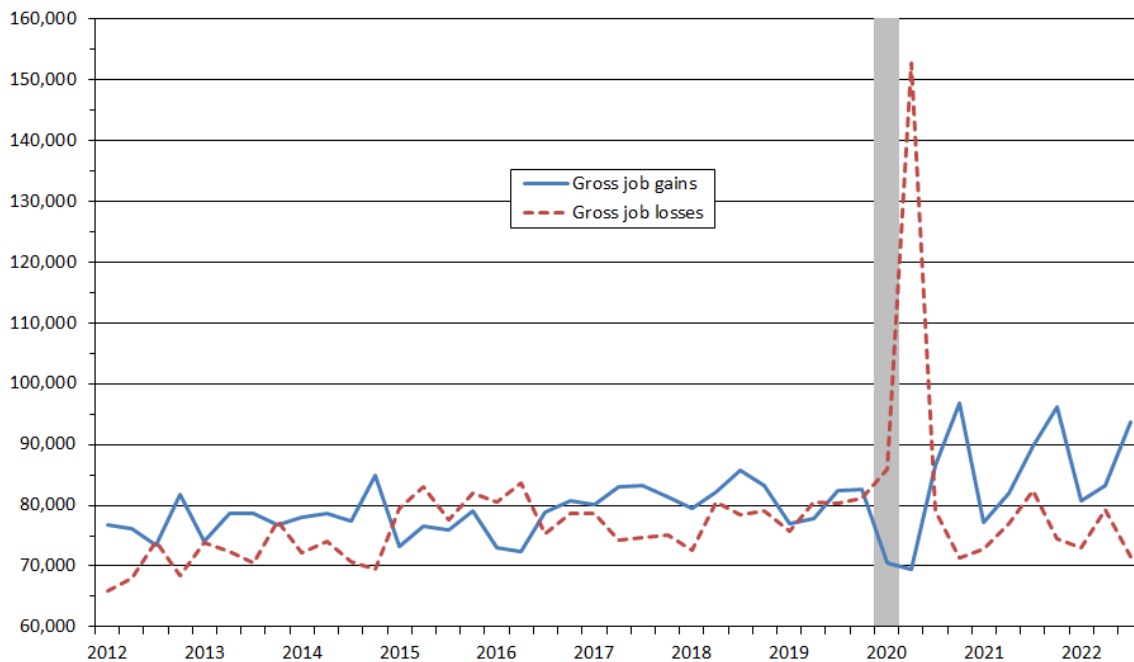
OKLAHOMA BUSINESS EMPLOYMENT DYNAMICS: 3rd Quarter 2022

Gross Job Gains and Gross Job Losses: 3rd Quarter 2022

From June 2022 to September 2022, gross job gains from opening and expanding private-sector establishments in Oklahoma totaled 93,595, an increase of 10,347 jobs from the previous quarter. Over this period, gross job losses from closing and contracting private-sector establishments were 71,515, a decrease of 7,771 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 6). The difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 22,080 jobs in Oklahoma's private sector during the 3rd quarter of 2022.

Chart 1

Private sector gross job gains and gross job losses in Oklahoma
March 2012 - September 2022, seasonally adjusted

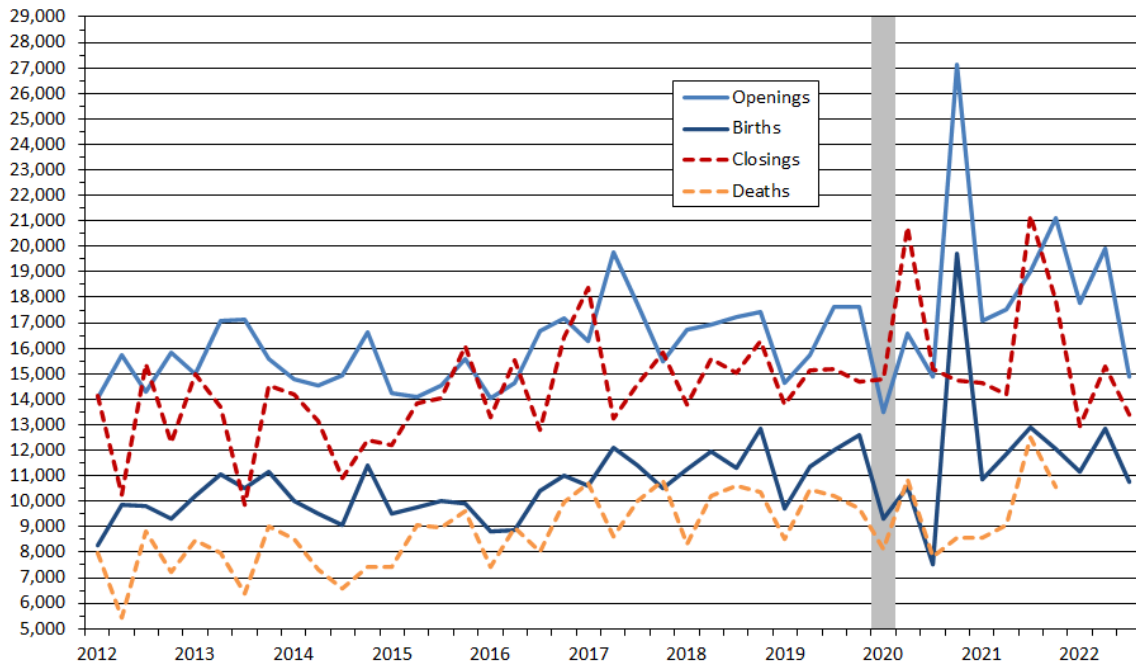


Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession period.

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.

Chart 3

Employment from private sector openings, closings, births and deaths in Oklahoma
March 2012 - September 2022, 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 2022, gross job gains represented 7.1 percent of private-sector employment in Oklahoma with expansions accounting for 6.0 percent of total private sector employment and openings contributing 1.1 percent. Nationally, gross job gains accounted for 5.8 percent of private sector employment in the 3rd quarter of 2022. 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 12 quarters, (see Chart 4, page 4).

In the 3rd quarter of 2022, gross job losses represented 5.5 percent of private-sector employment in Oklahoma, with contractions accounting for 4.5 percent and closings adding another 1.0 percent. The national rate of gross job losses was 5.8 percent in the 3rd quarter of 2022. 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 tracking more with national trends from the 4th quarter of 2017 forward, (see Chart 5, page 4).

Chart 4

Private sector gross job gains as a percent of employment, United States and Oklahoma
March 2012 - September 2022, seasonally adjusted

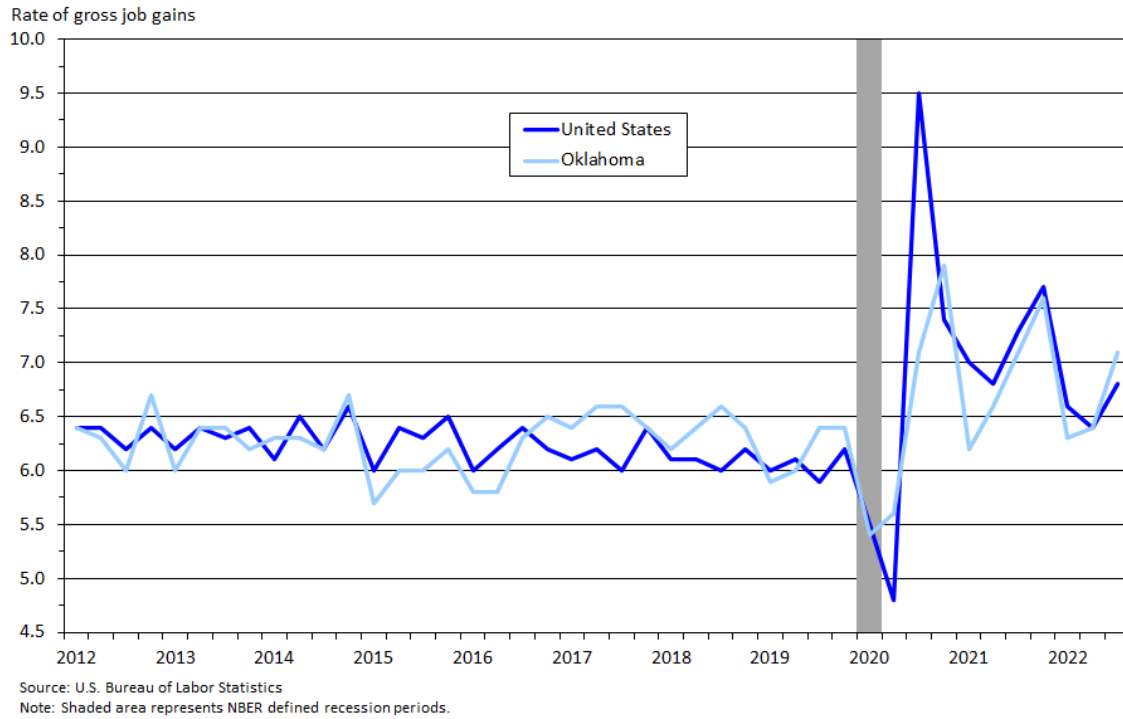


Chart 5

Private sector gross job losses as a percent of employment, United States and Oklahoma
March 2012 - September 2022, seasonally adjusted

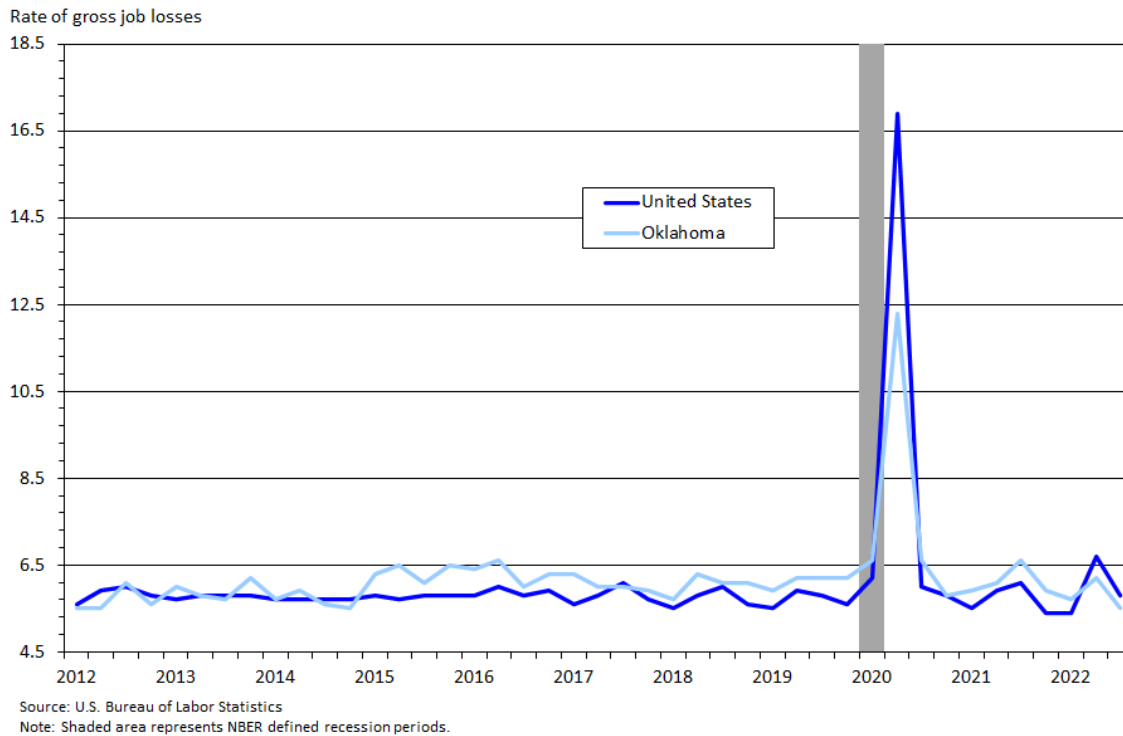


Table 1. Oklahoma: Three-month private sector gross job gains and losses, seasonally adjusted

Category	3 months ended				
	Sep 2021	Dec 2021	March 2022	June 2022	Sep 2022
	Levels				
Gross job gains.....	89,669	96,147	80,662	83,248	93,595
Expanding establishments	70,653	75,018	62,879	63,349	78,712
Opening establishments	19,016	21,129	17,783	19,899	14,883
Gross job losses.....	82,308	74,418	73,118	79,286	71,515
Contracting establishments	61,082	56,534	60,167	64,005	58,129
Closing establishments	21,226	17,884	12,951	15,281	13,386
Net employment change ¹	7,361	21,729	7,544	3,962	22,080
	Rates (percent)				
Gross job gains.....	7.1	7.6	6.3	6.4	7.1
Expanding establishments	5.6	5.9	4.9	4.9	6.0
Opening establishments	1.5	1.7	1.4	1.5	1.1
Gross job losses.....	6.6	5.9	5.7	6.2	5.5
Contracting establishments	4.9	4.5	4.7	5.0	4.5
Closing establishments	1.7	1.4	1.0	1.0	1.0
Net employment change ¹	0.5	1.7	0.6	0.2	1.6

Source: U.S Bureau of Labor Statistics

¹Net employment change is the difference between total gross job gains and total gross job losses.

More Information

A copy of the full 3rd quarter 2022 Oklahoma BED report along with technical notes and detailed tables is available on the OESC website at: [Oklahoma Business Employment Dynamics-3rd Quarter 2022](#)

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

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. economy expanded for a third straight quarter in the 1st quarter, as consumer spending remained robust despite higher interest rates and inflation. Real gross domestic product (GDP) increased at an annual rate of 1.1 percent in the 1st quarter of 2023, according to the "advance" estimate released by the Bureau of Economic Analysis (BEA). In the 4th quarter of 2022, real GDP increased 2.6 percent. The increase in the 1st quarter primarily reflected an increase in consumer spending that was partly offset by a decrease in inventory investment.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, jumped to a 3.7 percent pace in the 1st quarter, following a 1.0 percent rate reported in the previous quarter. Spending on durable goods, such as automobiles, surged 16.9 percent in the 1st quarter. Outlays on services, such as health care, housing and utilities, increased 2.3 percent, while spending on nondurable goods, such as food and beverages, advanced 0.9 percent. Personal consumption expenditures (PCE) added 2.48 percentage points to 1st quarter GDP growth, following 0.70 percentage point in the 4th quarter.

Business investment was tepid in the 1st quarter, growing at a 0.7 percent rate, likely due to narrowing profit margins. Expenditures on structures, which are tied to the oil and gas sector and commercial real estate, grew at a 11.2 percent rate. Business spending on equipment contracted for a second straight quarter, declining 7.3 percent. Outlays on intellectual property products increased 3.8 percent in the 1st quarter. Nonresidential fixed investment contributed 0.10 percentage point to 1st quarter GDP, following a 0.43 percentage point contribution in the previous quarter.

Businesses inventory accumulation plunged in the 1st quarter. Business inventories decreased at a rate of \$1.6 billion, down \$138.2 billion from the previous quarter, the largest inventory burn-off since the 2nd quarter of 2021. The change in private inventories chopped off 2.26 percentage points from GDP growth, the most in two years, after adding 1.47 percentage points in the prior quarter.

Residential investment recorded its eighth consecutive quarterly drop in the 1st quarter, although the pace of decline slowed considerably from the October-December period. Residential investment, a gauge of homebuilding, sank 4.2 percent after dipping 25.1 percent in the previous quarter. Residential fixed investment subtracted 0.17 percentage point from 1st quarter GDP.

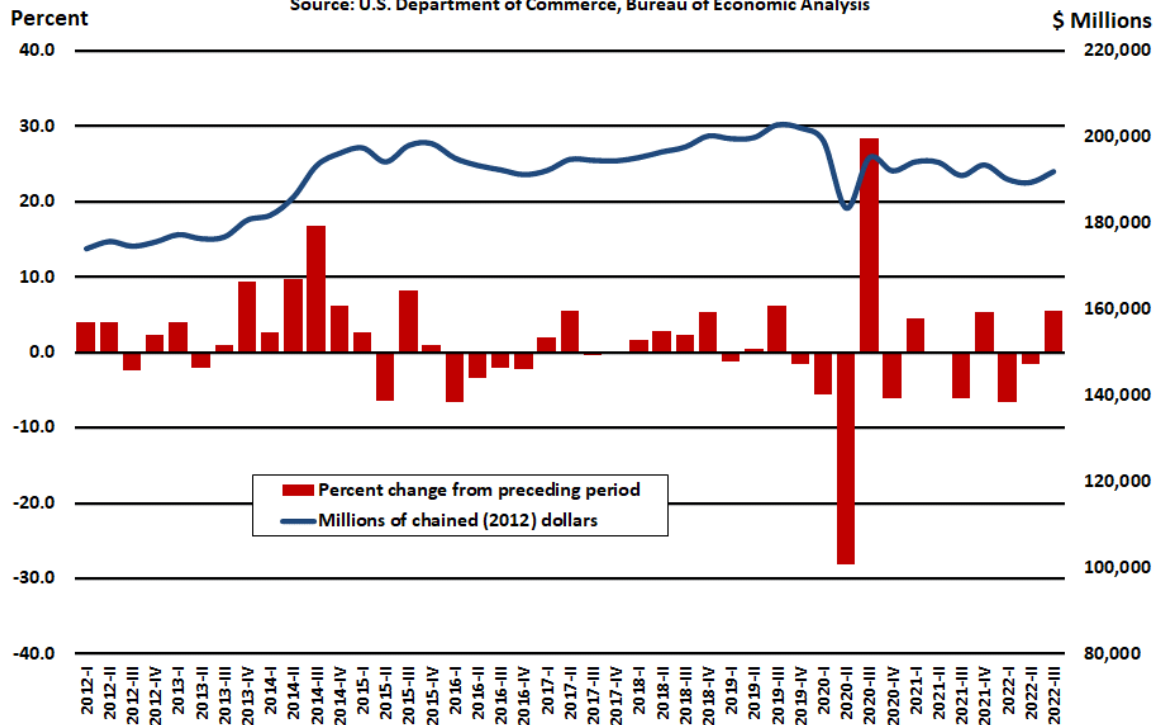
Both exports and imports rose in the 1st quarter. Exports, which add to GDP, increased 4.8 percent while imports, which subtract, increased 2.9 percent. A wider trade gap subtracted 2.26 percentage points from 1st quarter GDP.

Government outlays rose for the third straight quarter in the January to March period, led by federal nondefense spending. Federal government spending increased 7.8 percent in the 1st quarter, as national defense spending rose 5.9 percent, while nondefense spending grew 10.3 percent. Consumption outlays by state and local governments increased 2.9 percent in the 1st quarter. Government consumption expenditures and investment added 0.81 percentage point to 1st quarter GDP.

Oklahoma Real Gross Domestic Product and Quarterly Change

1st Quarter 2012 to 3rd 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.

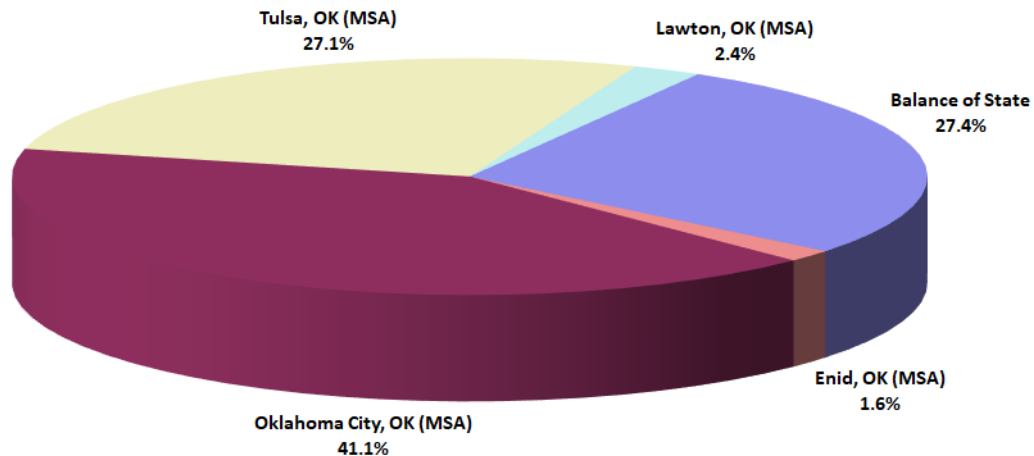
Current Developments

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— increased in 47 states and the District of Columbia in the 3rd quarter of 2022, with the percent change in real GDP ranging from 8.7 percent in Alaska to -0.7 percent in Mississippi, according to the Bureau of Economic Analysis (BEA).

Oklahoma’s real GDP grew 5.5 percent in the 3rd quarter of 2022, following a 1.6 percent decline in the 2nd quarter, ranking Oklahoma 3rd among all other states and the District of Columbia. Statewide GDP was at a level of \$192.0 billion (in constant 2012 dollars) in the 3rd quarter, up \$2.6 billion from the 2nd quarter level of \$ 189.4 billion.

Metropolitan Area Contribution to State Real Gross Domestic Product 2021

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

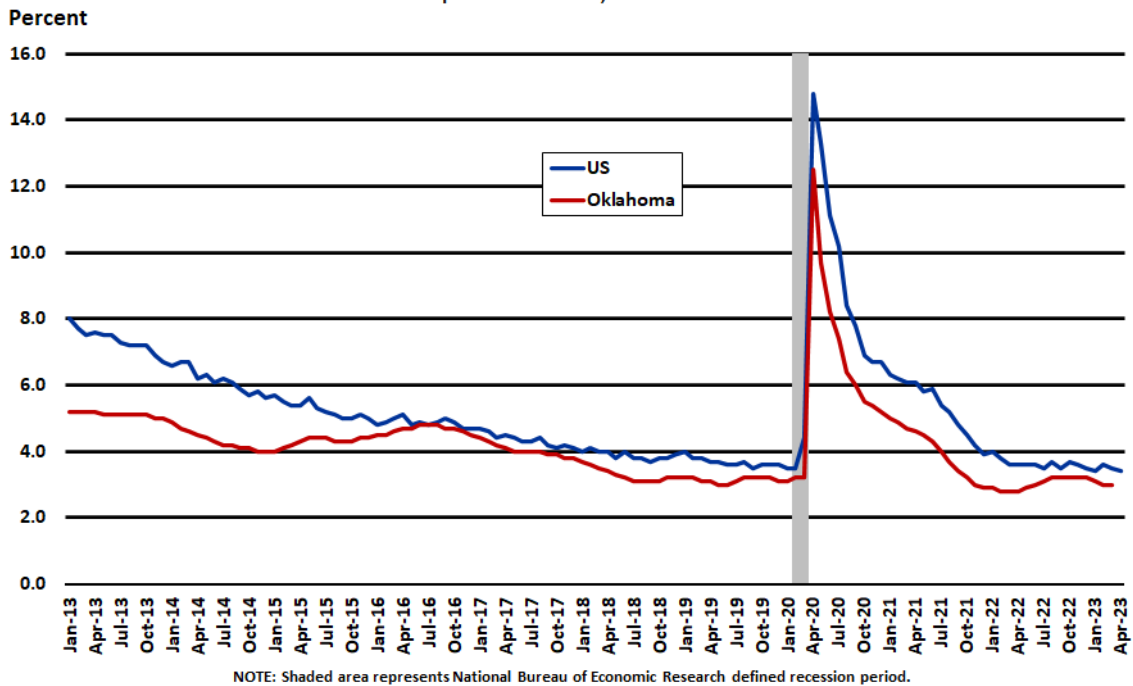
Real gross domestic product (GDP) increased in 365 out of 384 metropolitan areas in 2021, according to the U.S. Bureau of Economic Analysis (BEA). The percent change in real GDP by metropolitan area ranged from 25.3 percent in Elkhart-Goshen, IN to -6.7 percent in Wheeling, WV-OH. Real GDP for U.S. metropolitan areas increased 6.2 percent in 2021 as every major industry group, (with the exception of information and finance, insurance, real estate, rental, and leasing), saw declines over the year.

In 2021, all of Oklahoma's four metropolitan areas experienced positive GDP growth. Enid MSA real GDP rose 5.7 percent in 2021 to a level of \$3.17 billion, ranking it 154th among 384 metro areas. Lawton MSA real GDP increased 1.4 percent in 2021 to a level of \$4.66 billion, and ranked 349th among U.S. metro areas. Oklahoma City MSA grew 0.9 percent to \$79.33 billion and ranked 354th. Tulsa MSA real GDP increased 0.3 percent to a level of \$51.27 and ranking 362nd among 384 U.S. metropolitan areas in 2021.

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

January 2013 to April 2023

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



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 ticked down in April, matching its lowest level since May 1969. Both the unemployment rate, at 3.4 percent, and the number of unemployed persons, at 5.7 million, changed little in April, according to the Bureau of Labor Statistics (BLS). The unemployment rate has ranged from 3.4 percent to 3.7 percent since March 2022.

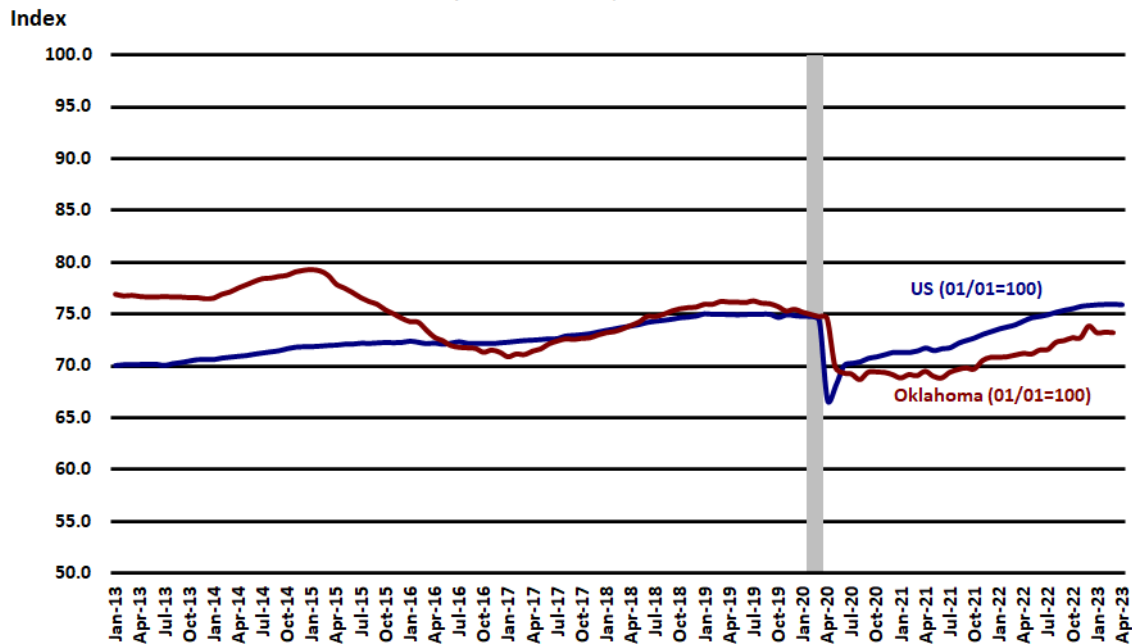
Oklahoma's seasonally adjusted unemployment rate held steady at 3.0 percent in March. Over the year, the state's seasonally adjusted unemployment rate was 0.2 percentage point higher than March 2022.

In March, Latimer County posted Oklahoma's highest county unemployment rate of 5.1 percent. McIntosh County reported the second-highest rate for the month, followed by Tillman County. Cimarron County reported the lowest county unemployment rate of 1.6 percent in March. Unemployment rates in March were higher than a year earlier in 45 counties, lower in 17 counties and unchanged in 15 counties.

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 \$61,520. 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. manufacturers added jobs in April, rebounding from a 1,000-job loss in March and a 4,000-job loss reported in February. Manufacturing employment increased by 11,000 in April, according to the Bureau of Labor Statistics. Durable goods manufacturing led April's manufacturing job gains, adding 10,000 jobs, while non-durable goods added 1,000 net jobs.

Oklahoma manufacturing employment shed a seasonally adjusted 200 jobs (-0.2 percent) over the month in April to a level of 135,100. In April, durable goods manufacturing declined by 500 jobs (-0.6 percent) while non-durable goods manufacturing added 300 jobs (0.6 percent).

Over the year, statewide manufacturing employment added a seasonally adjusted 3,500 jobs (2.7 percent) compared to April 2022, as durable goods manufacturing gained 2,600 jobs (3.0 percent) and non-durable goods manufacturing added 900 jobs (1.9 percent).

After falling below growth neutral for three straight months, the Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, has now expanded above growth neutral for three consecutive months. The [Business Conditions Index](#), which uses the identical methodology as the national ISM and ranges between 0 and 100 with 50.0 representing growth neutral, climbed to 54.8 from 50.8 in March.

“After flashing recession warning signals between November 2022 and January 2023, Creighton’s monthly survey of manufacturing supply managers is now pointing to positive but slow growth with cooling inflationary pressures at the wholesale level,” 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.

“While it’s too early to tell if the Federal Reserve is achieving its ‘soft landing,’ results from Creighton’s surveys over the last several months are somewhat promising on the growth and inflation fronts. However, the inflation reading, while moderating, serves as a negative signal for financial markets and the Federal Reserve’s interest rate outlook,” said Goss.

Oklahoma’s Business Conditions Index dipped in April to a reading that was still above growth neutral. The April index declined to 54.5 from 55.3 in March. Components of the overall April index were: new orders at 59.2, production or sales at 60.8, delivery lead time at 46.2, inventories at 54.3 and employment at 51.9. According to U.S. Bureau of Labor Statistics data: between Quarter 1, 2022, and Quarter 1, 2023, Oklahoma’s average manufacturing work week expanded by 0.1 hours and hourly manufacturing hourly wages climbed by 5.9 percent.

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 2021, those refineries had a combined distillation capacity of more than 522,000 barrels per day—roughly 3.0 percent of the total U.S. refining capacity.

Current Developments

The U.S. Energy Information Agency (EIA) revised down their crude oil price forecast in the May [Short-Term Energy Outlook](#) (STEO) because of rapid declines in the price of crude oil at the end of April and in early May. Between April 12, 2023, and May 4, 2023, the price of international benchmark Brent crude oil fell \$16 per barrel (bbl) to \$73/bbl. Over the same period, the price of West Texas Intermediate (WTI) crude oil fell \$15/bbl to \$69/bbl. EIA noted that the declines followed news of a decrease in China's manufacturing Purchasing Managers' Index (PMI), an indicator of economic conditions, which added to concerns about China's economic growth and to concerns regarding a possible U.S. recession.

Crude production in Oklahoma ~~was~~ over the month in February—the most recently reported monthly data point. Statewide field production of crude oil was at a preliminary level of 11,787,000 bbl in February, down 1,594,000 bbl (-11.9 percent) from the downwardly revised January level of 13,381,000 bbl, according to data reported by the EIA. Compared to a year ago, Oklahoma crude production was up 946,000 bbl (8.7 percent) from the February 2022 production level of 10,841,000 bbl. For 2022, statewide crude production was at a level of 151,535,000 bbl, up 8,481,000 bbl (5.9 percent) from the 2021 production level of 143,054,000 bbl.

West Texas Intermediate (WTI-Cushing) crude oil for delivery at Cushing, Oklahoma, averaged \$79.45/bbl in April, up \$6.17/bbl from the March average of \$73.28/bbl. EIA forecasts that the Brent price will average \$72/bbl in December 2024 and that the WTI price will average \$67/bbl.

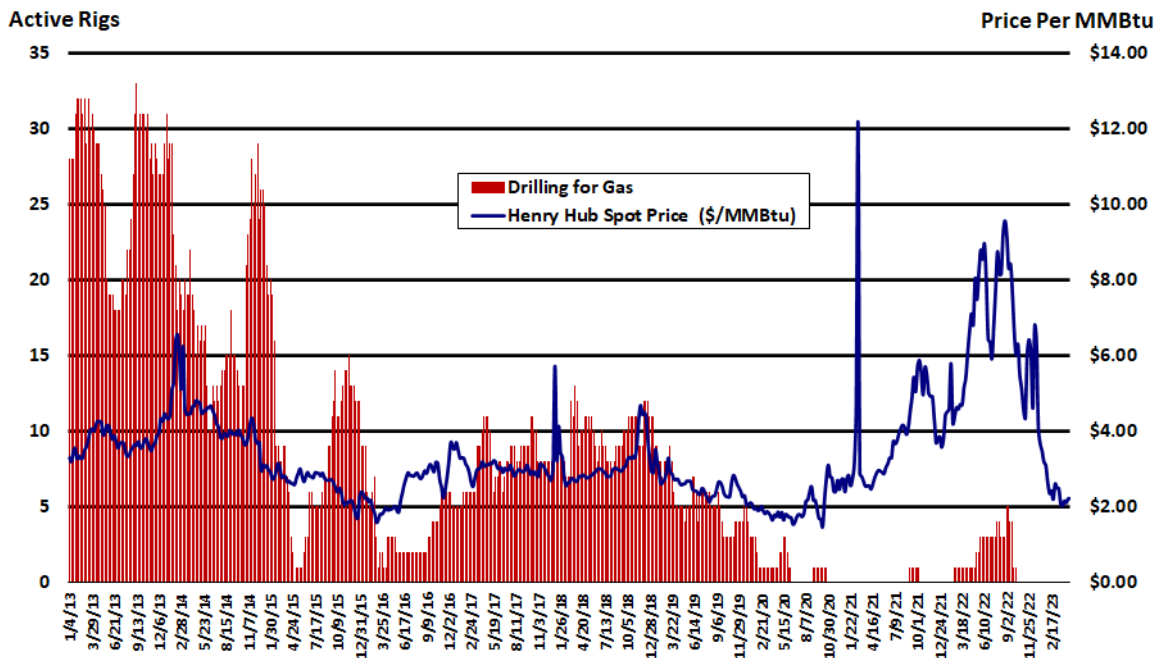
According to oil field services company Baker Hughes, oil-directed rig activity in the United States, which reflect crude oil drilling, was unchanged at a level of 591 for the week ending April 28, 2023, while the nation's total rig count was up 2 to a level of 755. Compared to a year ago, the nation's total rig count was 57 more than 698 rigs reported on April 29, 2022.

For the week ending April 28, 2023, Oklahoma's total active rig count was at a level of 53, down 3 rigs over the week, according to Baker Hughes. Oil-directed rigs accounted for all of total rig activity in April. Oklahoma's active rig count was up 2 from 51 active rigs reported operating on April 29, 2022.

Oklahoma Active Rotary Rigs & Henry Hub Natural Gas Spot Price

January 2013 to April 2023

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. In 2021, Oklahoma was the nation's 5th-largest producer of marketed natural gas. Statewide annual natural gas production was at an all-time high of more than 3.0 trillion cubic feet in 2019.

In 2020, Oklahoma was the nation's fourth-largest consumer of natural gas on a per capita basis. The electric power sector and the industrial sector together use slightly more than four-fifths of the natural gas delivered to consumers in Oklahoma.

Current Developments

According to the current [Natural Gas Monthly](#), the U.S. Energy Information Administration (EIA) reported that in February 2023, dry natural gas production increased year over year for the month for the 23rd consecutive month. The preliminary level for dry natural gas production in February 2023 was 2,842 billion cubic feet (Bcf), or 101.5 billion cubic feet per day (Bcf/d). This level was 7.4% (7.0 Bcf/d) higher than February 2022 (94.5 Bcf/d) and the highest level for any month since 1973, when we began tracking dry natural gas production. Gross withdrawals also increased from February 2022.

Oklahoma natural gas production dipped over the month in February. Statewide natural gas gross withdrawals were at a preliminary level of 217,674 million cubic feet (MMcf) in February, down 217,674 MMcf (-9.8 percent) from the previous month's downwardly revised level of 241,319 MMcf. Over the year, statewide natural gas production was up 25,078 MMcf (13.0 percent) from the February 2022 level of 192,596 MMcf. For 2022, total statewide natural gas production was at a level of 2,744,470 MMcf, up 172,637 MMcf (6.7 percent) from the 2021 production level of 2,571,833 MMcf.

In April, the Henry Hub spot price averaged \$2.16 per million British thermal units (MMBtu), down 15 cents from \$2.31/MMBtu in March. the U.S. benchmark Henry Hub natural gas spot price to average \$2.35 per million British thermal units (MMBtu) in May and rise to around \$3.00/MMBtu in July and August, when power demand for electricity peaks.

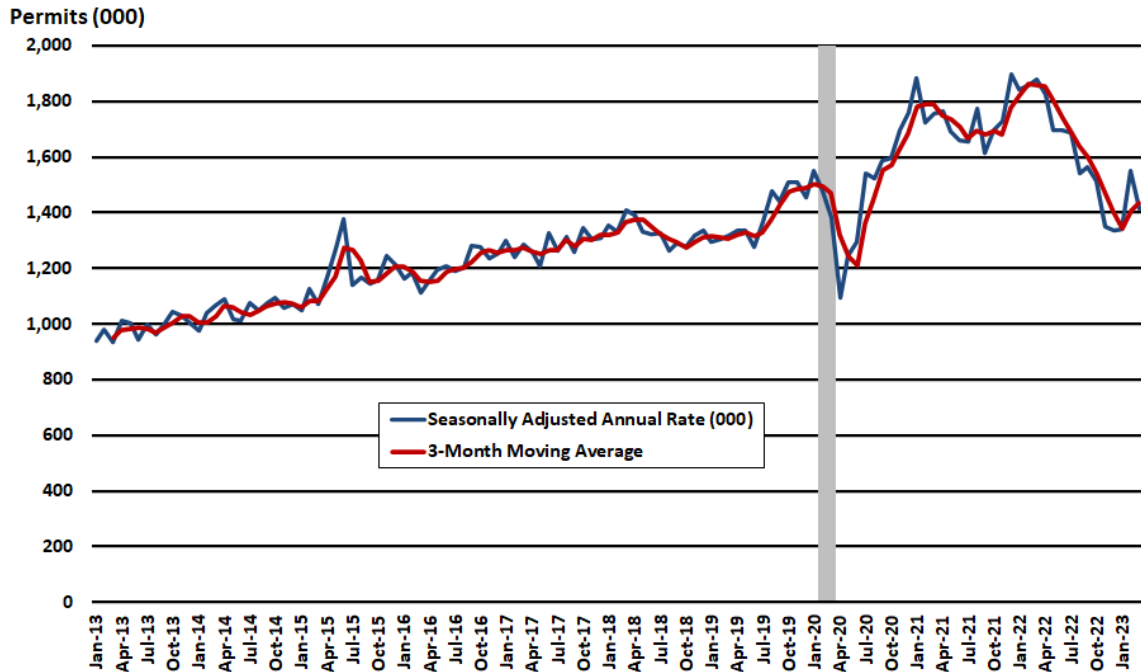
According to Baker Hughes, for the week ending April 28, 2023, the national natural gas rig count was up 2 rigs to a level of 161 over the week and up 17 rigs over the year.

Oklahoma drillers reported no active natural gas-directed rigs for the week ending April 28, 2023, unchanged over the month, according to Baker Hughes.

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

January 2013 to March 2023, 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, declined in March following a strong February. Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,413,000, 8.8 percent below the revised February rate of 1,550,000 and 24.8 percent below the March 2022 rate of 1,879,000, according to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

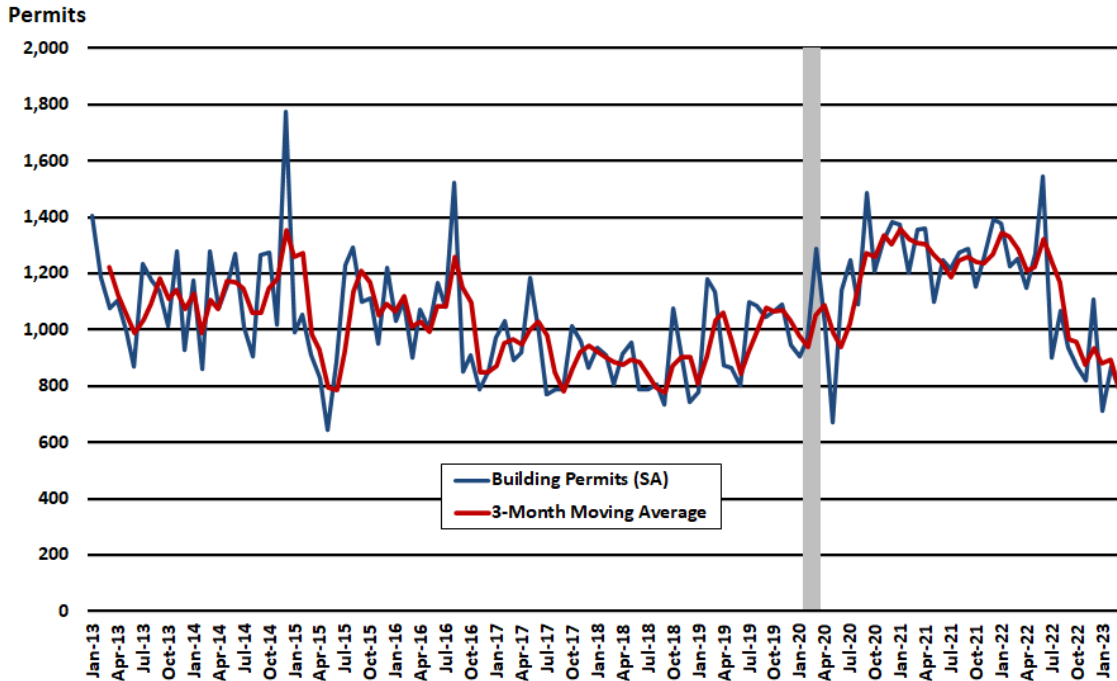
Permits for single-family homes increased 4.1 percent to a rate of 818,000 units in March, while permits for multi-family housing projects dropped 24.3 percent to a rate of 700,000 units.

The National Association of Home Builders/Wells Fargo Housing Market Index (HMI) increased in April by 1 point to 45, a number still reflecting weakness in the housing market.

Oklahoma New Private Housing Units Authorized by Building Permit

January 2013 to March 2023, 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

Statewide residential permitting slipped in March, as rising mortgage interest rates and inflation have reduced demand, and labor and material shortages have hampered new house starts. Total residential permitting in March was at a seasonally adjusted level of 793, down 76 (-8.8 percent) from the downwardly revised February level of 869, and down 457 (-36.6 percent) from the March 2022 level of 1,251 permits, according to figures from the U.S. Census Bureau and the Federal Reserve Bank of St. Louis.

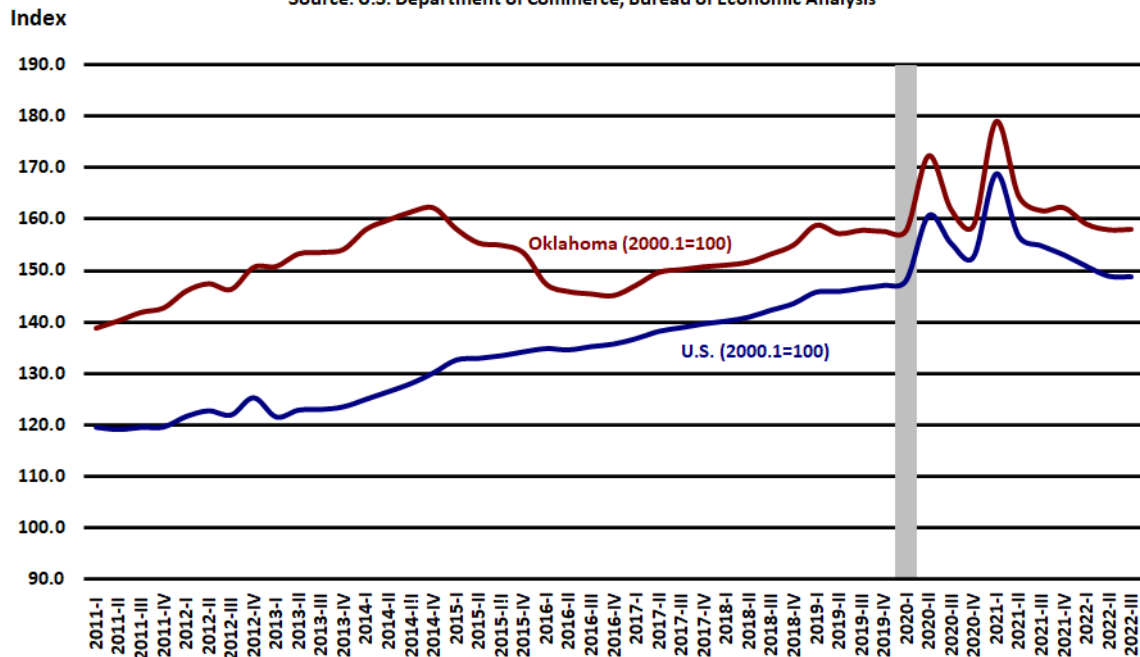
In March, permitting for single family homes was at a seasonally adjusted level of 702 units, down 16 (-2.2 percent), from a level of 718 in February. Multi-family permitting was at a seasonally adjusted level of 91 in March, down 60 (-39.3 percent), from the previous month's level of 151 permits. Single-family permitting accounted for 88.5 percent of total residential permitting activity in March while the more volatile multi-family permitting accounted for 11.5 percent.

In 2022, statewide residential construction slipped from a 15-year high set in 2021. Oklahoma total residential permitting for 2022 was at a seasonally adjusted level of 13,512 permits. This is 1,709 fewer permits (-11.2 percent) less than the 15,221 total permits issued during 2021.

U.S. and Oklahoma Real Personal Income, Q1/12 to Q3/22

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. household income rose again in March, as solid wage gains are helping to support personal income, offsetting the drag from declining government benefits like food stamps. Personal income increased \$67.9 billion (0.3 percent) in March, according to estimates by the Bureau of Economic Analysis (BEA). Disposable personal income (DPI) increased \$71.7 billion (0.4 percent) and personal consumption expenditures (PCE) increased \$8.2 billion (less than 0.1 percent). The PCE price index increased 0.1 percent. Excluding food and energy, the PCE price index increased 0.3 percent. Real DPI increased 0.3 percent in March and Real PCE decreased less than 0.1 percent; goods decreased 0.4 percent and services increased 0.1 percent.

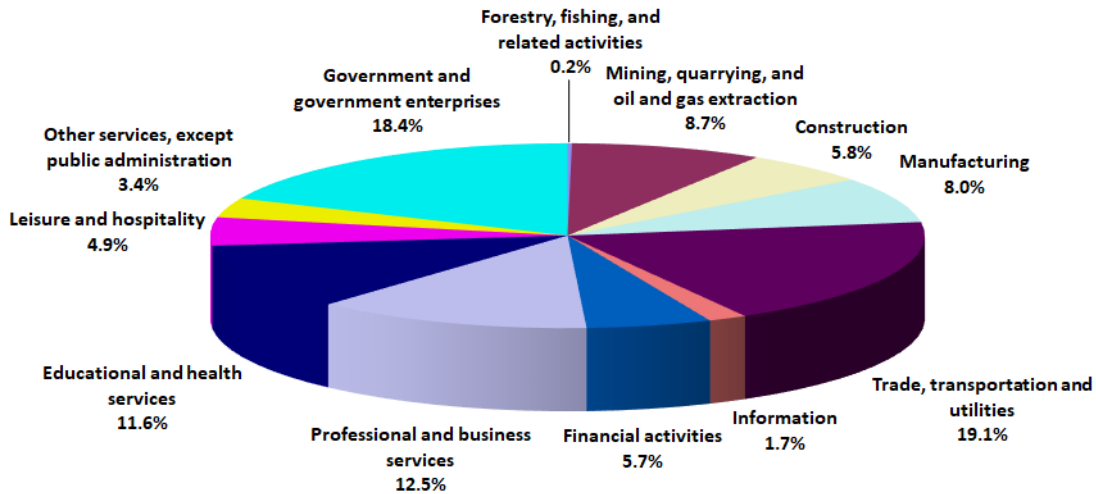
In March, goods outlays fell 0.6 percent as purchases of motor vehicles, mostly new light trucks, decreased. Spending on nondurable goods declined 0.4 percent, reflecting lower gasoline prices. Spending on services rose 0.4 percent, driven by housing and utilities as well as healthcare.

The personal savings rate—personal saving as a percentage of disposable personal income—jumped to 5.1 percent, the highest since December 2021, from 4.8 percent in February.

Oklahoma Nonfarm Industry Contribution to Earnings

Third 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 in all 50 states and the District of Columbia in the 3rd quarter of 2022, with the percent change ranging from 14.2 percent in Colorado to 1.4 percent in Kentucky, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA).

Oklahoma’s personal income increased at a 5.9 percent rate in the 3rd quarter of 2022, to a level of \$222.3 billion, ranking the state 13th among all states. For the 2nd quarter of 2022, Oklahoma’s personal income was revised upward to \$219.1 billion (7.3 percent) from the previous estimate of \$215.2 billion (6.3 percent).

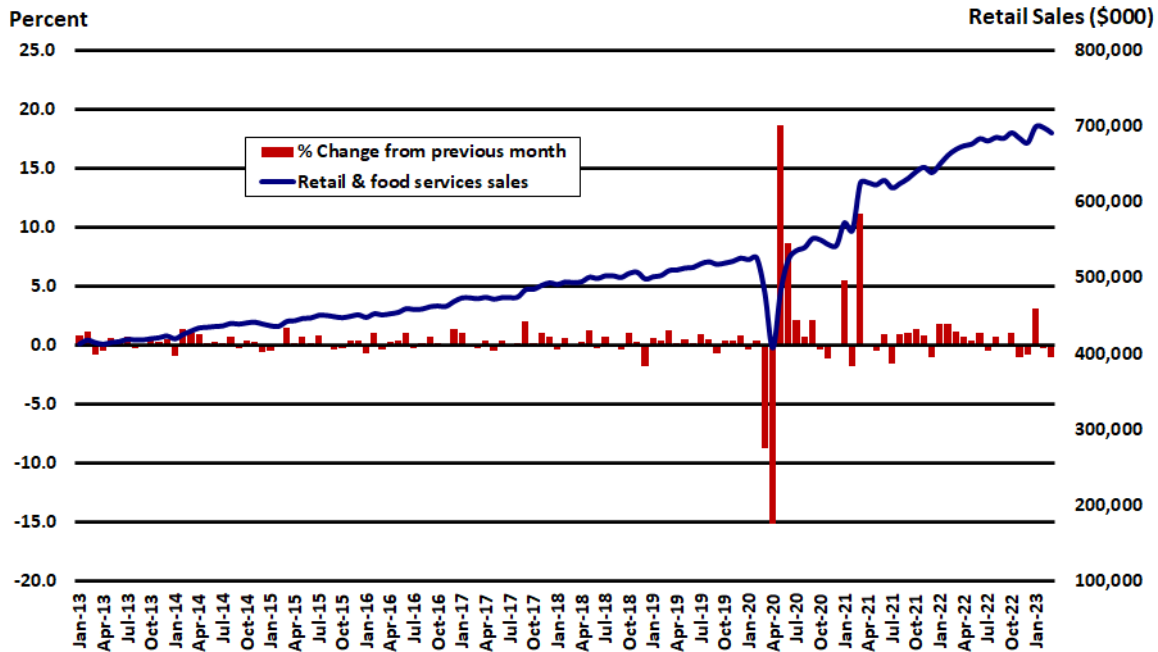
Earnings increased in all 50 states and the District of Columbia, increasing 6.5 percent nationally. The percent change in earnings ranged from 8.5 percent in Texas to 3.2 percent in Indiana. In Oklahoma, earnings increased 7.1 percent in the 3rd quarter of 2022.

Earnings increased in 22 of the 24 industries for which BEA prepares quarterly estimates. Health care and social assistance; professional, scientific, and technical services; and state and local government were the leading contributors to the overall growth in earnings. In Oklahoma, transportation and warehousing; retail trade; and wholesale trade were the leading contributors to the overall growth in earnings in the 3rd quarter of 2022.

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

January 2013 to March 2023

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

Americans cut their spending for a second straight month in March, as consumers trimmed their spending after a buying burst in January. Advance estimates of U.S. retail and food services sales for March 2023, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$691.7 billion, down 1.0 percent from the previous month, but up 2.9 percent above March 2022, according to the U.S. Census Bureau. Total sales for the January 2023 through March 2023 period were up 5.4 percent from the same period a year ago. The January 2023 to February 2023 percent change was revised from down 0.4 percent to down 0.2 percent.

Sales at auto dealerships slipped 1.6 percent in March, after declining 1.3 percent in the previous month. Receipts at service stations declined 5.5 percent, on lower pump prices. Excluding sales from autos and gasoline, retail sales declined 0.3 percent in March.

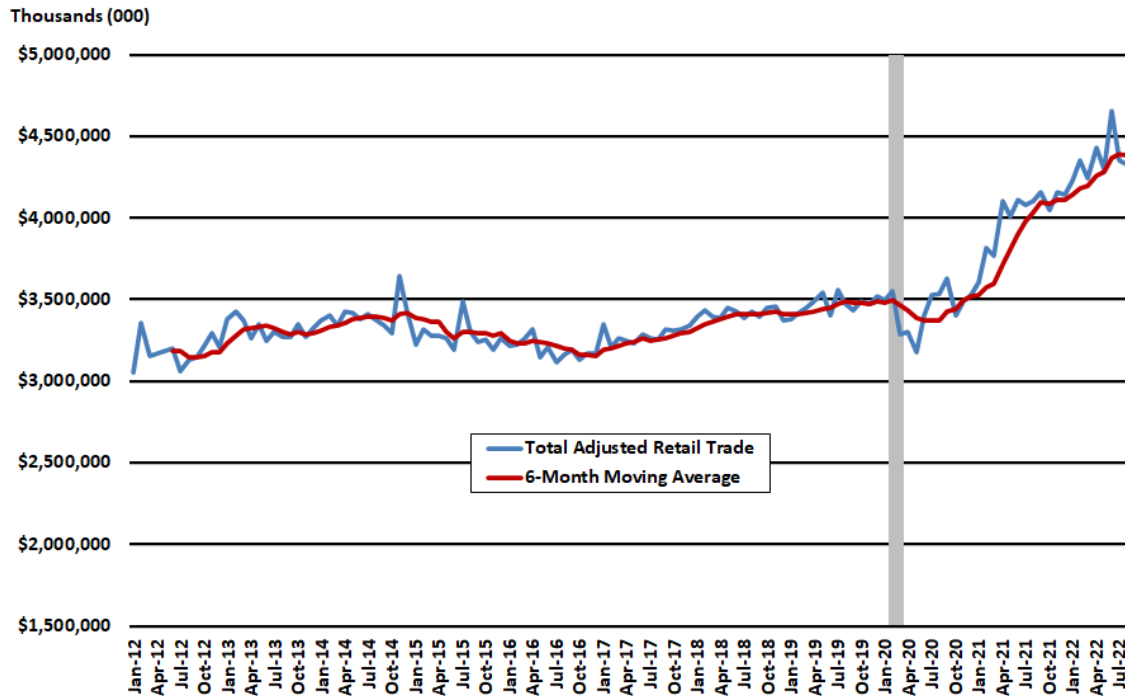
Lower sales at electronics stores (-2.1 percent), and home and garden stores (-2.1 percent), drove the decline in March. Sales at furniture stores dropped 1.2 percent, while business at restaurants rose 0.1 percent. Online sales rose 1.9 percent in March.

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, declined 0.2 percent in February, following a revised 0.5 percent rate in the previous month.

Oklahoma Total Adjusted Retail Trade

January 2012 to August 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 declined in August, as Oklahomans spent less at the pump and on other discretionary spending items. Total adjusted retail trade in August was at a level of \$4.33 billion, down 0.4 percent from the previous month's revised level of \$4.35 billion. Over the year, total adjusted retail trade was up 5.6 percent from the August 2021 level of \$4.10 billion. Excluding estimated gasoline sales, total retail sales for August increased 0.4 percent over the month.

In August, total durable goods sales increased 0.5 percent, as all but one of the six durable goods categories reported rising receipts over the month. Furniture (2.4 percent); auto accessories & repair (0.8 percent); miscellaneous durable goods (0.5 percent); used merchandise (0.2 percent) and lumber & hardware (0.1 percent) reported gains over the month. The only declining durable goods category in August was computer, electronics & music stores (-0.4 percent).

Non-durable goods expenditures declined 0.8 percent in August, as estimated gasoline sales dropped 6.2 percent over the month on lower pump prices. Other declining non-durable goods categories in August were drug stores (-1.5 percent); liquor stores (-1.8 percent); and miscellaneous non-durable goods (-0.3 percent). Advancing non-durable goods categories in August were apparel (1.4 percent); eating & drinking places (0.6 percent); general merchandise stores (0.6 percent); and food stores (0.1 percent).