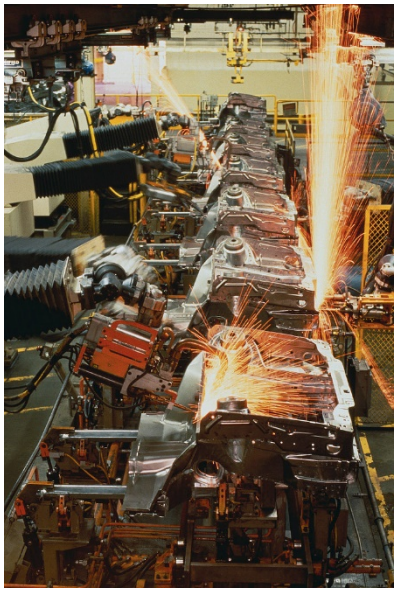


OKLAHOMA

Economic Indicators

March 2025

OKLAHOMA
ECONOMIC INDICATORS

Oklahoma Employment Security Commission
Trae Rahill, Chief Executive Officer

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.ok.gov

March 2025

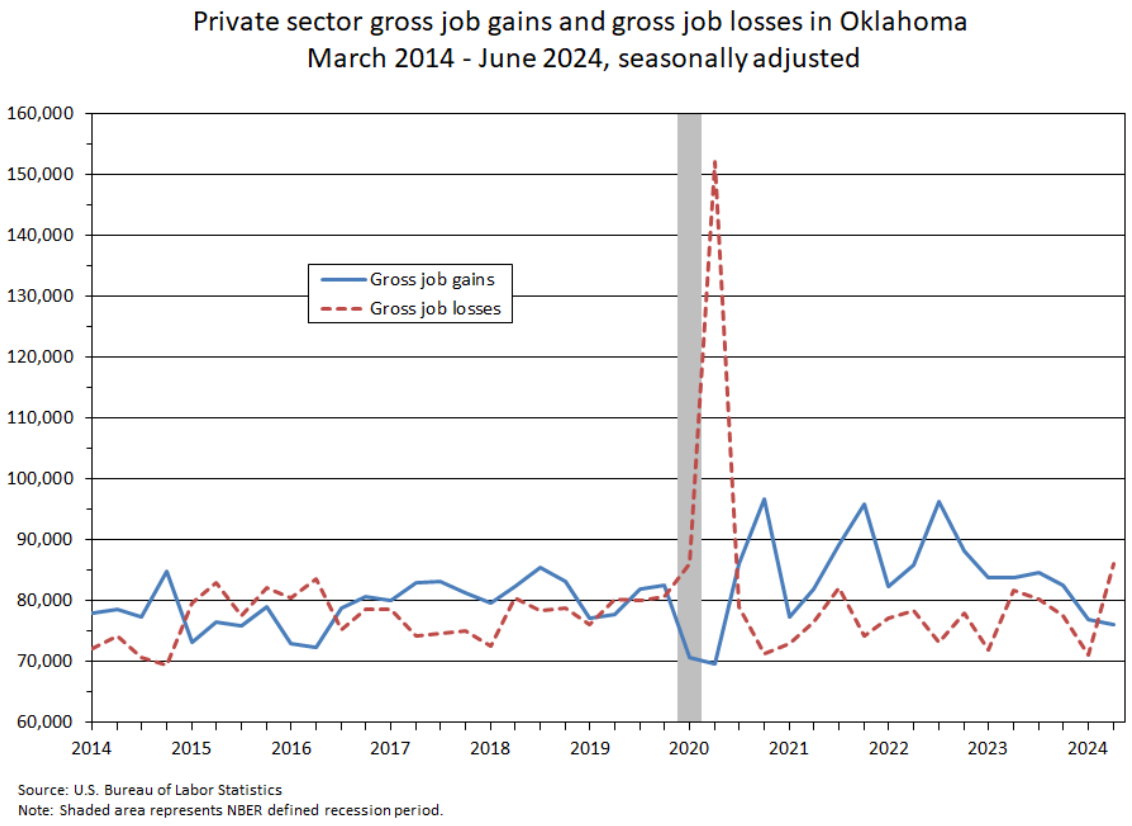
This publication is issued and is part of the activities of the Oklahoma Employment Security Commission as authorized by the Oklahoma Employment Security Act. An electronic copy has been deposited with the Publishing Clearinghouse of the Oklahoma Department of Libraries.

TABLE OF CONTENTS

SPECIAL REPORT:
OKLAHOMA BUSINESS EMPLOYMENT DYNAMICS: 2nd Quarter 2024
Gross Job Gains and Gross Job Losses: 2nd Quarter 2024

From March 2024 to June 2024, gross job losses from closing and contracting private-sector establishments in Oklahoma totaled 86,024, an increase of 14,987 jobs from the previous quarter. Over this period, gross job gains from opening and expanding private-sector establishments were 76,038, a decrease of 880 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 decline of 9,986 jobs in Oklahoma's private sector during the 2nd quarter of 2024.

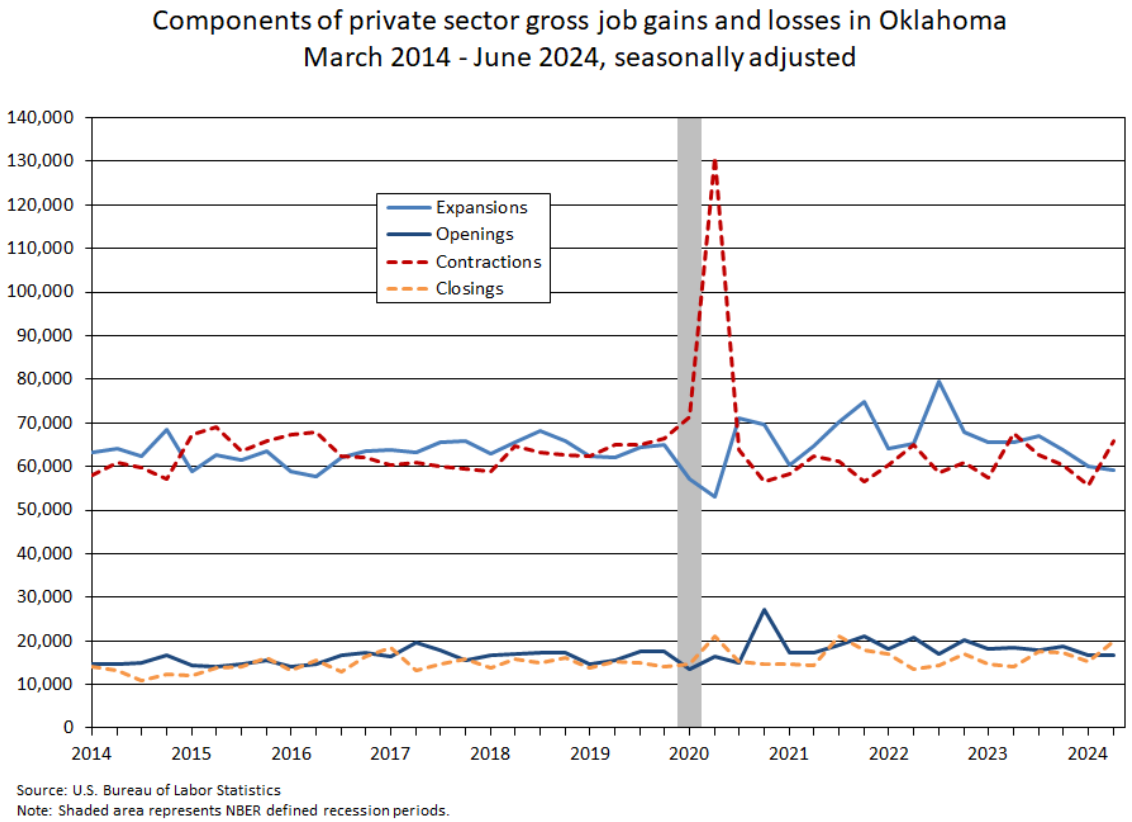
Chart 1



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 2



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 59,308 in the 2nd quarter of 2024, a decrease of 859 jobs compared to the previous quarter. Opening establishments accounted for 16,730 of the jobs gained in the 2nd quarter of 2024, a decrease of 21 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 65,978 jobs in the 2nd quarter of 2024, an increase of 10,250 jobs from the prior quarter. In the 2nd quarter, closing establishments lost 20,046 jobs, an increase of 4,737 jobs from the previous quarter.

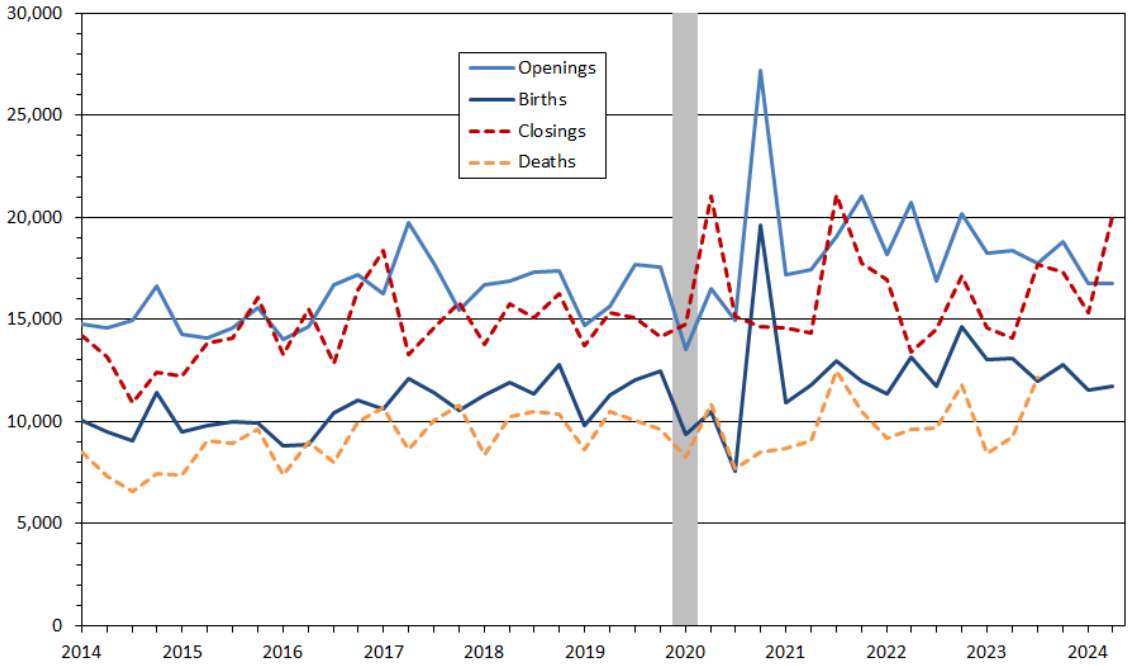
Establishment Births and Deaths

In Oklahoma, the number of private sector establishment births, (a subset of the openings data), decreased by 445, for a total of 3,067 establishments in the 2nd quarter of 2024. These new establishments accounted for 11,713 jobs, an increase of 158 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 3rd quarter of 2023, when 12,185 jobs were lost at 3,419 establishments, an increase of 2,970 jobs from the 2nd quarter of 2023, (see Chart 3, next page).

Chart 3

Employment from private sector openings, closings, births and deaths in Oklahoma
March 2014 - June 2024, seasonally adjusted



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

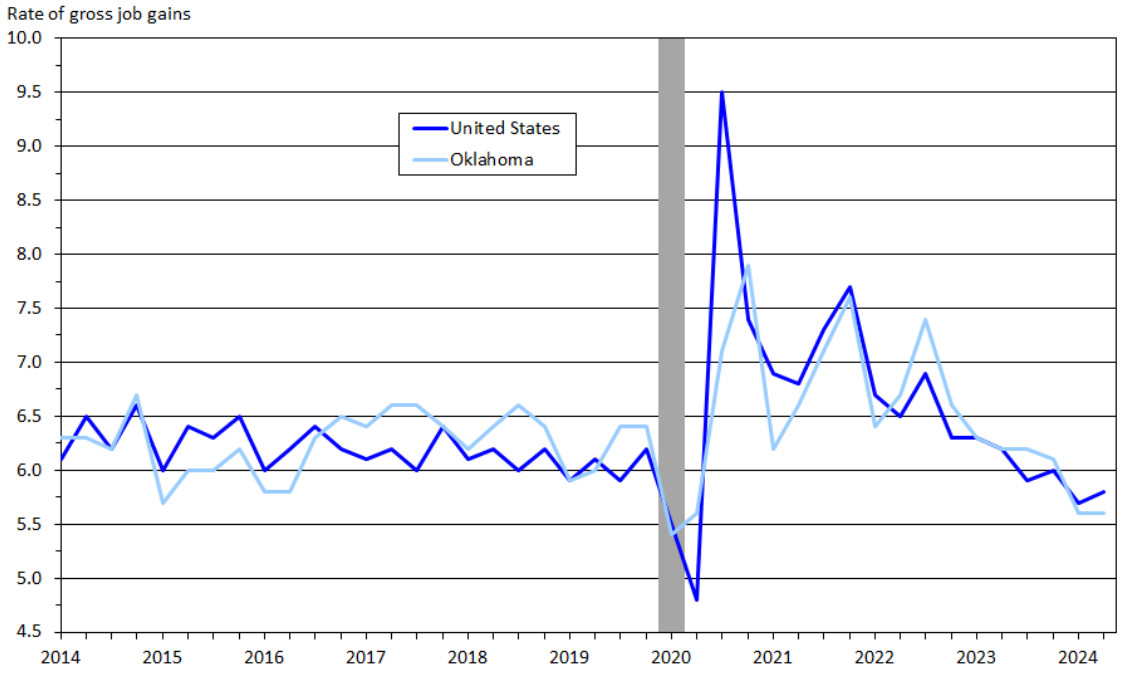
Gross Job Gains and Gross Job Losses: Percent of Total Private Sector Employment

In the 2nd quarter of 2024, gross job gains represented 5.6 percent of private-sector employment in Oklahoma with expansions accounting for 4.4 percent of total private sector employment and openings contributing 1.2 percent. Nationally, gross job gains accounted for 5.8 percent of private sector employment in the 2nd quarter of 2024. 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 and has lagged behind the U.S. rate in ten out of the past 21 quarters, (see Chart 4, next page).

In the 2nd quarter of 2024, gross job losses represented 6.4 percent of private-sector employment in Oklahoma, with contractions accounting for 4.9 percent and closings adding another 1.5 percent. The national rate of gross job losses was 5.9 percent in the 2nd quarter of 2024. 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, and then tracking more with national trends from the 4th quarter of 2017 forward, (see Chart 5, next page).

Chart 4

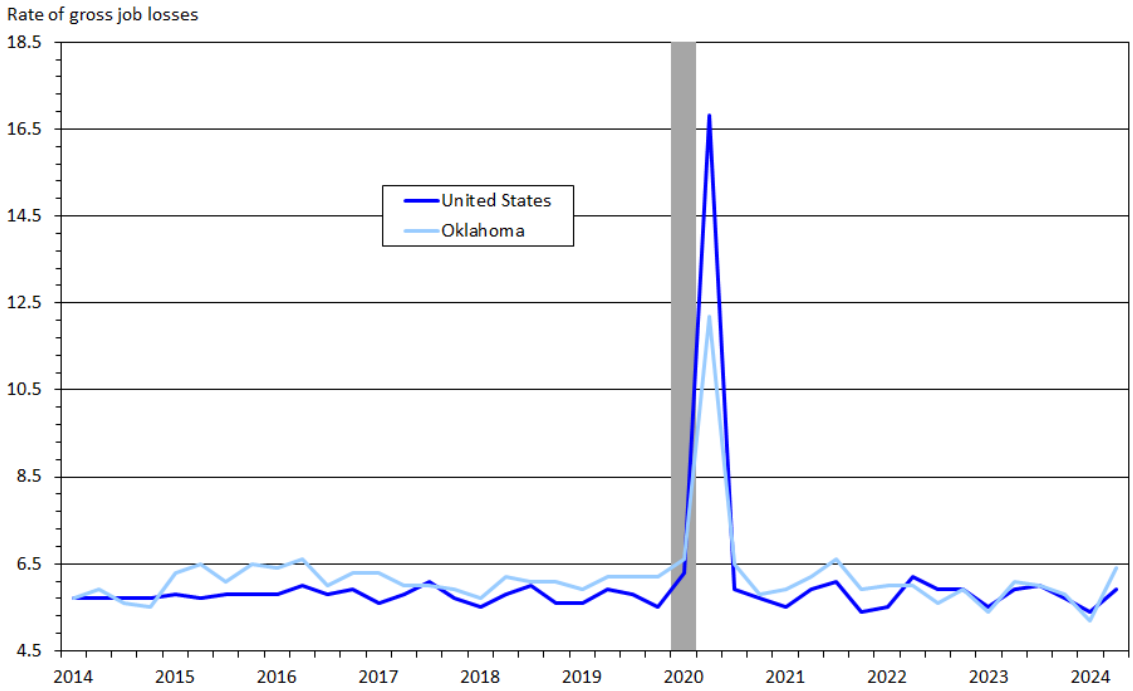
Private sector gross job gains as a percent of employment, United States and Oklahoma
March 2014 - June 2024, seasonally adjusted



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 2014 - June 2024, seasonally adjusted



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

Table 1. Oklahoma: Three-month private sector gross job gains and losses, seasonally adjusted					
Category	3 months ended				
	June 2023	Sep 2023	Dec 2023	March 2024	June 2024
	Levels				
Gross job gains.....	**83,811**	**84,727**	**82,628**	**76,918**	**76,038**
Expanding establishments	65,426	66,990	63,798	60,167	59,308
Opening establishments	18,385	17,737	18,830	16,751	16,730
Gross job losses.....	**81,668**	**80,262**	**77,515**	**71,037**	**86,024**
Contracting establishments	67,565	62,591	60,192	55,728	65,978
Closing establishments	14,103	17,671	17,323	15,309	20,046
Net employment change[1]	2,143	4,465	5,113	5,881	-9,986
	Rates (percent)				
Gross job gains.....	**6.2**	**6.2**	**6.1**	**5.6**	**5.6**
Expanding establishments	4.9	5.0	4.7	4.4	4.4
Opening establishments	1.4	1.3	1.4	1.2	1.2
Gross job losses.....	**6.1**	**6.0**	**5.8**	**5.2**	**6.4**
Contracting establishments	5.0	4.7	4.5	4.1	4.9
Closing establishments	1.1	1.3	1.3	1.1	1.5
Net employment change[1]	0.2	0.3	0.4	0.4	-0.8

Source: U.S Bureau of Labor Statistics

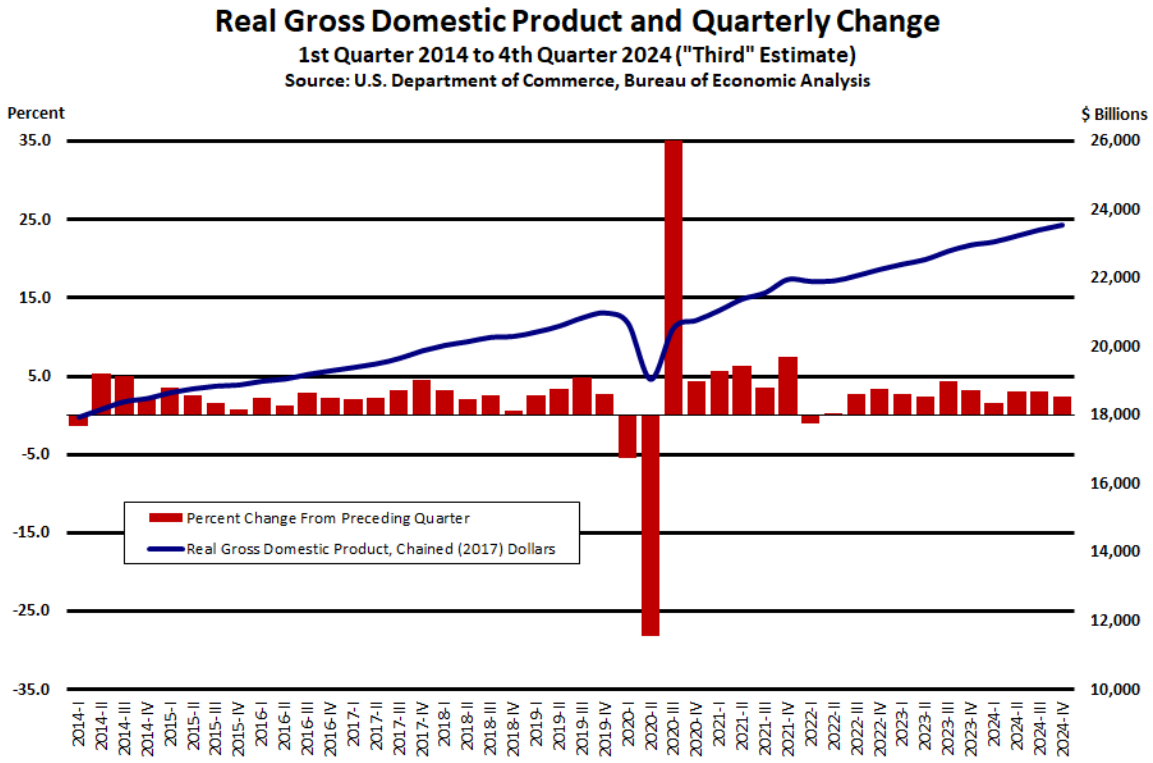
[1]Net employment change is the difference between total gross job gains and total gross job losses.

More Information

A copy of the full 2nd quarter 2024 Oklahoma BED report along with technical notes and detailed tables is available on the OESC website at: Oklahoma Business Employment Dynamics - Q2/24

Check out the new Business Employment Dynamics Tableau dashboard on the BED webpage: Business Employment Dynamics

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



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. economy grew at a healthy pace in the last three months of 2024, supported by a year-end surge of consumer spending. Real gross domestic product (GDP) increased at an annual rate of 2.4 percent in the 4th quarter of 2024, according to the "third" estimate released by the Bureau of Economic Analysis (BEA). In the 3rd quarter, real GDP increased 3.1 percent.

Consumer spending, which accounts for more than two-thirds of U.S. economic activity, grew at a robust 4.0 percent pace from October through December. Spending on durable goods, such as motor vehicles, jumped 12.4 percent. Spending on nondurable goods, such as prescription drugs, rose 3.1 percent. Outlays on services, such as health care services, increased 3.0 percent. Personal consumption expenditures (PCE) added 2.70 percentage points to 4th quarter GDP growth.

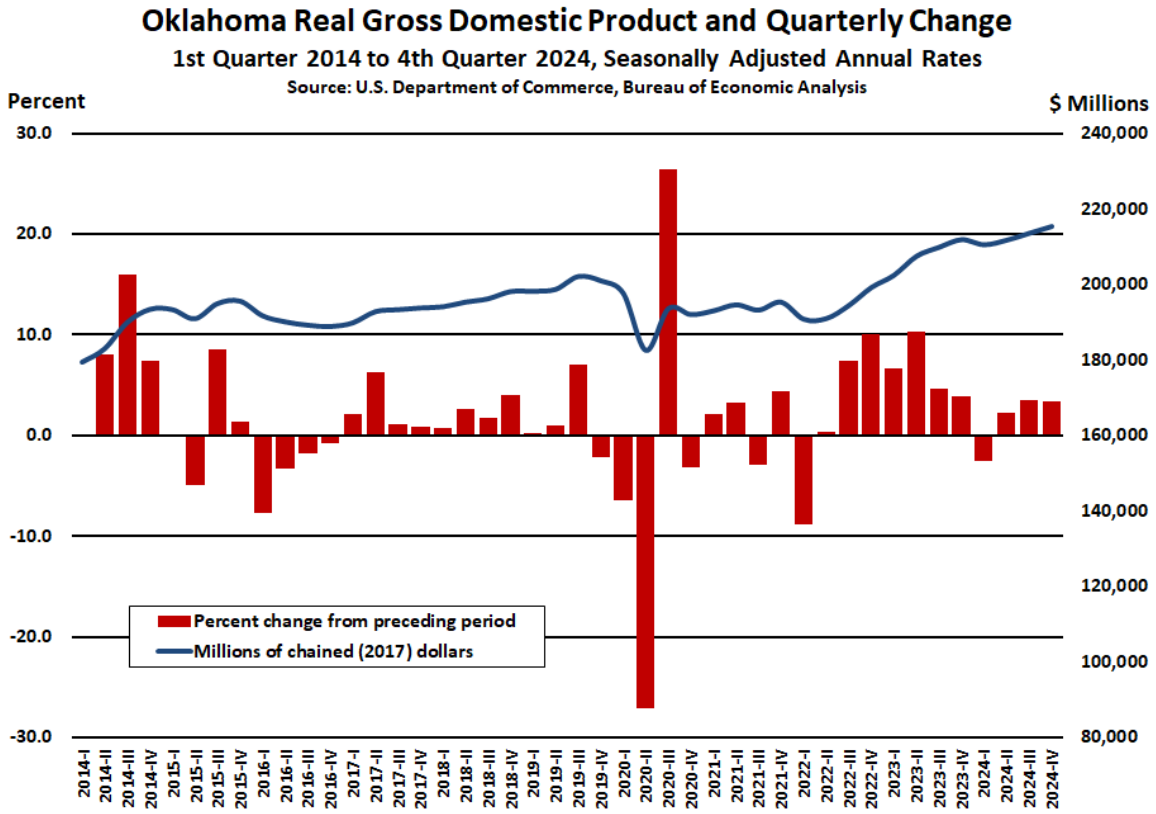
Business investment fell 3.2 percent in the 4th quarter, led by a drop in investment in equipment. Spending on equipment, such as computers, delivery trucks, factory machines, and other equipment tumbled 8,7 percent. Business outlays on intellectual property products declined 0.5 percent. Spending on buildings, oil rigs, and other structures rose 2.9 percent. Nonresidential fixed investment subtracted 3.0 percentage points from 4th quarter GDP.

Businesses replenished their inventories more slowly in the 4th quarter, decelerating to a $8.9 billion rate, following a $57.9 pace in the 3rd quarter. The change in private inventories shaved 0.84 percentage point off 4th-quarter GDP growth.

Housing construction and renovation rose in the 4th quarter after declining the previous two quarters. Residential investment, a gauge of homebuilding, grew 5.5 percent in the 4th quarter, following a 4.3 percent decline in the previous quarter. Residential fixed investment added 0.22 percentage point to 4th quarter GDP.

Trade contributed to growth in the 4th quarter, with imports, which subtract from the GDP calculation, down 1.9 percent, while exports declined 0.2 percent. The narrower trade gap added 0.26 percentage point to 4th quarter GDP.

Government spending at both the federal and state level also contributed to 4th quarter growth. Federal government spending increased 4.0 percent, as national defense spending increased 4.8 percent, while nondefense spending rose 2.9 percent. Consumption outlays by state and local governments increased 2.5 percent in the 4th quarter. Government consumption expenditures and investment added 0.52 percentage point to 4th quarter GDP.



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

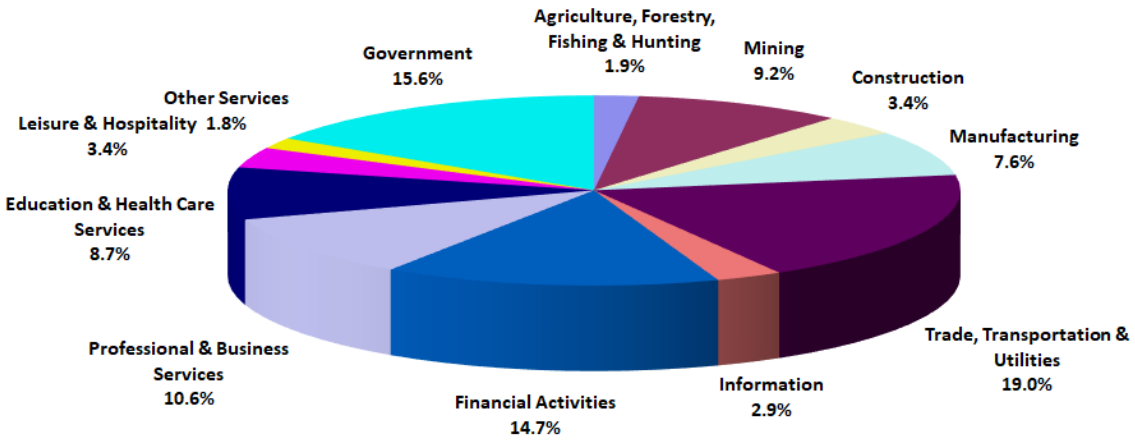
Real gross domestic product (GDP) by state—a measure of nationwide growth calculated as the sum of GDP of all states and the District of Columbia—increased in 48 states and the District of Columbia in the 4th quarter of 2024, with the percent change ranging from 5.1 percent at an annual rate in Arkansas to 0.6 percent in Vermont and remaining unchanged in Idaho and South Dakota, according to the U.S. Bureau of Economic Analysis (BEA). Current-dollar GDP increased in 49 states and the District of Columbia, with the percent change ranging from 8.9 percent at an annual rate in Arkansas to –2.6 percent in North Dakota. Current-dollar GDP increased in all 50 states and the District of Columbia. For the year 2024, real, or inflation-adjusted, GDP also increased in 48 states, including Oklahoma, and the District of Columbia

Oklahoma's real GDP decelerated to a 3.4 percent rate in the 4th quarter of 2024, down from a 3.5 percent pace in the 3rd quarter of 2024, ranking Oklahoma 9th among all other states and the District of Columbia. Statewide GDP was at a level of $215.3 billion (in constant 2017 dollars) in the 4th quarter, up $1.8 billion from the 3rd quarter level of $213.5 billion.

Industry Share of Oklahoma's Economy, 4th Quarter 2024

(by percentage of Gross Domestic Product)

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



In the 4th quarter of 2024, real GDP for the nation grew at an annual rate of 2.4 percent. Real GDP increased in 15 of the 23 industry groups for which BEA prepares quarterly state estimates. Real estate and rental and leasing; professional, scientific, and technical services; and health care and social assistance were the leading contributors to growth in real GDP nationally.

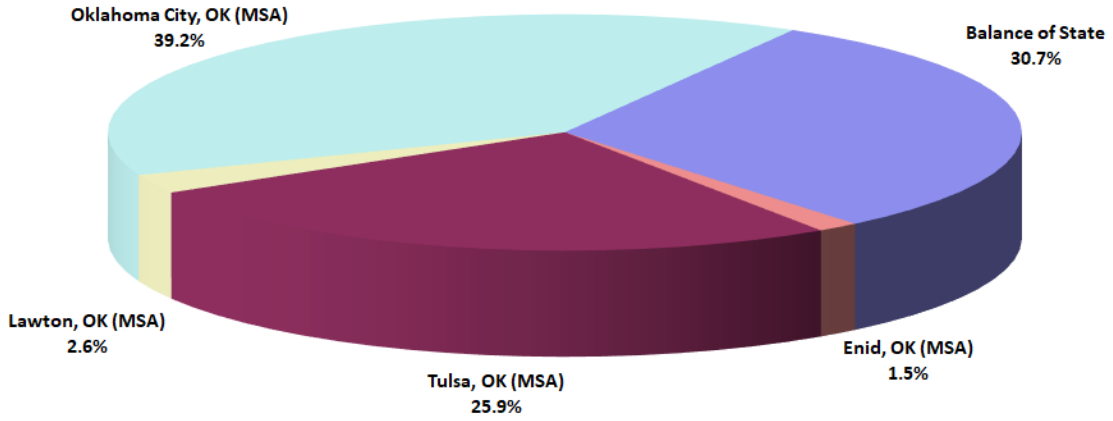
Agriculture, forestry, fishing, and hunting, which increased in 17 states including Oklahoma, was the leading contributor to growth in six states including Arkansas, Mississippi, and Alabama, the states with the first-, second-, and fifth-largest increases in real GDP, respectively. In Oklahoma, agriculture, forestry, fishing, and hunting contributed 0.20 percentage point to 4th quarter GDP growth.

Mining, which increased in 45 states including Oklahoma, was the leading contributor to growth in five states including Oklahoma, the state with the nineth-largest increase in real GDP, adding 0.62 percentage point.

Construction, which increased in 48 states, including Oklahoma and the District of Columbia, was the leading contributor to growth in Utah, the fourth-largest growing state. In Oklahoma, construction was the second-largest contributor to 4th quarter GDP, adding 0.44 percentage point.

Metropolitan Area Contribution to State Real Gross Domestic Product 2023

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 69.3 percent of total state GDP in 2023.

Current Developments

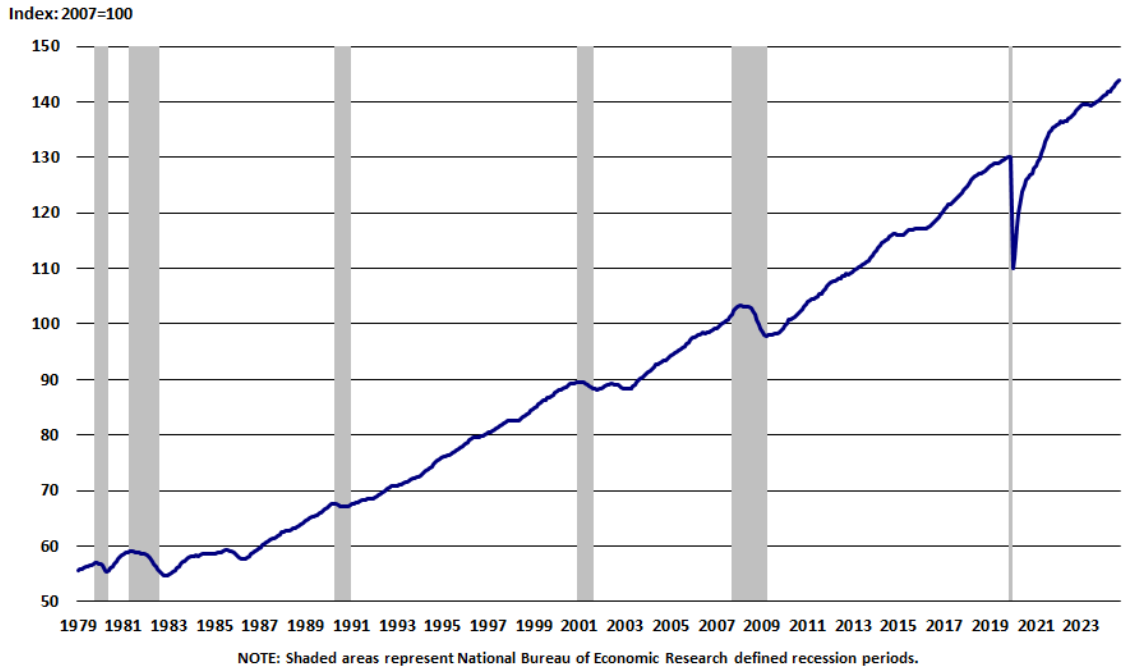
Real gross domestic product (GDP) increased in 347 out of 384 metropolitan areas in 2023, according to the U.S. Bureau of Economic Analysis (BEA). The percent change in real GDP by metropolitan area ranged from 42.9 percent in Midland, TX to -9.3 percent in Elkhart-Goshen, IN. Real GDP for U.S. metropolitan areas increased 2.7 percent in 2023.

In 2023, all of Oklahoma's four metropolitan areas experienced GDP growth. Oklahoma City MSA real GDP grew 6.9 percent in 2022 to a level of $81.6 billion, ranking it 14th among 384 metro areas. Enid MSA real GDP increased 6.8 percent to a level of $3.1 and was ranked 16th. Tulsa MSA grew 4.4 percent to $53.9 billion and ranked 66th. Lawton MSA real GDP increased 1.8 percent in 2023 to a level of $5.4 billion, and ranked 66th among U.S. metro areas among 384 U.S. metropolitan areas in 2023.

Coincident Economic Activity Index for Oklahoma, 1979-2024

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

Index: 2007=100



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

Definition & Importance

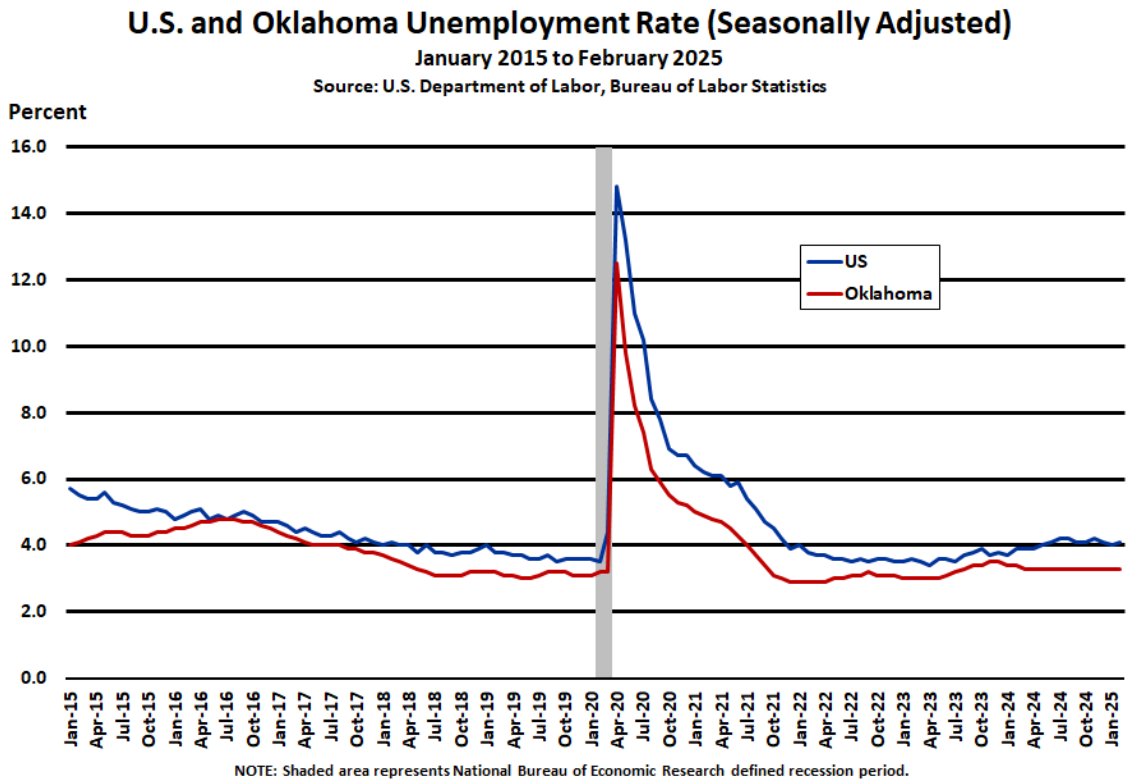
The Federal Reserve Bank of Philadelphia produces leading indexes for each of the 50 states. The indexes are calculated monthly and are usually released a week after the release of the coincident indexes. The Bank issues a release each month describing the current and future economic situation of the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

The coincident indexes combine four state-level indicators to summarize current economic conditions in a single statistic. The four state-level variables in each coincident index are nonfarm payroll employment, average hours worked in manufacturing by production workers, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average). The trend for each state's index is set to the trend of its gross domestic product (GDP), so long-term growth in the state's index matches long-term growth in its GDP.

Current Developments

The Federal Reserve Bank of Philadelphia has released the coincident indexes for the 50 states for December 2024. Over the past three months, the indexes increased in 37 states, decreased in 10 states, and remained stable in three, for a three-month diffusion index of 54. Additionally, in the past month, the indexes increased in 30 states, decreased in nine states, and remained stable in 11, for a one-month diffusion index of 42. For comparison purposes, the Philadelphia Fed has also developed a similar coincident index for the entire United States. The Philadelphia Fed's U.S. index increased 0.6 percent over the past three months and 0.3 percent in December.

In the three months to December, the coincident index for Oklahoma increased 0.9 percent. The level of payroll employment increased over the past three months, while the unemployment rate held steady. Moreover, average hours worked in manufacturing increased. Overall, Oklahoma's economic activity as measured by the coincident index has risen 2.8 percent over the past 12 months.



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.

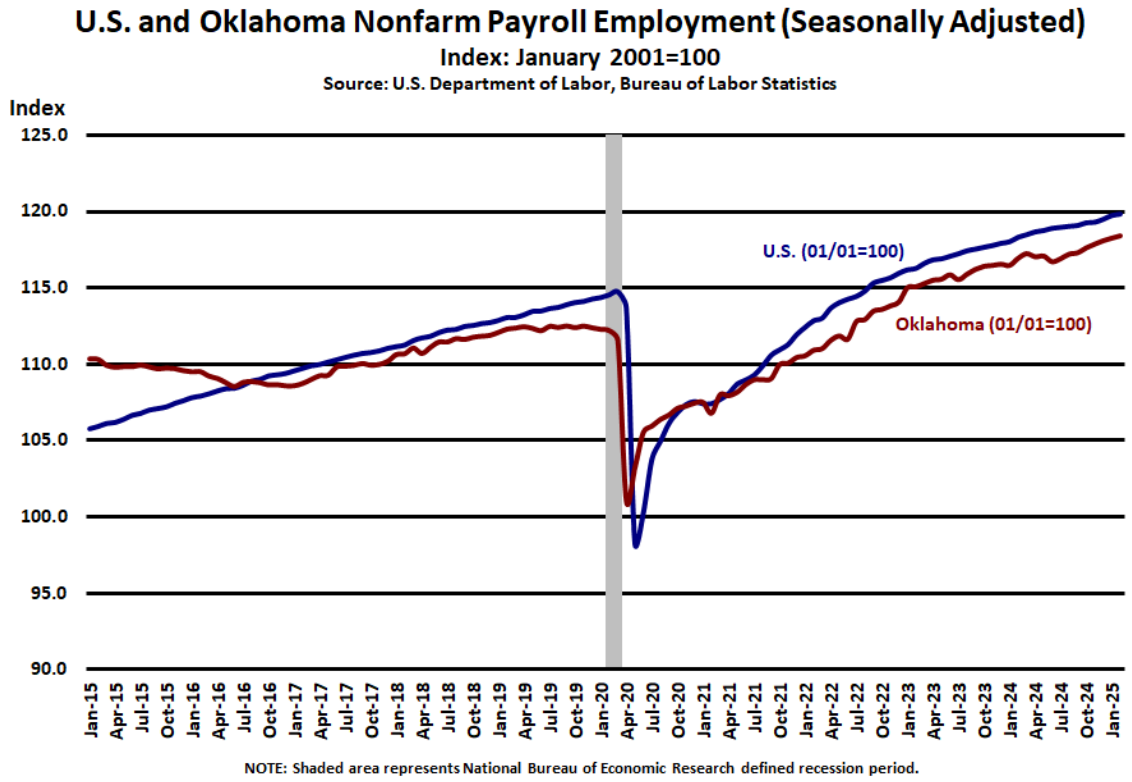
The unemployment rate is a lagging indicator of economic activity. During a recession, many people leave the labor force entirely. As a result, the jobless rate may not increase as much as expected. This means that the jobless rate may continue to increase in the early stages of recovery because more 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 ticked up slightly in February and the government shed 10,000 employees as DOGE's job-slashing efforts began take hold. The unemployment rate increased 0.1 percentage point to 4.1 percent in February, according to the Bureau of Labor Statistics (BLS). The unemployment rate has remained in a narrow range of 4.0 percent to 4.2 percent since May 2024.

Oklahoma's seasonally adjusted unemployment rate held steady at 3.3 percent in February. Over the year, the state's seasonally adjusted unemployment rate was 0.1 percentage point lower than February 2024.

In January, Pushmataha County posted Oklahoma's highest county unemployment rate of 5.7 percent. Love County reported the second-highest rate for the month. Texas County reported the lowest county unemployment rate of 2.0 percent in January. Unemployment rates in January were lower than a year earlier in 56 counties, higher in 13 counties, and unchanged in 8 counties.



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.

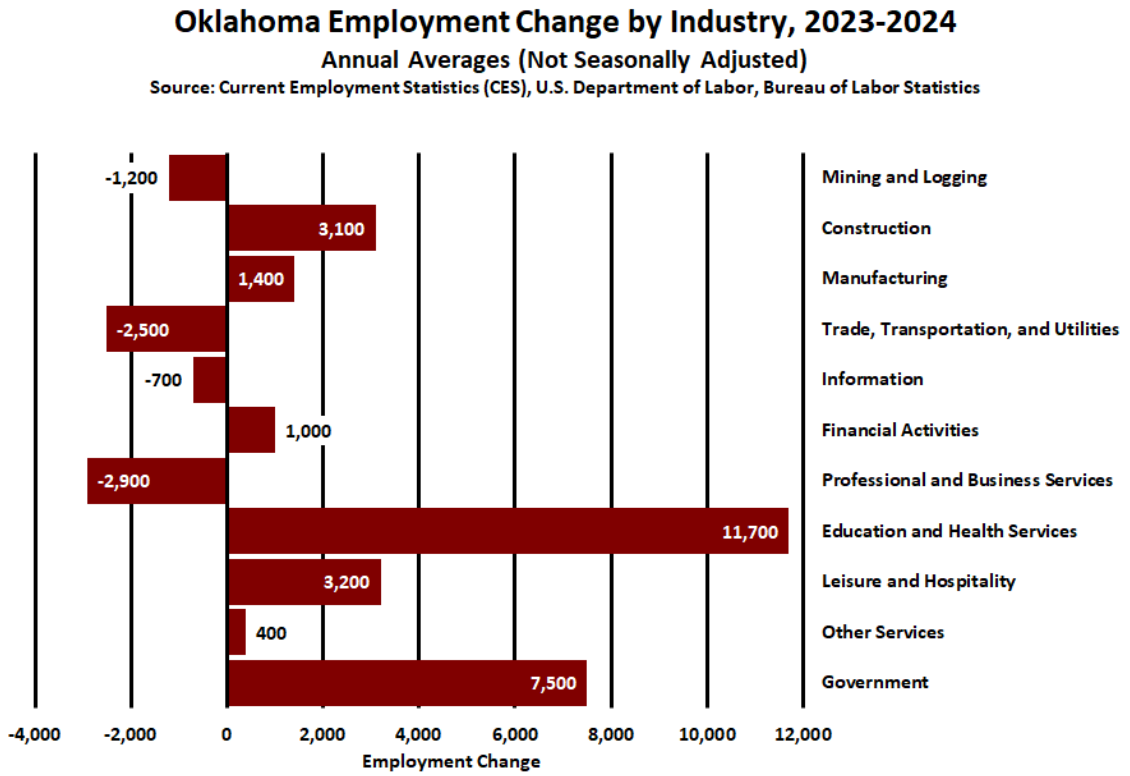
Payroll employment is one of the most current and reliable indicators of economic conditions and recessionary trends. Increases in nonfarm payrolls translate into earnings that workers will spend on goods and services in the economy. The greater the increases in employment, the faster the total economic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

Current Developments

U.S. job growth was weaker than expected in February though still stable. Total nonfarm payroll employment rose by 151,000 in February, similar to the average monthly gain of 168,000 over the prior 12 months, according to the Bureau of Labor Statistics (BLS). In February, employment trended up in health care (+52,000 jobs), financial activities (+21,000 jobs), transportation and warehousing (+18,000), and social assistance (+11,000 jobs). Federal government employment declined 10,000 jobs (-0.3 percent).

Oklahoma's seasonally adjusted nonfarm employment added 2,300 jobs (0.1 percent) over the month in February, to a level of 1,797,100 while January's estimate was downwardly revised to 1,794,800.

In February, five of Oklahoma's supersectors added jobs, as education and health services (1,600 jobs) followed by leisure and hospitality (1,400 jobs) reported the largest job gains over the month. Construction (-1,100 jobs) followed by manufacturing (-300 jobs) posted the largest over-the-month job losses in February.



Definition & Importance

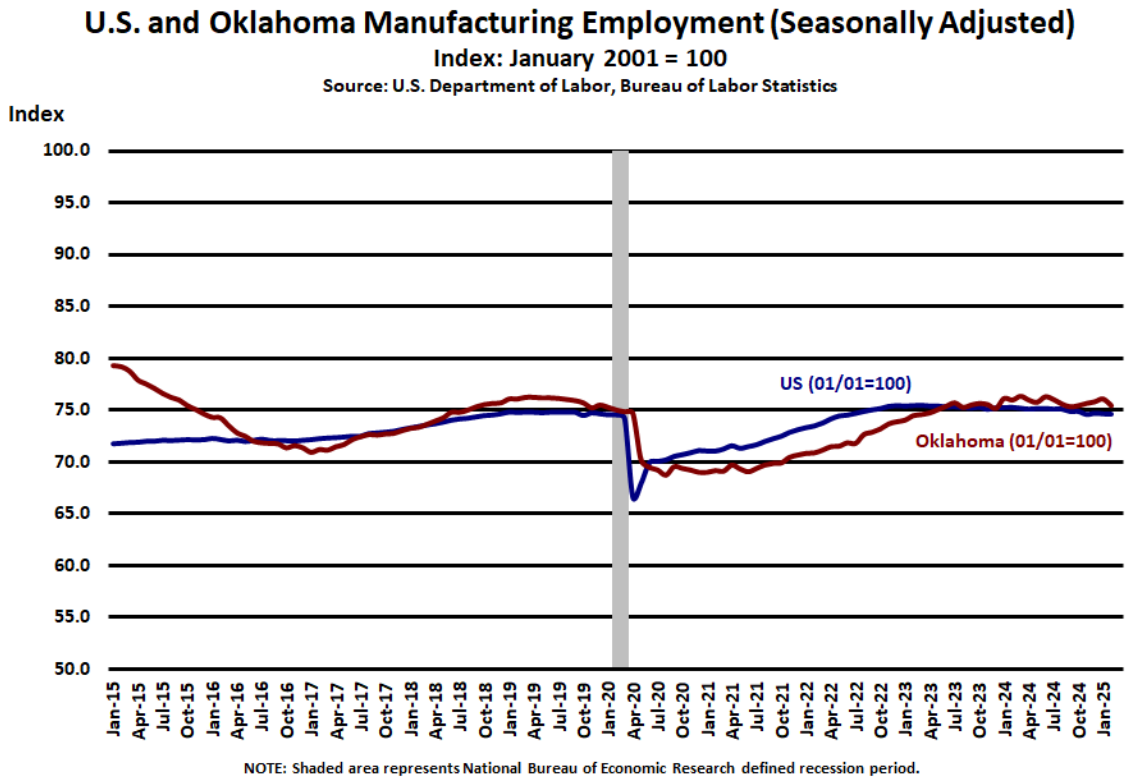
Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a declining employment trend indicate those which are becoming less important in the state's economy. There may also be industries which behave more cyclically, growing during expansion 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 2024, as the pace of hiring decelerated from the previous year. Total nonfarm employment added a non-seasonally adjusted 18,500 jobs (1.0 percent) in 2024. For comparison, in the previous year annual average nonfarm employment added 37,100 jobs (2.1 percent).

In 2024, 7 of 11 of Oklahoma's supersectors reported job gains. Education and health services saw the largest job gain adding 11,700 jobs (4.5 percent), as health care and social assistance (10,500 jobs) accounted for most of the job gains. Leisure and hospitality added 3,200 jobs (1.8 percent) and construction added a non-seasonally adjusted 3,100 jobs (3.7 percent). Other sectors adding jobs in 2023 were manufacturing (1,400 jobs), financial activities (1,000 jobs), other services (400 jobs). Declining sectors included professional and business services (2,900 jobs), trade, transportation and utilities (-2,500 jobs), mining and logging (-1,200 jobs), and information (-700 jobs).

Government employment added 7,500 jobs (2.1 percent) over the year in 2024, as local government (4,400 jobs) accounted for most of the job gains.



Definition & Importance

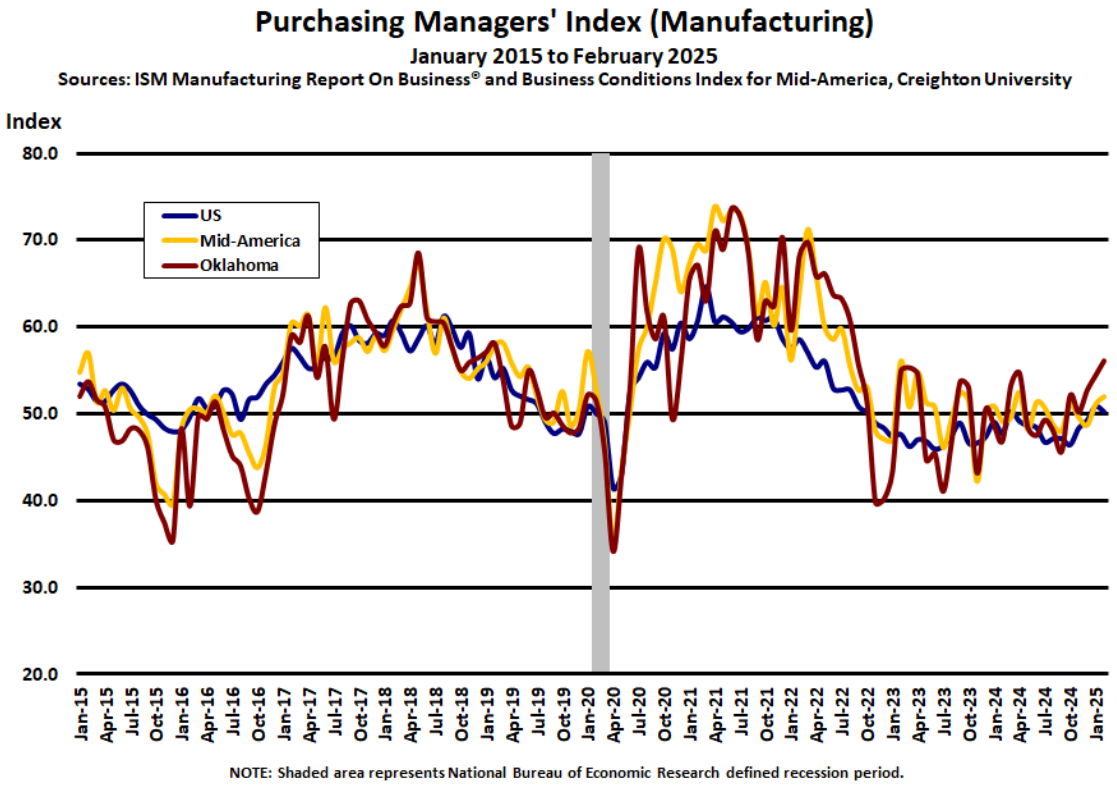
Manufacturing employment data is also produced by the Bureau of Labor Statistics' Current Employment Statistics (CES) program. Manufacturing and production are still important parts of both the U.S. and Oklahoma economies. According to the *2022 County Business Patterns*, the manufacturing sector was the 5th-largest employer, employing 12.2 million workers in the United States—and the top 10 average annual employee payroll at $69,846. 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. factory employment rose in February, following a sizable downward revision in the previous month. Manufacturing employment increased by 10,000 in February, according to the Bureau of Labor Statistics (BLS). The preliminary January gain of 3,000 was revised downward to a loss of 5,000 jobs. The most significant gains in manufacturing in February occurred in motor vehicles and parts, which added 8,900 jobs over the month.

Oklahoma manufacturing employment shed a seasonally adjusted 300 jobs (-0.2 percent) over the month in February to a level of 139,100. In February, durable goods manufacturing employment added 200 jobs, while non-durable goods manufacturing employment declined by 500 jobs over the month.

Over the year, statewide manufacturing employment declined by a seasonally adjusted 1,700 jobs (-1.2 percent) compared to February 2024, as durable goods manufacturing employment lost 1,600 jobs (-1.7 percent), while non-durable goods manufacturing employment shed 100 jobs (-0.2 percent) over the year.



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. manufacturing activity was steady in February, but a measure of prices at the factory gate jumped to nearly a three-year high and it took longer for materials to be delivered. The Manufacturing PMI® registered 50.3 percent in February, 0.6 percentage point lower compared to the 50.9 percent recorded in January, according to the latest Manufacturing ISM® *Report On Business®*.

The survey's forward-looking new orders dropped back into contraction territory after expanding for three months, registering 48.6 percent, 6.5 percentage points lower than 55.1 percent recorded in January. The survey's measure of prices paid by manufacturers surged further into expansion (or 'increasing') territory, registering 62.4 percent, up 7.5 percentage points compared to the reading of 54.9 percent in January. The survey's gauge of supplier deliveries indicated further slowing deliveries, registering 54.5 percent, 3.6 percentage points higher than the 50.9 percent recorded in January. A reading of above 50 percent indicates slower deliveries.

For only the fourth time since July 2024, the Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, climbed above growth neutral. The Business Conditions Index, which uses the identical methodology as the national Institute for Supply Management (ISM) and ranges between 0 and 100 with 50.0 representing growth neutral, climbed to 52.0 from 51.1 in January. The index has vacillated above and below growth neutral since April 2023.

"I remain concerned about the negative impact of tariffs on the cost of imported inputs and of retaliation on U.S. manufactured exports. On average, supply managers expect the proposed tariffs to increase the cost of imported inputs by 9.6 percent," 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.

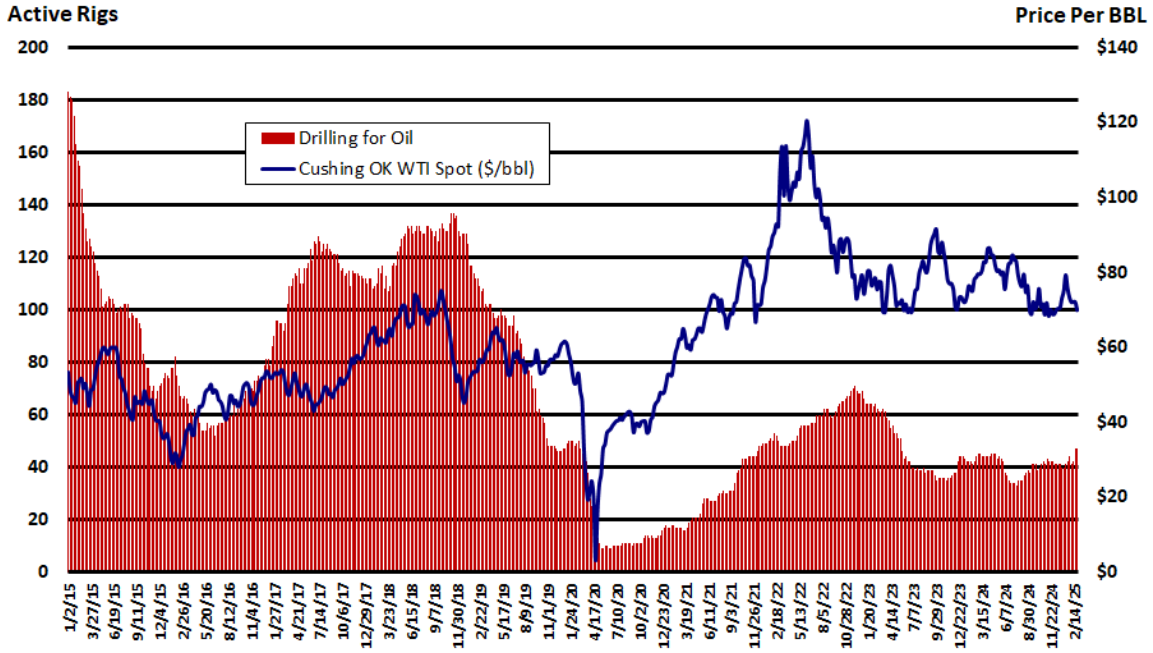
Oklahoma's Business Conditions Index for February climbed to 56.1—the highest level since August 2022--from 54.4 in January. Components of the overall February index were: new orders at 52.0; production or sales at 52.7; delivery lead time at 56.5; inventories at 65.1; and employment at 54.3.

According to U.S. International Trade Administration data, Oklahoma expanded manufacturing exports by $1.3 billion between 2023 and 2024 for an 18.9 percent gain.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

January 2015 to February 2025

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.

The benchmark price in the domestic spot market for the U.S. crude oil known as West Texas Intermediate (WTI-Cushing) is set at Cushing, Oklahoma, which is home to about 14 percent of the nation's commercial crude oil storage capacity. Rig counts typically follow changes in the WTI price with about a four-month lag.

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 6th-largest crude oil producer among the states in 2023, accounting for over 4 percent of the nation's crude oil production (at 419,000 barrels per day). Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma. The state's largest producing field, and the 11th largest in the United States, the Sho-Vel-Tum field, in eastern Stephens and western Carter Counties has continuously produced crude oil since its discovery in 1905.

The city of Cushing, in central Oklahoma, is home to about 14 percent of the nation's commercial crude oil storage capacity and is a major crude oil trading hub connecting Gulf Coast producers to Midwest refining markets. In addition to Oklahoma crude oil, the Cushing hub receives supply from several major pipelines that originate in Texas. Traditionally, the Cushing Hub has pushed Gulf Coast and Mid-Continent crude oil supply north to Midwest refining markets. 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 2022, those refineries had a combined distillation capacity of more than 524,000 barrels per day—roughly 3 percent of the total U.S. refining capacity.

Current Developments

In the February Short-Term Energy Outlook (STEO), the U.S. Energy Information Administration (EIA) expects OPEC+ production cuts will reduce global oil inventories and keep crude oil prices near current levels through the 1st quarter of 2025. Gradual increases in production combined with relatively weak global oil demand growth will increase global oil inventories in the 2nd half of 2025 through 2026, placing downward pressure on prices through the remainder of the forecast. As a result, EIA forecasts that international benchmark Brent crude oil price will average $74 per barrel (bbl) in 2025 before falling to $66/bbl in 2026. EIA forecasts domestic benchmark West Texas Intermediate (WRI-Cushing) will average $71/bbl in 2025 then falling to $62/bbl in 2026.

Crude production in Oklahoma increased over the month in December—the most recently reported monthly data point. Statewide field production of crude oil was at a preliminary level of 12,957,000 bbl in December, up 639,000 bbl (5.2 percent) from November's revised level of 12,318,000 bbl, according to data reported by the EIA. Compared to a year ago, Oklahoma crude production was up 84,000 bbl (0.7 percent) from the December 2023 production level of 12,873,000 bbl. For 2024, statewide crude production was at a preliminary level of 144,714,000 bbl, down 12,064,000 bbl (-7.7 percent) from the 2023 production level of 156,778,000 bbl.

West Texas Intermediate (WTI-Cushing) crude oil for delivery at Cushing, Oklahoma, averaged $71.53/bbl in February, down $4.21 from the January average of $75.74/bbl.

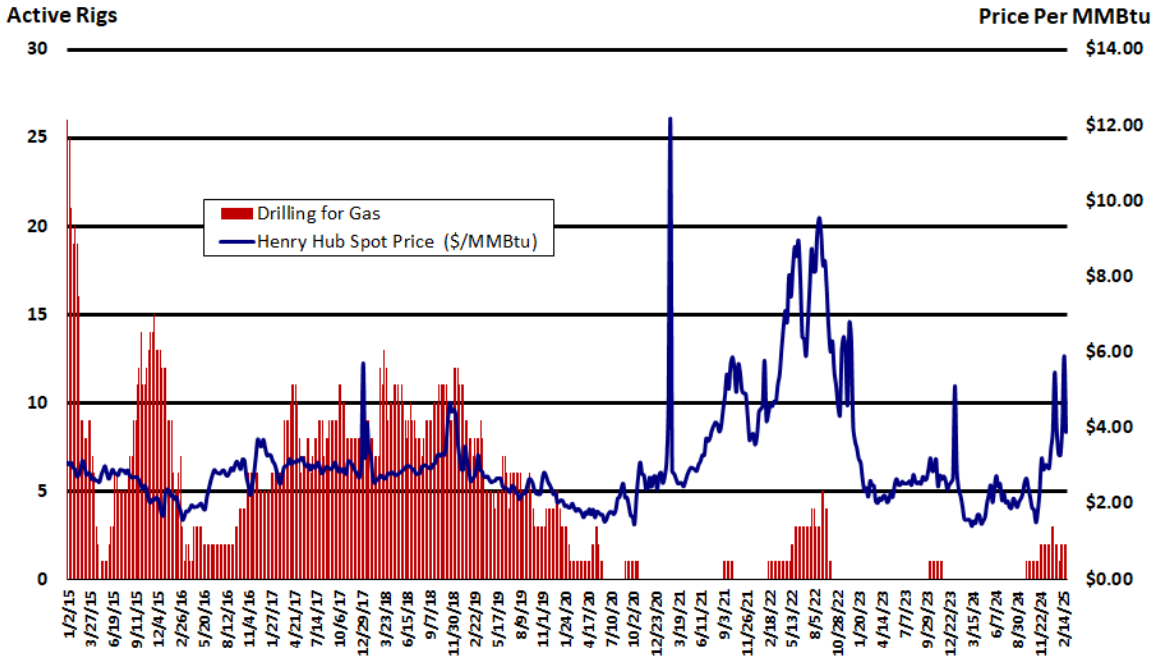
The U.S. oil-directed rig count added 2 rigs to a level of 486 over the week ending February 28, 205, according to oil field services company Baker Hughes. Compared to a year ago, the nation's rig count was down 17 from 503 rigs reported on February 23, 2024.

For the week ending February 28, 2025, Oklahoma's total active rig count held steady at a level of 49 over the week—the highest level since May 19, 2023, according to Baker Hughes. Oil-directed rigs accounted for 96 percent of total rig activity in February. Over the year, Oklahoma's active rig count was up 5 rigs from 44 rigs reported operating on February 23, 2024.

Oklahoma Active Rotary Rigs & Henry Hub Natural Gas Spot Price

January 2015 to February 2025

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 and marketed production were the 5th-largest in the nation in 2022. 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. 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 2022, 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 2022, Oklahoma was the nation's 6th-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, and the residential and commercial sectors consume almost all the rest.

Current Developments

In the January 8th *Today in Energy*, the U.S. Energy Information Administration (EIA) reported that in 2024, the U.S. benchmark Henry Hub natural gas spot price averaged $2.21 per million British thermal units (MMBtu), the lowest average annual price in inflation-adjusted dollars ever reported. The annual average Henry Hub natural gas spot price in 2024 decreased by 16 percent from its 2023 average and 68 percent from its 2022 average, the largest two-year decline on record. The monthly average Henry Hub spot natural gas price in 2024 ranged from $3.25/MMBtu in January to an all-time low of $1.51/MMBtu in March, reflecting a narrower $1.74/MMBtu range of monthly prices across the year than the average range of $2.32/MMBtu over the prior five years.

According to the EIA, the Henry Hub natural gas price set numerous daily and monthly low-price records in 2024, as robust U.S. natural gas supply and constraints on demand reduced prices for most of the year. On an inflation-adjusted basis, average monthly prices in February, March, April, and August were the four lowest ever recorded, and the four lowest daily prices ever recorded also occurred during 2024.

Oklahoma natural gas production increased over the month in December. Statewide natural gas gross withdrawals were at a preliminary level of 235,316 million cubic feet (MMcf) in December, up 10,181 MMcf (4.5 percent) from the previous month's level of 225,135 MMcf. Over the year, statewide natural gas production was down 206 MMcf (-0.1 percent) from the December 2023 level of 235,522 MMcf.

The Henry Hub spot price averaged $4.19 per million British thermal units (MMBtu) in February and reached a daily high of $7.15/MMBtu on February 19 after a cold snap that spread across the United States, leading to above-average inventory withdrawals. The Henry Hub spot price averaged $4.19/MMBtu in February, up 6 cents from $4.13/MMBtu in January

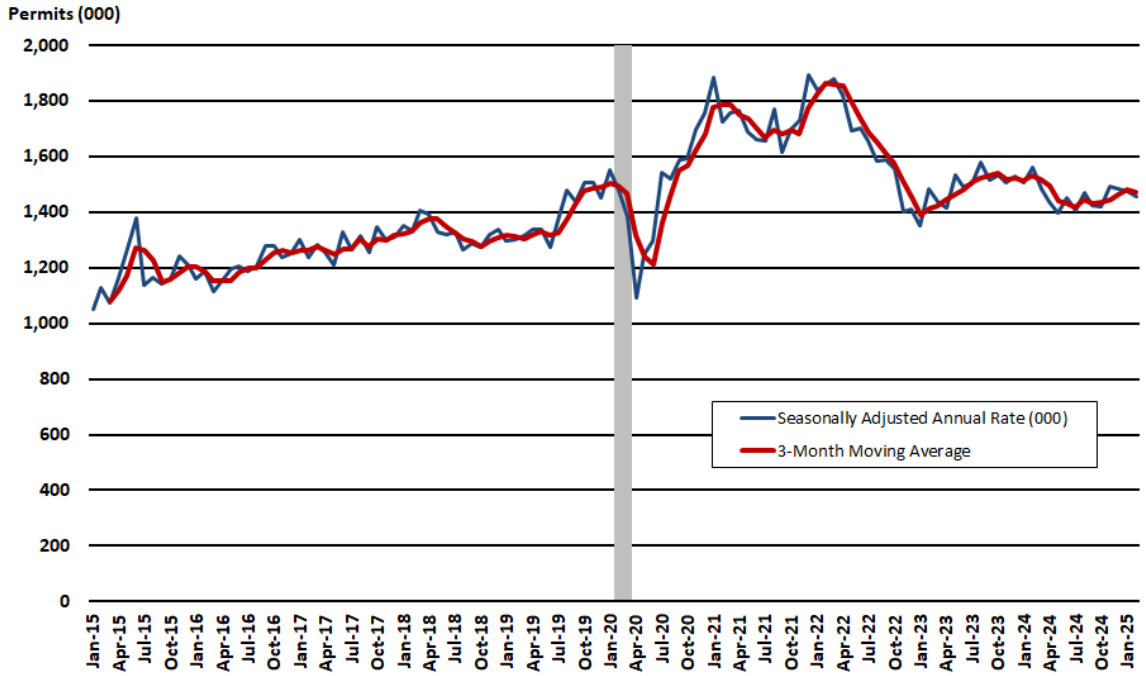
Over the year, Baker Hughes Company reported 102 active natural gas-directed rigs in the United States for the week ending February 28, 2025, 18 less than 120 rigs reported on February 22, 2024.

Oklahoma drillers reported 2 active natural gas-directed rigs for the week ending February 28, 2025, unchanged from the previous month, according to Baker Hughes.

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

January 2015 to February 2025, 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.

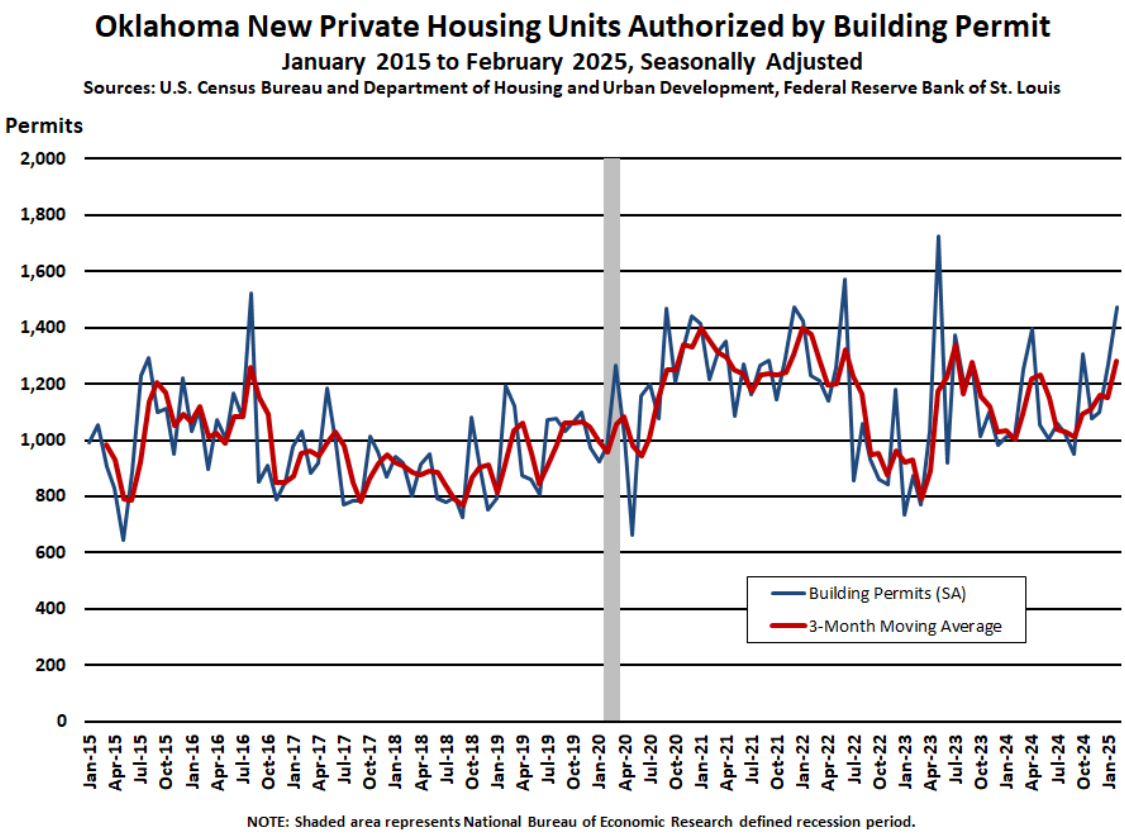
While home construction represents a small portion of the housing market, it has an outsize impact on the economy. Each home built creates an average of three jobs for a year and about $130,000 in taxes, according to the National Association of Home Builders. Overall, homebuilding fell to its lowest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

Current Developments

U.S. building permits, a sign of future construction, fell in February although single-family housing starts, which account for the bulk of homebuilding, surged. Privately-owned housing units authorized by building permits in February were at a seasonally adjusted annual rate of 1,456,000, 1.2 percent below the revised January rate of 1,473,000 and 6.8 percent below the February 2024 rate of 1,563,000, according to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

Single-family permits in February were at a rate of 992,000; this is 0.2 percent below the revised January figure of 994,000. Permits to build apartments were at a rate of 404,000, a decline of 4.3 percent over the month.

According to the Census Bureau, an estimated 1,471,200 housing units were authorized by building permits in 2024. This is 2.6 percent below the 2023 figure of 1,511,100.



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 surged in February as Oklahoma home builders requested more applications for apartment construction. Total residential permitting in February was at a seasonally adjusted level of 1,475, up 206 (16.2 percent) from the upwardly revised January level of 1,269, and up 465 (45.8 percent) from the February 2024 level of 1,010 permits, according to figures from the U.S. Census Bureau and the Federal Reserve Bank of St. Louis.

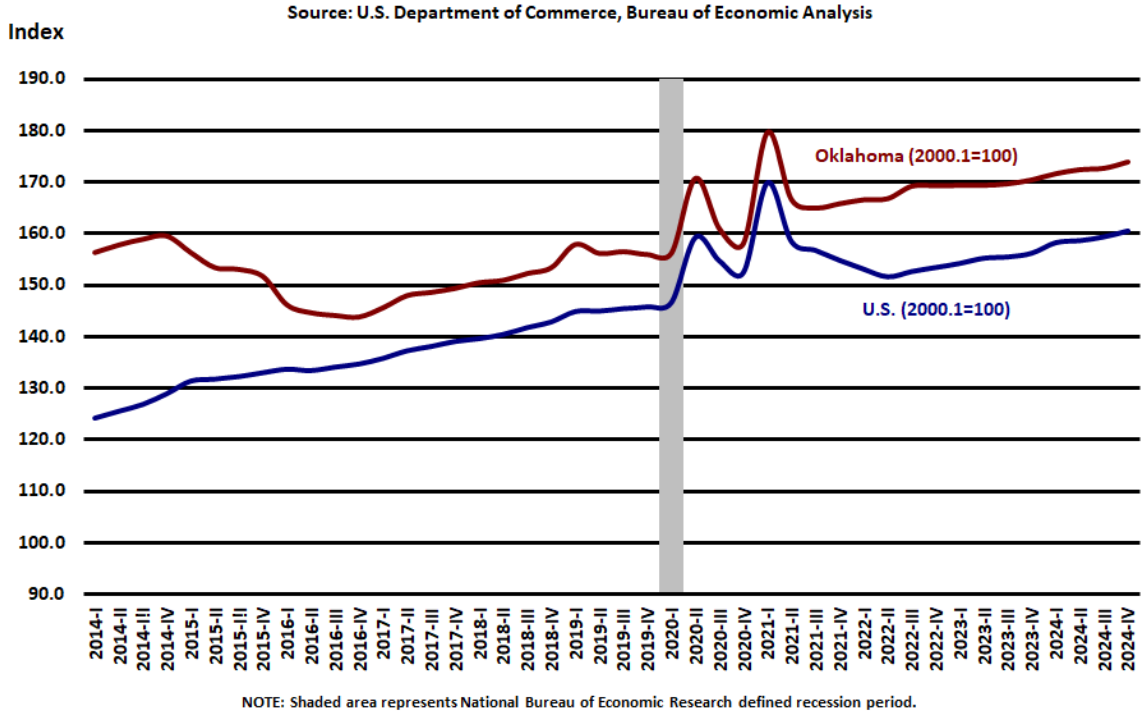
In February, permitting for single family homes was at a seasonally adjusted level of 1,059 units, down 3 (-0.2 percent), from a level of 1,062 in the previous month. Multi-family permitting was at a seasonally adjusted level of 416 in February, up 208 (100.4 percent) from the previous month's level of 208. Single-family permitting accounted for 71.8 percent of total residential permitting activity in February while the more volatile multi-family permitting accounted for 28.2 percent.

Statewide residential construction bounced back in 2024 after declining in the previous year. Total residential permitting for 2024 was at a preliminary seasonally adjusted level of 13,250 permits, 276 permits (2.1 percent) more than the 12,974 total permits issued during 2023. In 2024, single-family permits were up 806 (7.4 percent) over 2023, while permits to build apartments declined 530 (-22.9 percent).

U.S. and Oklahoma Real Personal Income, Q1/14 to Q4/24

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

Americans' spending rebounded in February after a steep fall in the prior month and incomes increased. Personal income increased $194.7 billion (0.8 percent at a monthly rate) in February, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA). Disposable personal income (DPI)—personal income less personal current taxes—increased $191.6 billion (0.9 percent) and personal consumption expenditures (PCE) increased $87.8 billion (0.4 percent). The PCE price index for February increased 0.3 percent. Excluding food and energy, the PCE price index increased 0.4 percent.

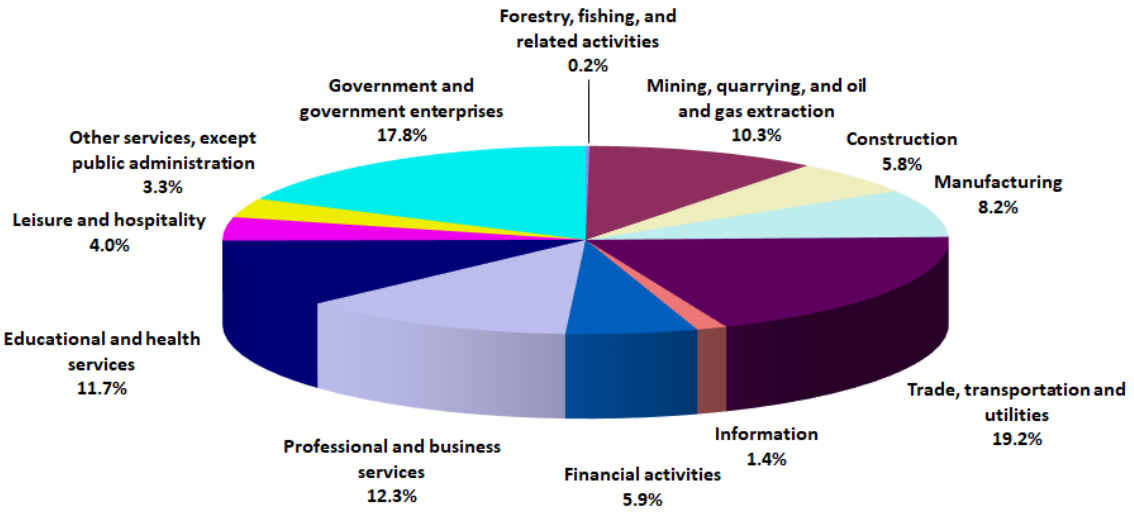
In February, spending on goods rose 0.9 percent, led by motor vehicles, recreational goods, household furniture, and other nondurable goods. Services outlays rose 0.2 percent, lifted by spending on financial services and insurance, health care, and other services.

With income outpacing spending, the personal savings rate—personal saving as a percentage of disposable personal income—increased to a eight-month high of 4.6 percent in February, up from a 4.3 percent rate in January.

Oklahoma Nonfarm Industry Contribution to Earnings

4th Quarter 2024

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

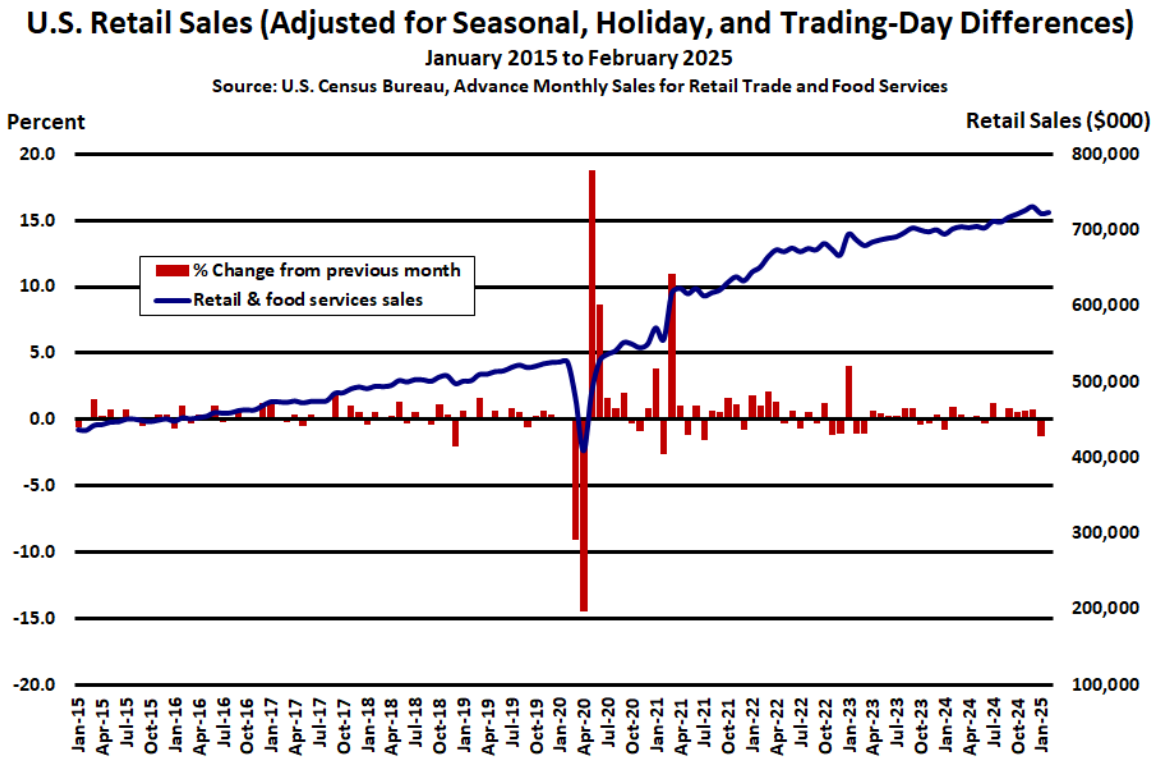
State personal income—a measure of nationwide income calculated as the sum of personal income of all states and the District of Columbia—increased in all 50 states and the District of Columbia in the 4th quarter of 2024, with the percent change ranging from 6.1 percent at an annual rate in Delaware to 2.4 percent in Louisiana, according to estimates by the U.S. Bureau of Economic Analysis (BEA).

Oklahoma's personal income accelerated to a 4.6 percent rate in the 4th quarter of 2024, to a level of $259.9 billion, ranking the state 23rd among all states. For the 3rd quarter of 2024, Oklahoma's personal income was revised downward to $256.0 billion (1.1 percent) from the previous estimate of $267.3 billion (4.2 percent).

Earnings increased in all 50 states and the District of Columbia, while growing 5.1 percent nationally. The percent change in earnings ranged from 7.3 percent in Mississippi to 3.1 percent in Idaho. In Oklahoma, earnings increased 4.8 percent in the 4th quarter of 2024.

Earnings increased in 23 of the 24 industries for which BEA prepares quarterly estimates and was the largest contributor to growth in personal income in all 50 states and the District of Columbia.

In Oklahoma, health care and social assistance (0.43 percentage point) was the leading contributor to 4th quarter earnings. Construction (0.40 percentage point) was the second-leading contributor to statewide earnings growth, followed by farm earnings (0.34 percentage point).



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.

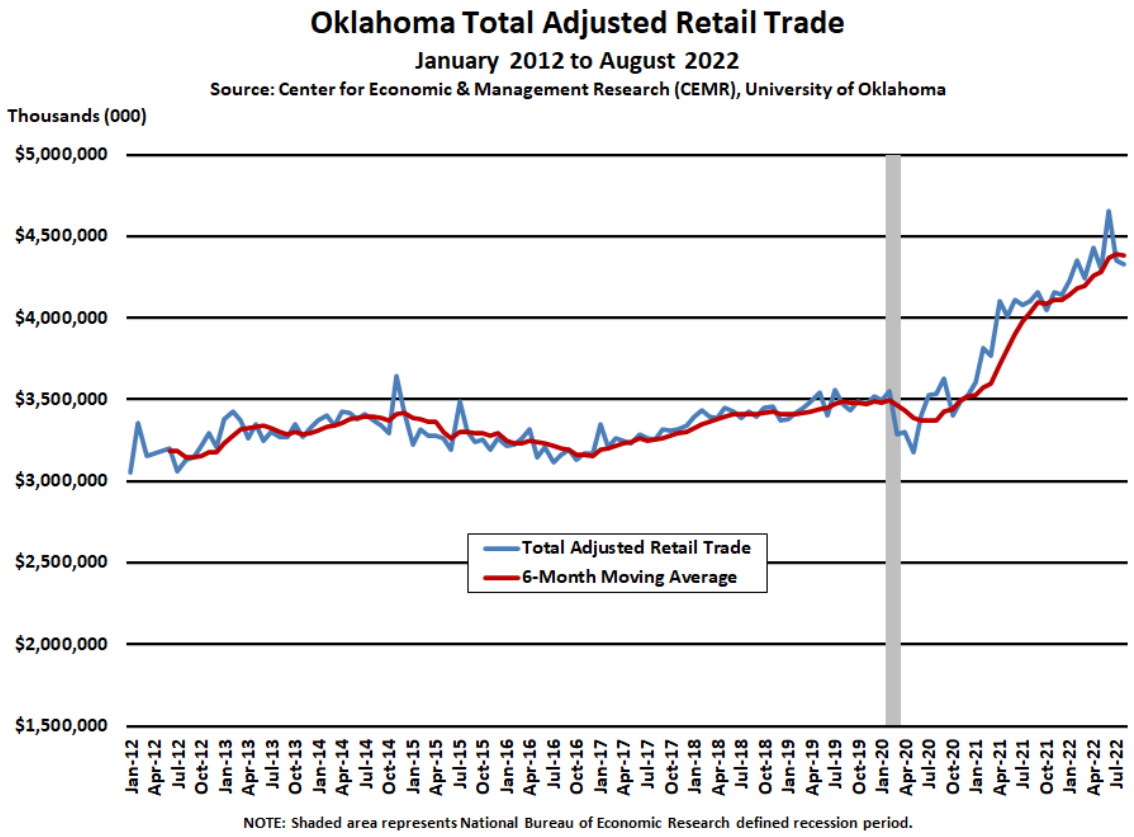
Current Developments

Spending at U.S. retailers was weaker than expected in February, following a steep drop in the prior month, a sign that consumers may be starting to tap out. Advance estimates of U.S. retail and food services sales for February 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $722.7 billion, up 0.2 percent from the previous month, and up 3.1 percent from February 2024, according to the U.S. Census Bureau. Total sales for the December 2024 through February 2025 period were up 3.8 percent from the same period a year ago. The December 2024 to January 2025 percent change was revised from down 0.9 percent to down 1.2 percent.

Sales at auto dealerships dipped 0.4 percent in February, after dropping 1.2 percent in January. Receipts at service stations were off 1.0 percent amid falling prices at the pump. Excluding sales at gas stations and auto dealers, sales rose 0.5 percent in February.

Online spending helped boost February sales, as nonstore retailers reporting a 2.4 percent increase. Health and personal care showed a 1.7 percent gain while food and beverage outlets saw a 0.4 percent rise. Sales at bars and restaurants dropped 1.5 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 rose 1.0 percent in February following a revised 1.0 percent decline in the prior month.



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

NOTE: As of August 2022, the Center for Economic and Management Research (CEMR) Price College of Business, at the University of Oklahoma discontinued publication of the Oklahoma Business Bulletin and the Oklahoma Monthly Retail Sales Series. We are currently exploring options for replacing this dataset.