

Oklahoma Economic Report 2013



Oklahoma Employment Security Commission
Economic Research & Analysis Division

2013 ECONOMIC REPORT

Oklahoma Employment Security Commission
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SPECIAL REPORT:

Business Establishment Survival in Oklahoma: Younger vs. Older Establishments

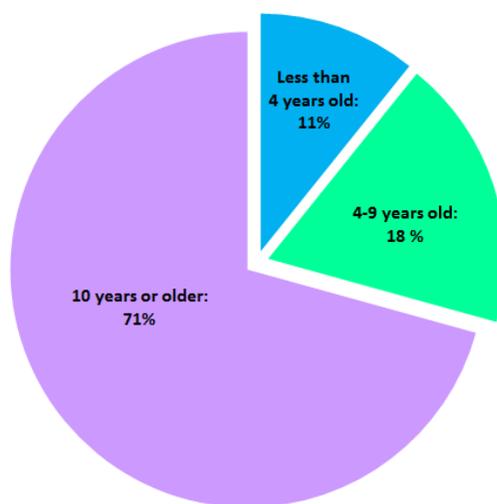
The U.S. economy is characterized by dynamic changes and constant churning of both workers and businesses. Each year, many new businesses are formed through establishment openings. At the same time, many establishments are unsuccessful and exit the market. The long-standing debate about the role and impact of small versus large businesses has expanded in recent years to consider the contributions of younger versus older businesses.¹

This analysis, which updates a previous study,² will look at new and younger business establishments' growth: how do they survive in competition, when do they likely withdraw from the market, how many job gains do new business establishments generate, and what has been the effect of the most recent 'Great Recession' on new and young business establishments in Oklahoma.

I. Oklahoma Private-Sector Establishments by Age: Younger vs. Older Establishments

In March 2012, older business establishments—those more than 10 years old—were the largest employers for Oklahoma's private-sector workforce, employing 71 percent of total private sector jobs. Private-sector business establishments 4 to 10 years old accounted for 18 percent of employment, and establishments less than 4 years old accounted for 11 percent of employment in Oklahoma, (see Chart 1, below).

Chart 1. Percent of Oklahoma total private employment by establishment age: March 2012



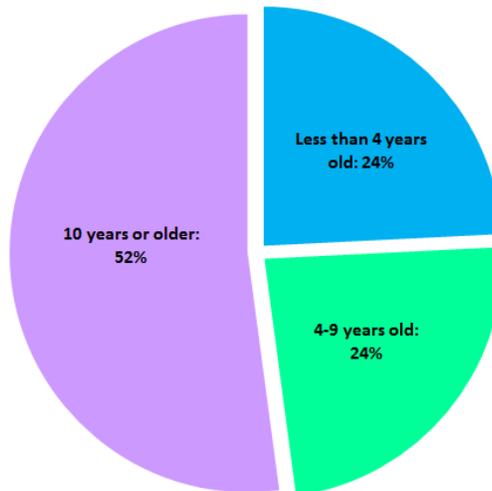
SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

Older business establishments also accounted for the largest number of total statewide private business establishments in 2012. In Oklahoma, about half, (52 percent), of all private sector business establishments were 10 years or older, 24 percent were 4 to 9 years old, and another 24 percent were less than 4 years old, (see Chart 2, below).

¹ Carol Leming, Akbar Sadeghi, James R. Spletzer, and David M. Talan, 'The Role of Younger and Older Business Establishments in the U.S. Labor Market', *Issues in Labor Statistics*, Office of Publications & Special Studies, U.S. Department of Labor, Bureau of Labor Statistics, Summary 10-09, August 2010.

² Yin Zhou, 'Business Establishment Survival in Oklahoma: Younger vs. Older Business Establishments', Economic Research & Analysis Division, Oklahoma Employment Security Commission, January 2013.

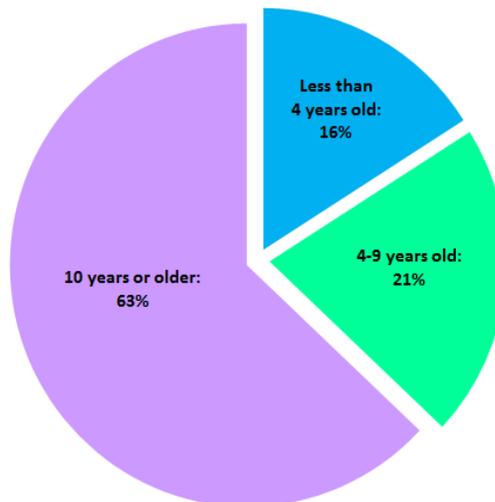
Chart 2. Percent of Oklahoma total private establishments by age: March 2012



SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

Before the ‘Great Recession’³, younger establishments, (less than 4 years old), had a larger share of private-sector employment in Oklahoma. Younger establishments accounted for 16 percent of total private-sector employment in March 2007 compared to just 11 percent in March 2012 (see Chart 3, below).

Chart 3: Percent of Oklahoma total employment by establishment age: March 2007



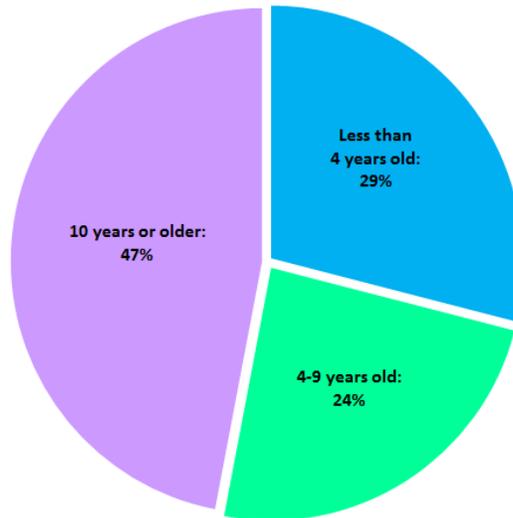
SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

Younger establishments also held a larger share of total private-sector business establishments prior to the ‘Great Recession’—29 percent in March 2007 (see Chart 4, below).

³ The ‘Great Recession’ began in December 2007 and ended in June 2009, lasting 18 months and making it the longest of any recession since World War II, according to the National Bureau of Economic Research (NBER).

However, older establishments played a much more significant role in Oklahoma private-sector employment. The share of older establishments' private-sector employment grew approximately 8 percent from March 2007 to March 2012. Older establishments' share of total private-sector establishments also increased during that five-year period, growing about 5 percent.

Chart 4. Percent of total number of Oklahoma private establishments by age: March 2007



SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

II. Oklahoma Private-Sector Establishment Births and Deaths

An establishment birth refers to a new opening, which is less than one year. In general, births of Oklahoma private-sector establishments have declined significantly over the past 18 years.

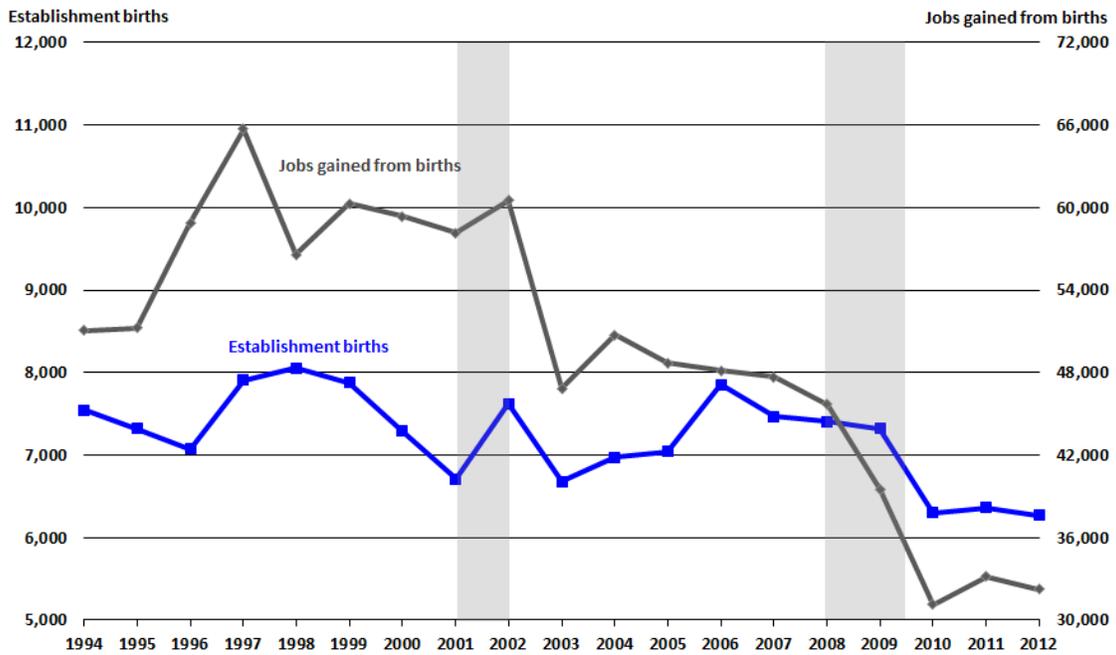
March 1998 saw the maximum number of private-sector establishment births in Oklahoma, with 8,054 new openings occurring that year. The largest employment level for newly opened establishments took place a year earlier, in March 1997, when new private-sector establishments employed 65,738 workers.

Consecutive years of declining new private-sector establishment employment began in March 2004. By March 2012, new private-sector establishments employed 31,147 workers—the minimum employment level over the past 18 years. That trend appears to have reversed the following year.

In March 2001, a newly opened private-sector establishment hired nine workers on average, but that number dropped to five by March 2009, 2010, 2011, and 2012, the period of time during and after the 'Great Recession'.

Chart 5, below, plots the growth trends for Oklahoma's newly opened business establishments using annual data for private-sector establishment births and jobs gained from births from March 1994 to March 2012.

Chart 5. Oklahoma private-sector business establishment births
Annual data, March 1994 to March 2012

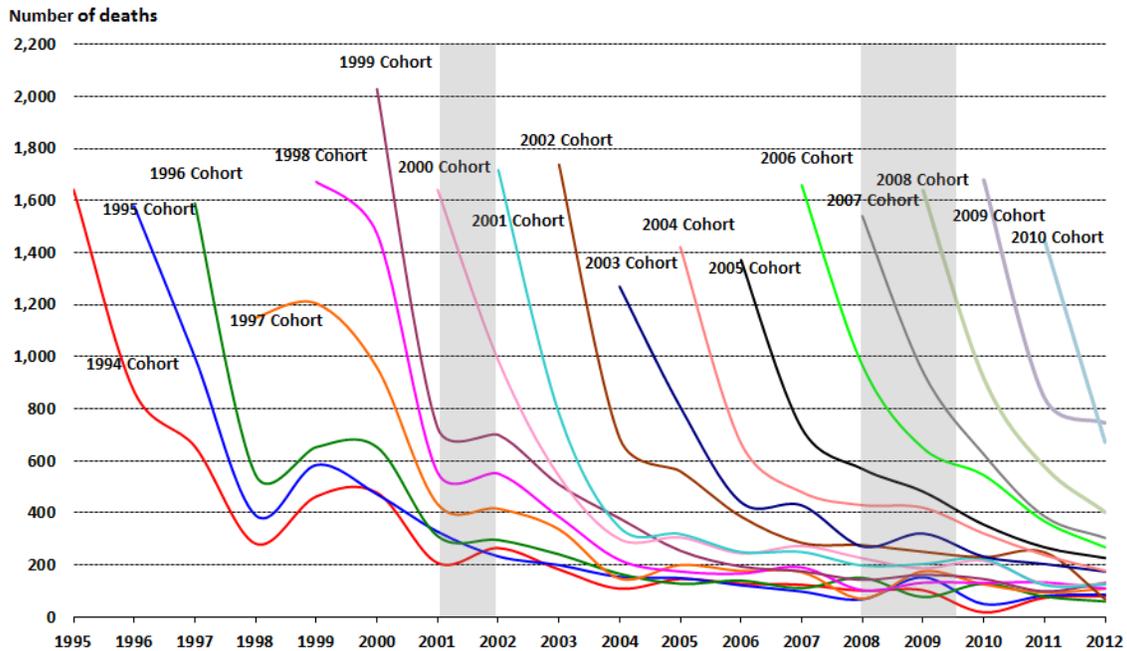


SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

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

Typically, in Oklahoma, a great number of private-sector establishments disappear during the first two or three years after birth. In other words, establishment deaths predominantly happen during the early stages of the establishment's existence. Chart 6 plots the trends of Oklahoma private-sector establishment deaths over the past 18 years, from March 1994 to March 2012.

Chart 6. Oklahoma private-sector business establishment deaths
Annual data, March 1994 to March 2012



SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

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

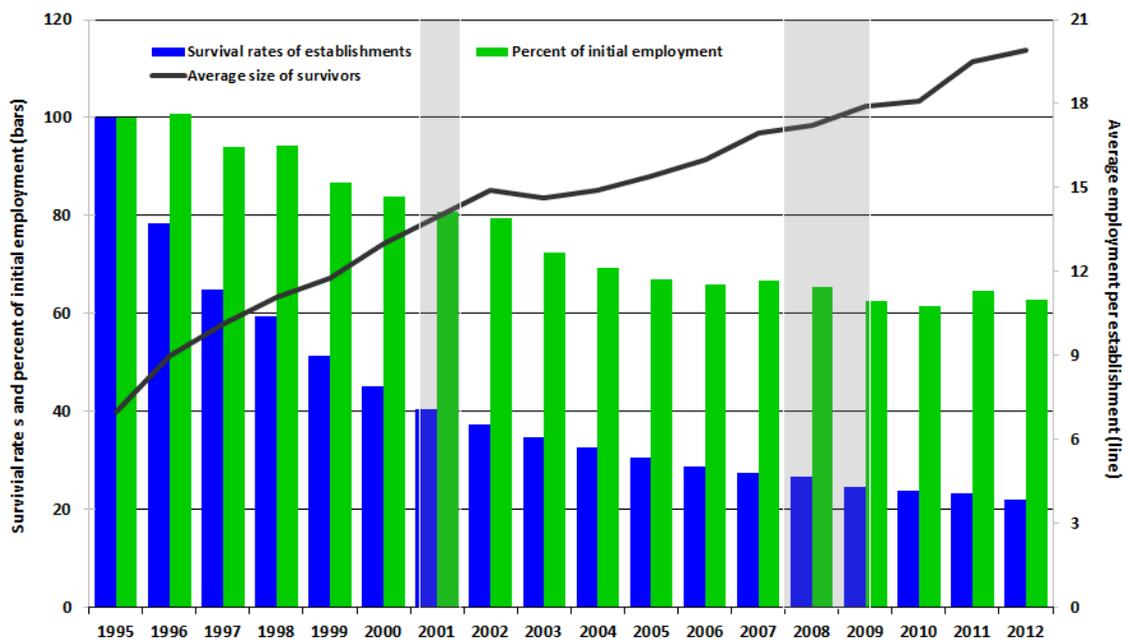
III. Survival Rates of Oklahoma Private-Sector Establishments by Age

Chart 7 shows survival rates for the cohort of new Oklahoma business establishments opening in March 1995. In Chart 7, the ‘establishments’ bars indicate what proportion of all business establishment openings in March 1995 survived to a given year. Only 22 percent of the establishments that opened in March 1995 were still in business in 2012, employing 60 percent of the cohort’s initial employment. In terms of survival, the first three years seem extremely critical to newly opened establishments. For every 100 private-sector establishments born in March 1995 in Oklahoma, 22 failed to survive after the first year, 35 failed to survive after the second year, and 41 failed to survive the third year after opening (see Chart 7, next page).

In Chart 7, the ‘employment’ bars represent employment levels at the surviving establishments as a percent of the cohort’s initial employment.

The ‘average size of survivors’ line in Chart 7 is calculated by dividing the surviving cohort employment levels by the total number of surviving establishments, reflecting how many employees are hired by surviving establishments on average. This line shows that for the cohort of Oklahoma establishments opening in March 1995, the average size of establishments was seven workers. By March 2001, surviving establishments’ size had doubled to an average of 14 workers employed by each surviving establishment. In particular, the surviving establishments’ size grew quickly during their first three years.

Chart 7. Survival rates of Oklahoma business establishments opening in 1994 and average employment per surviving establishment



SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

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

The size of surviving establishments, in general, tended to grow over time, increasing from seven employees to about 20 employees from March 1995 to March 2012. Two possible reasons put forward as to why the average size of surviving establishments increases over time are: 1) employment levels at the surviving establishments are likely to grow from their initial levels, and 2) if smaller establishments are more likely to die and larger establishments are more likely to

survive, the declining number of smaller establishments and growing number of larger establishments will increase the average size of surviving establishments.⁴

IV. Survival Rates and the Recessions

Since the first three years appear to be especially critical to business survival, how have the past two recessions impacted the survival rates of new private-sector establishments in Oklahoma in their early stages?

Table 1, below, summarizes the survival rates for the first three years of new private-sector business establishments opening since March 1999. The survival rates in bold indicate those affected by the recessions. During their early stages, the cohorts 1999, (establishments born in March 1999), 2000 and 2001 were affected by the recession occurring between March and November 2001. Likewise, the cohorts 2005, 2006, 2007, 2008, and 2009 were affected by the most recent ‘Great Recession’.

For first-year survival rates affected by the recessions, the average level is only about one percentage point lower than the non-recession average. This is also the case with the second and third year average survival rates when compared with the non-recessionary averages. While the past two recessions appear to have lowered the survival rates of new business establishments during their first three years, this negative effect is not considerably different from non-recessionary survival rates (see Table 4, next page).

**Table 1. Survival rates of new establishments
Oklahoma 1999-2011**

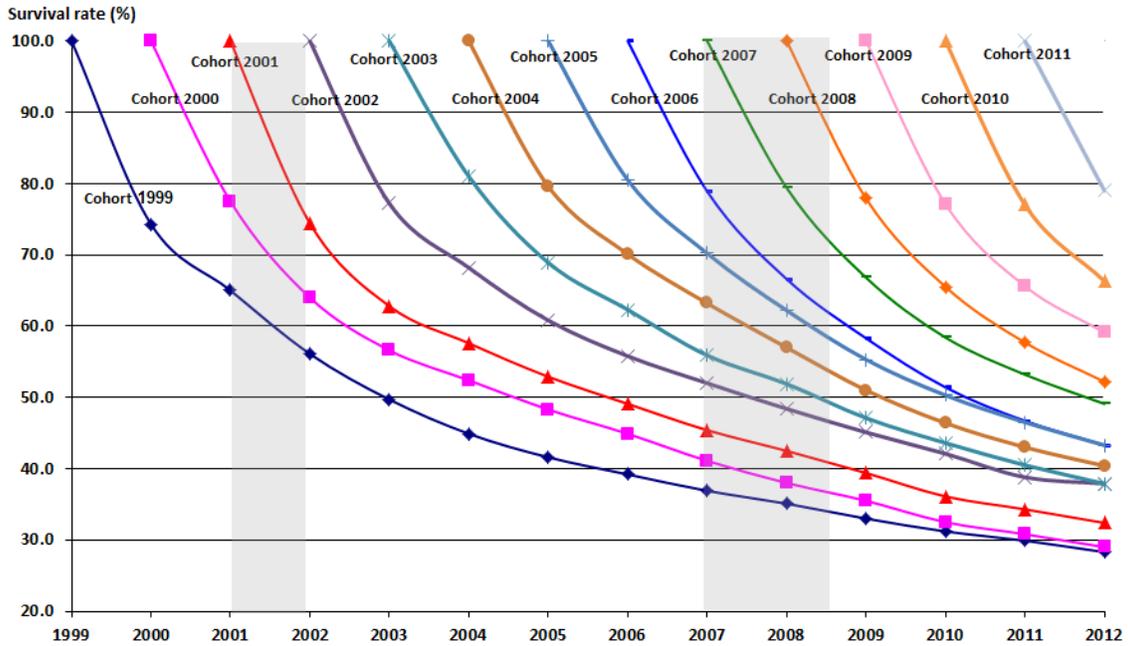
Annual Births Year Ended	Percent Surviving		
	1 year	2 years	3 years
March 1999	74.3	65.0	56.1
March 2000	77.5	64.0	56.6
March 2001	74.4	62.8	57.6
March 2002	77.2	68.2	60.8
March 2003	81	68.9	62.3
March 2004	79.6	70.1	63.2
March 2005	80.5	70.2	62.2
March 2006	78.9	66.6	58.3
March 2007	79.4	66.8	58.4
March 2008	77.9	65.5	57.7
March 2009	77.1	65.6	59.1
March 2010	77.0	66.3	\
March 2011	79.0	\	\
Average (non-recession)	78.3	67.1	59.6
Average (recession)	77.2	65.7	58.8

SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

Chart 8 plots the survival rates of Oklahoma private-sector business establishments during the past two recessions for all of the cohorts since March 1999. The establishment survival rates of the older cohorts (1999, 2000, and 2001) appear to be much less affected by the ‘Great Recession’ than the younger cohorts (2007, 2008, and 2009).

⁴ Leming, Sadeghi, Spletzer, and Talan, *op. cit.*
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Chart 8. Survival rates of Oklahoma business establishments during the past two recessions
Annual data, March 1999 to March 2012



SOURCE: Business Employment Dynamics (BED), U.S. Bureau of Labor Statistics

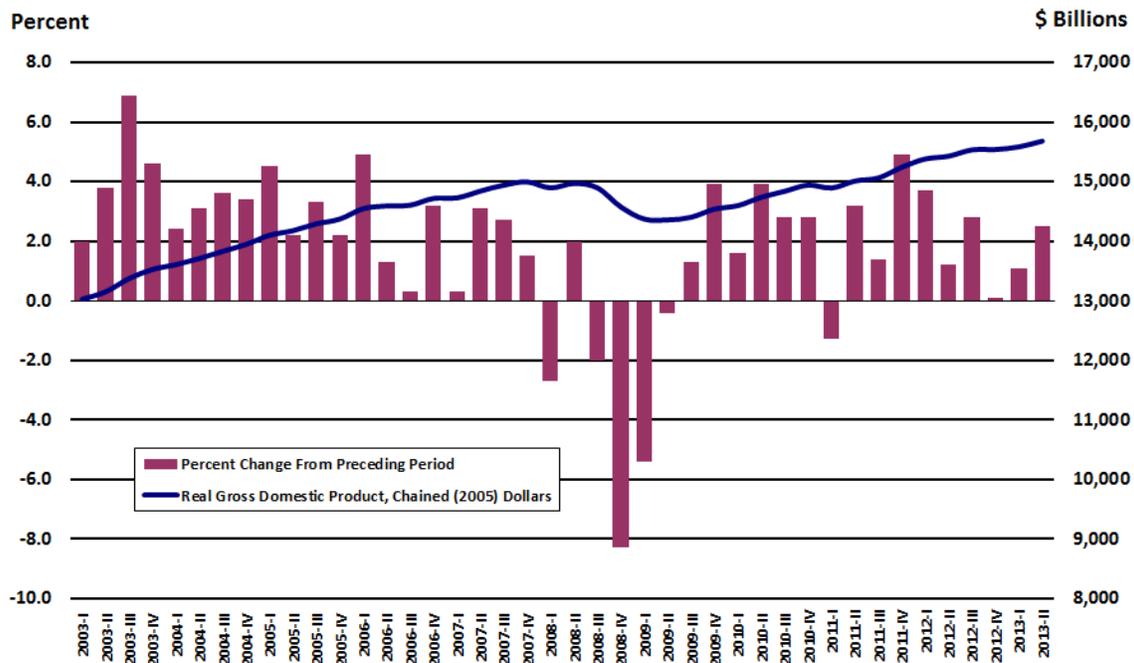
NOTE: Shaded areas represent National Bureau of Economic Research defined recession periods.

The role young businesses play continues to be evaluated as a factor in understanding job creation in the state and national economies. The past two recessions, and especially the ‘Great Recession’ seem to have reduced establishment birth and survival rates and hindered employment growth among young business establishments in Oklahoma. New establishments in Oklahoma are also opening with fewer employees, part of an ongoing ten-year trend. The result is that younger business establishments in Oklahoma have a less prominent role in the state’s private sector in 2012 than they did prior to the ‘Great Recession’.

NOTE: The full report is posted on the OESC website at:
http://www.ok.gov/oesc_web/documents/lmiestsurvival2013.pdf

Real Gross Domestic Product and Quarterly Change

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



Definition & Importance

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

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

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 expanded at a faster pace than previously estimated in the 2nd quarter as exports and business investment were revised upward. Real gross domestic product increased at an annual rate of 2.5 percent in the 2nd quarter of 2013, according to the "second" estimate released by the Bureau of Economic Analysis (BEA). GDP growth this spring was more than double the 1.1 percent rate from January through March and sharply higher than the initial 1.7 percent rate it reported in the "advance" estimate last month.

Consumer spending grew by a 1.8 percent rate in the 2nd quarter. That's unchanged from the last month's initial estimate but down from a 2.3 percent growth rate in the 1st quarter.

Businesses increased their spending 4.4 percent in the 2nd quarter, in contrast to a decrease of 4.6 percent in the previous quarter. Business investment on structures was revised up to at 16.1 percent rate, although spending on equipment was revised a bit lower.

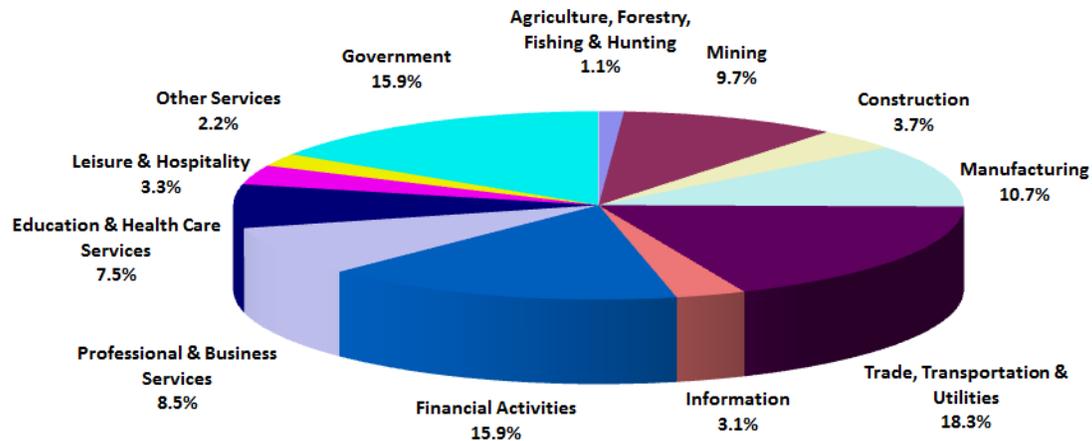
Housing construction grew at an annual rate of 12.9 percent, the fourth consecutive quarter of double-digit growth.

The trade deficit narrowed sharply in June—information that wasn't available to government analysts when the "advance" estimate for 2nd-quarter growth was produced last month. The main lift came from exports, which rose at an 8.6 percent annual rate. The additional information left trade neutral in the 2nd quarter, instead of subtracting 0.8 percentage points from growth.

Government spending shrank an annual rate of 0.9 percent in the 2nd quarter, as a package of federal government spending cuts known as the 'sequester', took another bite out of the economy. Spending by the federal government shrank at a 1.6 percent annual rate. State and local governments cut at a 0.5 percent rate.

2012 Industry Share of Oklahoma's Economy (by percentage of Gross Domestic Product)

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



Definition & Importance

Oklahoma's economy typically follows a similar trend to that of the nation. State GDP data lags behind national data and is only available annually. As a result, it is not a good indicator of current economic conditions and does not fully reflect the recent changes in Oklahoma's economic climate. However, it is still valuable to understand the state's growth trend compared to the nation and what industries are the largest contributors to Oklahoma's economy.

Current Developments

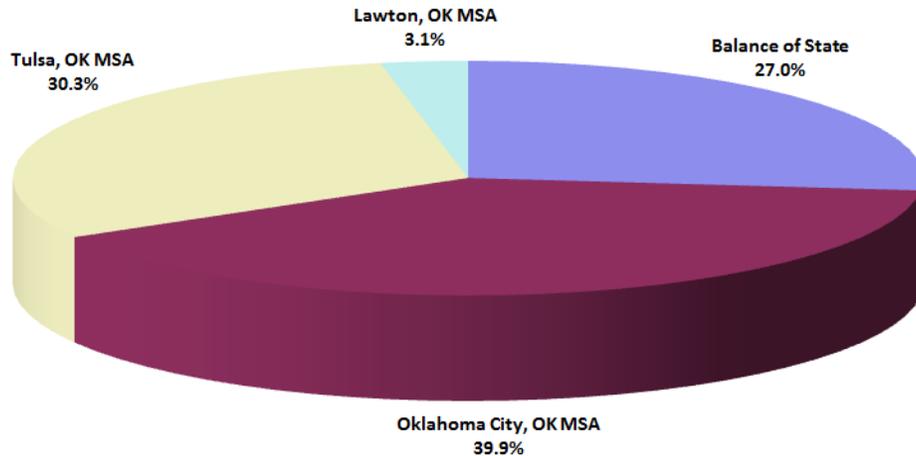
Oklahoma, along with 48 states and the District of Columbia, saw growth in real GDP in 2012, according to the advance estimate from the Bureau of Economic Analysis (BEA). Oklahoma's 2011 advance estimate was revised upward from 1.0 percent to 1.9 percent. Oklahoma's real GDP growth rate of 2.1 percent ranked it 23rd among all other states. In 2011, Oklahoma ranked 20th based on the revised 1.9 percent growth rate.

Oklahoma had a real GDP of \$138.3 billion in 2012, up from \$135.5 billion the year before. U.S. real GDP by state grew 1.5 percent in 2011 after a 3.1 percent increase in 2010. Real GDP increased in all eight BEA regions in 2012, with growth accelerating in seven of eight regions. The Great Lakes region was the only region where growth decelerated relative to growth in 2011. The Southwest region, which includes Oklahoma, grew the fastest (4.1 percent), led by Texas with a 4.8 percent increase..

Durable-goods manufacturing was the largest contributor to U.S. real GDP by state growth in 2012, including Oklahoma, where it contributed 0.78 percentage points to overall growth. Other industries adding to 2012 GDP growth in Oklahoma were wholesale trade (0.37 percent); retail trade (0.33 percent); real estate, rental & leasing (0.32 percent); finance & insurance (0.25 percent); accommodation & food services (0.12 percent) and government (0.12 percent). Subtracting from state GDP growth were mining (-0.72 percent) and management of companies (-0.15 percent).

Metropolitan Area Contribution to State Real Gross Domestic Product 2011

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



Definition & Importance

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

Nationally, metropolitan statistical areas represent approximately 90 percent of total GDP. In Oklahoma, the three MSAs of Oklahoma City, Tulsa and Lawton accounted for roughly 75 percent of total state GDP in 2010.

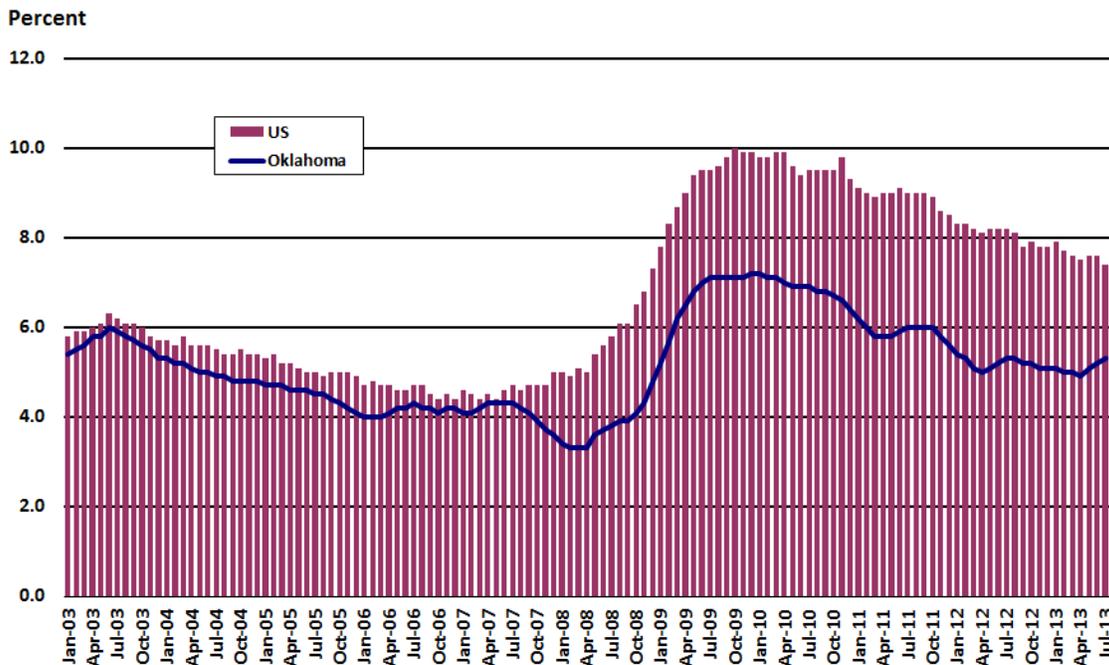
Current Developments

Real U.S. GDP by metropolitan area increased 2.5 percent in 2010 after declining 2.5 percent in 2009, according to the most current statistics from the U.S. Bureau of Economic Analysis (BEA). The economic growth was widespread as real GDP increased in 304 of 366 (83 percent) metropolitan areas, led by national growth in durable-goods manufacturing, trade, and financial activities.

In terms of growth in real GDP, Lawton MSA ranked 15th out of the 366 U.S. metropolitan areas growing by 6.9 percent to \$4.21 billion in 2010. Oklahoma City MSA ranked 205th growing by 1.7 percent to \$53.7 billion followed by Tulsa MSA ranked at 329th declining by -0.6 percent to \$40.7 billion.

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

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

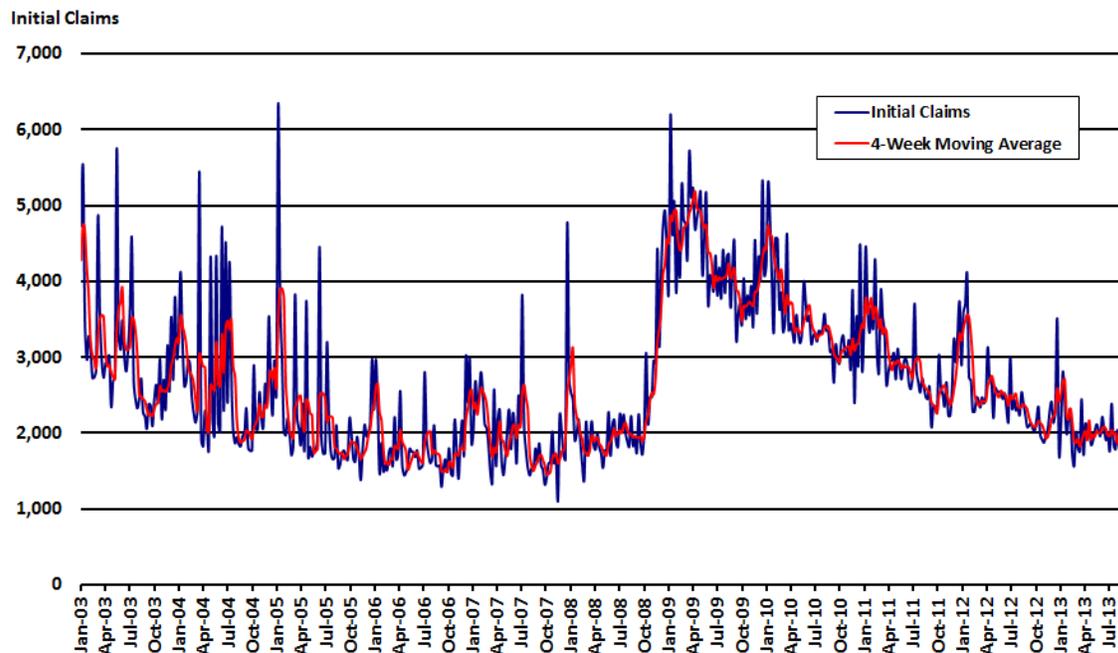
The unemployment rate fell in August to its lowest level since December 2008 as more people left the labor force. The unemployment rate dropped to 7.3 percent in August, according to the Bureau of Labor Statistics (BLS). The civilian labor force participation rate, which indicates the share of working-age people in the labor force, edged down to 63.2 percent—the lowest since August 1978—from 63.4 percent.

Oklahoma's seasonally adjusted unemployment rate edged up by a one-tenth percentage point to 5.3 percent in July. The state's seasonally adjusted unemployment rate was the same as it was in June 2012.

Unemployment rates dropped in 76 of Oklahoma's 77 counties in July. Once again, Latimer County posted Oklahoma's highest county unemployment rate of 8.6 percent. McCurtain and Hughes counties rounded out the list of the state's three highest rates for the month. Ellis and Roger Mills counties shared July's lowest county unemployment rate of 2.3 percent.

Oklahoma Initial Weekly Claims for Unemployment Insurance (Not Seasonally Adjusted)

Source: U.S. Department of Labor, Employment and Training Administration



Definition & Importance

Initial unemployment claims are compiled weekly by the U.S. Department of Labor, Employment and Training Administration and show the number of individuals who filed for unemployment insurance benefits for the first time. This particular variable is useful because it gives a timely assessment of the overall economy.

Initial claims are a leading indicator because they point to changes in labor market conditions. An increasing trend signals that layoffs are occurring. Conversely, a decreasing trend suggests an improving labor market. The four-week moving average of initial claims smooths out weekly volatility and gives a better perspective on the underlying trend.

Current Developments

The number of Americans seeking unemployment benefits dropped to the lowest level since June 2008 in the last week of August. In the week ending August 31, the advance figure for seasonally adjusted initial claims was 323,000, a decrease of 9,000 from the previous week's revised figure of 332,000, according to the U.S. Department of Labor. The four-week moving average, which smooths out short-term spikes, was 328,500, a decrease of 3,000 from the previous week's revised average of 331,500.

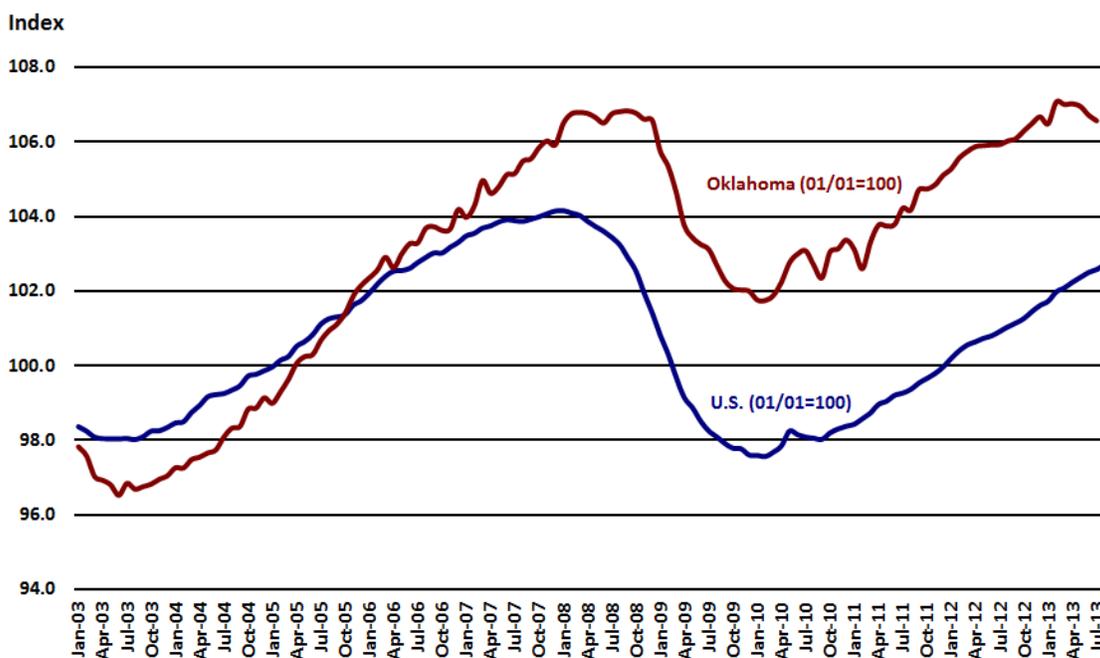
Oklahoma initial jobless claims turned up but continue on a long-term downward trend. For the file week ending August 24, initial claims rose from the previous week by 85 to 1,857. For the same file week ending, the less volatile initial claims four-week moving average dropped by 64 to 1,805.

Many state businesses are expected to pay less into Oklahoma's unemployment insurance (UI) trust fund in 2014. Due to recovery in the fund over the past few years, the state UI trust fund recently topped \$1.0 billion for the first time ever. A higher UI trust fund balance will translate into savings for Oklahoma employers. For 2014, the contributions of most Oklahoma employers will drop considerably due in part to the solvency of the UI trust fund.

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

Index: January 2001=100

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



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 140,000 nonfarm businesses and government agencies representing approximately 440,000 individual worksites. 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

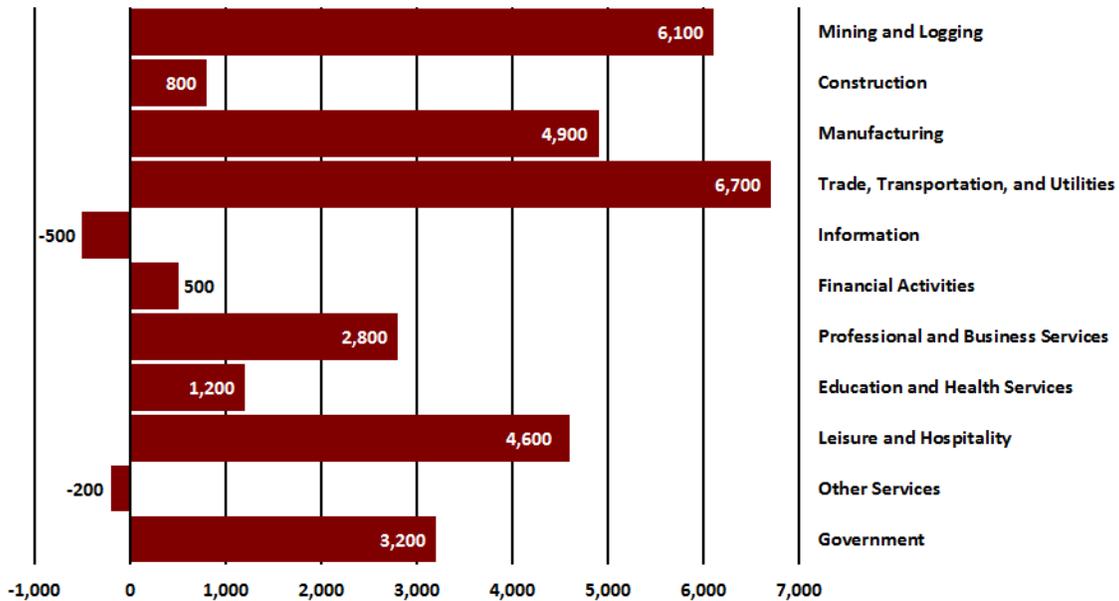
Payrolls in the U.S. climbed less than expected in August after smaller gains the prior two months. Total nonfarm payroll employment increased by 169,000 in August, according to the Bureau of Labor Statistics (BLS). In August, job growth occurred in retail trade (+44,000) and healthcare (+33,000), while employment in information declined (-22,000). Employment continued to trend up in food services and drinking places (+21,000), professional and business services (+23,000), and wholesale trade (+8,000).

Oklahoma's seasonally adjusted nonfarm employment contracted by 2,300 jobs (-0.1 percent) for the month in July. Professional & business services (+1,700 jobs) added the most jobs of any supersector in July. Construction (-2,100 jobs) saw the biggest over-the-month decline.

Over the year, state nonfarm employment grew by 9,700 jobs (+0.6 percent) with leisure & hospitality again providing the largest gain (+6,800 jobs). Mining & logging (-5,400 jobs) and other services (-3,300 jobs) accounted for most of July's year-to-year job losses.

Oklahoma Employment Change by Industry 2011 - 2012

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



Definition & Importance

Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a declining employment trend indicate those which are becoming less important in the state's economy. There may also be industries which behave more cyclically, growing during expansion and decreasing in times of economic slowdown or contraction. These changes are crucial in that they help to recognize the types of jobs being lost by individuals. Anticipating what will happen in recovery helps identify whether those jobs will return or what types of new jobs will be created. Consequently, key information for planning re-employment, retraining, and other workforce and economic development programs is contained within these data. For this analysis, we are using CES annual averages to compare year-over-year employment changes.

Current Developments

Nonfarm employment growth in Oklahoma picked up more momentum in 2012. Total nonfarm employment grew at a robust 1.9 percent growth rate in 2011, adding approximately 30,100 jobs.

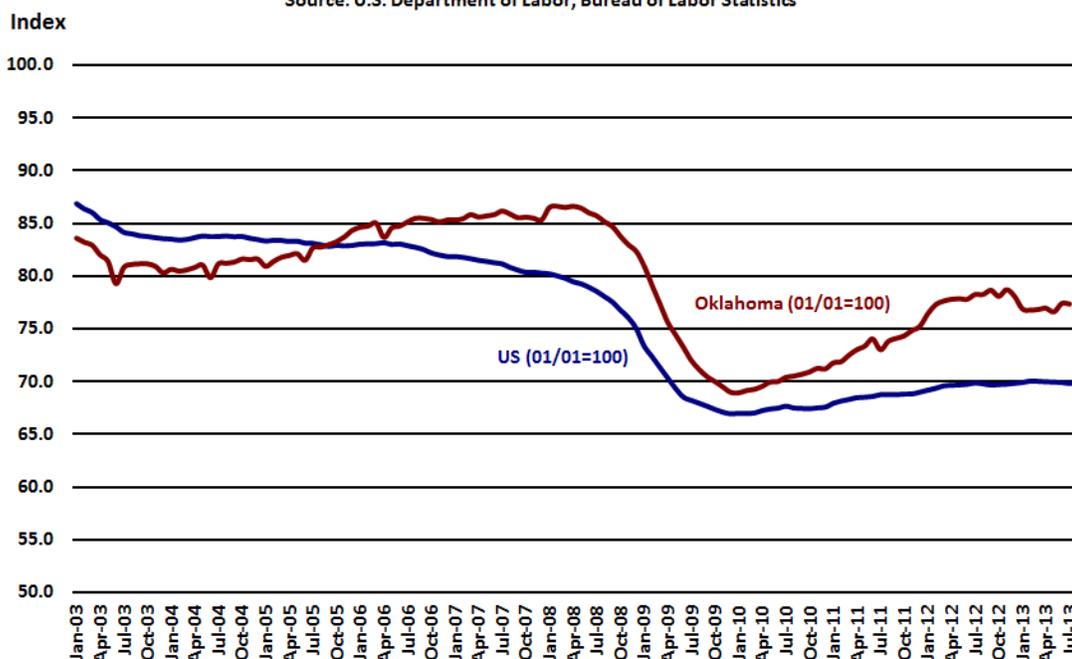
Employment growth in 2012 was wide-ranging with nine out of the 11 statewide industry supersectors reporting job gains. The broad trade, transportation & utilities industry recorded the largest employment increase adding 6,700 jobs with nearly half the hiring in wholesale trade. Mining had another strong year of job growth adding 6,100 jobs and more than half of the growth coming from support activities for mining. Manufacturing added 4,900 jobs with all of the growth in durable goods. Leisure & hospitality added 4,600 jobs with most of the job gains being in accommodation & food services. Professional & business services employment grew by 2,800 driven by job gains in professional, scientific, and technical services and employment services. Government employment added 3,200 jobs with state and local government adding employment as federal government employment shed 700 jobs. Education & health services added 1,200 jobs with two-thirds of the employment gains in hospitals.

Over-the-year job losses were seen in financial activities (-500) and other services (-200).

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

Index: January 2001 = 100

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



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. During the 2007-09 recession, employment in manufacturing declined sharply. Although manufacturing plunged in 2008 and early 2009 along with the rest of the economy, it is on the rebound today while other key economic sectors, such as construction, still suffer. 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.

At one time, manufacturing made up 38 percent of the nation's employment. However, manufacturing employment in the United States has been declining since 1979, as productivity, technology gains, and the transfer of manufacturing to locations outside the United States have reduced the demand for traditional manufacturing employment. Furthermore, current shifts in the industry away from heavy sectors, such as automobiles and basic chemicals toward higher-tech products like computer chips are also accelerating manufacturing's long-term shrinkage.

Current Developments

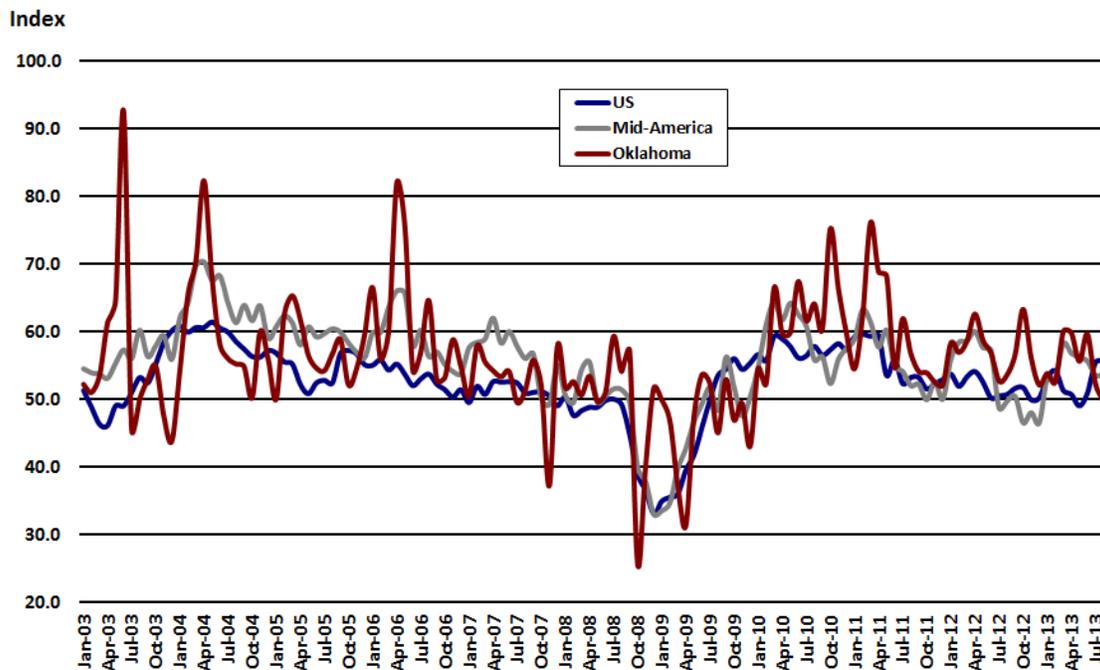
Factory employment rose in August led by gains in motor vehicles and parts manufacturing. Manufacturing employment added a net of 14,000 workers in August according to the Bureau of Labor Statistics (BLS). Auto manufacturers laid off more workers for model changeover in July than in recent years. The return of laid-off workers contributed to the increase in August. Over the past 12 months, auto manufacturers have added 34,000 jobs.

Manufacturing employment growth was nearly unchanged in July edging down by a non-seasonally adjusted 100 jobs (-0.1 percent). Nondurable goods manufacturing employment accounted for most the job losses in July.

**As of January 2013, due to employment stability in the Manufacturing and Information supersectors, the BLS has determined that they do not need to be adjusted for seasonal factors at this time.*

Purchasing Managers' Index (Manufacturing)

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



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. 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. factories expanded in August at the fastest pace since June 2011 on a jump in new orders. The PMI™ registered 55.7 percent, an increase of 0.3 percentage point from July's reading of 55.4 percent, according to the latest Manufacturing ISM Report On Business®. August's PMI™ reading, the highest since June 2011, also indicates expansion in the manufacturing sector for the third consecutive month.

A gauge of new orders rose nearly five points to 63.2, the highest level in more than two years. At the same time, production increased more slowly than in July, and factories added jobs at a weaker rate. Despite the drop, production reached its highest level in two-and-a-half years.

The August ISM survey found broad-based manufacturing growth, as 15 out of 18 industries reported expansion while only one reported contraction, suggesting factory production will contribute more to the expansion in the second half of the year.

The monthly Mid-America Business Conditions Index, a leading economic indicator for a nine-state region, rose for the first time since March. The Business Conditions Index, which ranges

between 0 and 100, increased in August to 53.8 from July's 53.5 reading, according to the Creighton Economic Forecasting Group. The index continues to indicate that growth for the 4th quarter of 2013 will be positive, but down from the 1st quarter of this year.

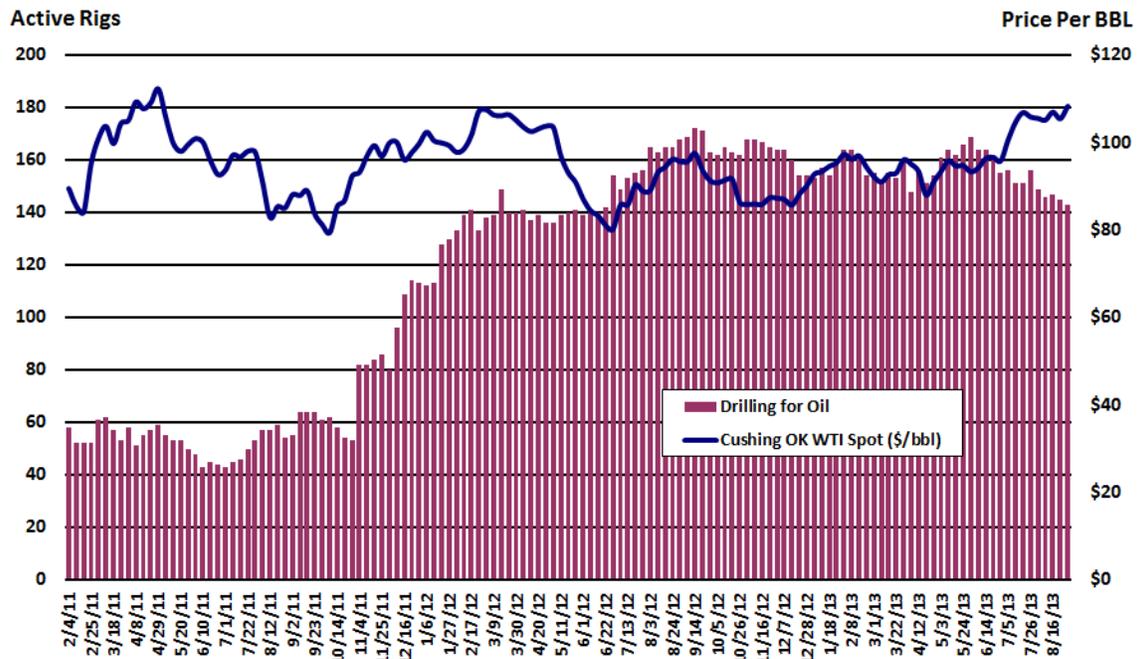
The Business Conditions Index for Oklahoma dipped below growth neutral for August to 49.7 from 52.3 in July. Components of the August survey of supply managers in the state were new orders at 51.9, production or sales at 47.7, delivery lead time at 54.9, inventories at 49.4, and employment at 44.8.

“Pullbacks in business activity for nondurable goods producers, including food processors, more than offset gains for durable goods manufacturers. August declines for mining firms and companies linked to the mining sector shed jobs for the month,” said Dr. Ernie Goss, director of Creighton University’s Economic Forecasting Group.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

February 2011 to August 2013

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



Definition & Importance

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

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

West Texas Intermediate (WTI-Cushing) is a light crude oil produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma.

Background

Oklahoma produces a substantial amount of oil, with annual production typically accounting for more than 3 percent of total U.S. production in recent years. Crude oil wells and gathering pipeline systems are concentrated in central Oklahoma. Two of the 100 largest oil fields in the United States are found in Oklahoma.

The city of Cushing, in central Oklahoma, is a major crude oil trading hub connecting Gulf Coast producers to Midwest refining markets. In addition to Oklahoma crude oil, the Cushing hub receives supply from several major pipelines that originate in Texas. Traditionally, the Cushing Hub has pushed Gulf Coast and Mid-Continent crude oil supply north to Midwest refining markets. 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, which have a combined distillation capacity of over 500 thousand barrels per day—roughly 3 percent of the total U.S. refining capacity.

Current Developments

U.S. crude oil production increased to an average of 7.5 million barrels per day (bbl/d) in July 2013, the highest monthly level of production since 1991, according to the Energy Information Administration's most recent *Short Term Energy Outlook*. The EIA forecasts U.S. total crude oil production will average 7.4 million bbl/d in 2013 and 8.2 million bbl/d in 2014, both about 0.1 million bbl/d higher than previously forecast.

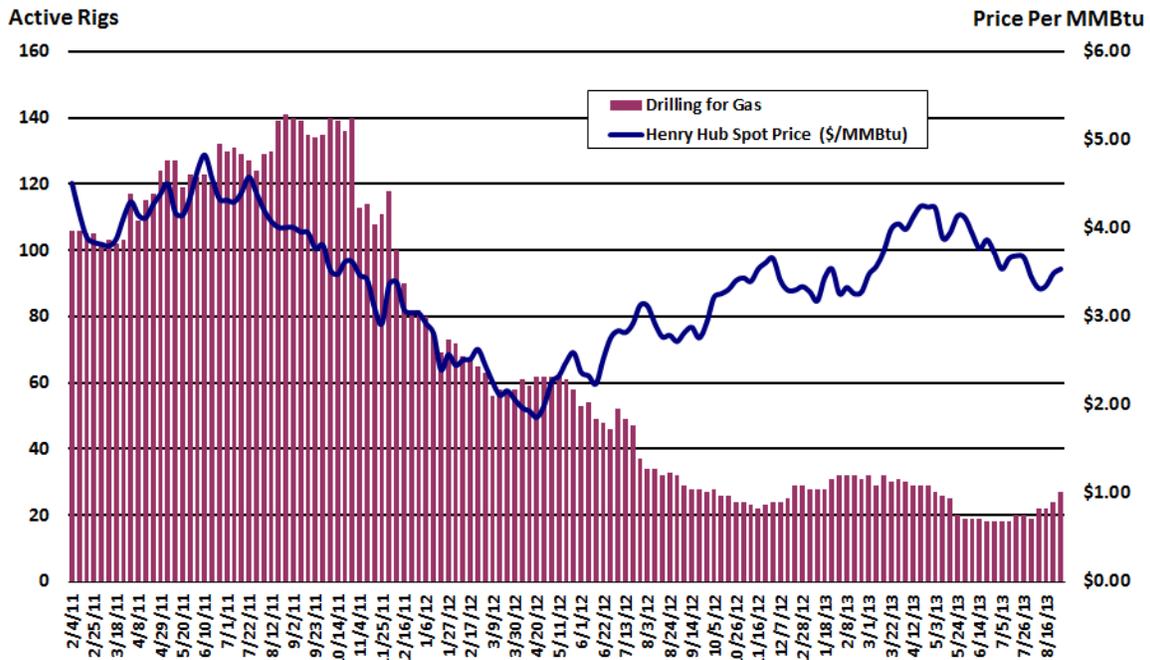
August saw rising crude oil prices and seasonal demand increases. After starting the month at \$107.93 per barrel, WTI-Cushing spot prices advanced to \$108.67 per barrel on August 30. The average WTI-Cushing spot price was \$106.57 in August, \$12.44 higher (+11.9 percent) than the July average of \$104.65 per barrel. Over the year, the current WTI-Cushing spot price is \$12.44 more than the August 2012 average of \$94.13 per barrel.

Oklahoma's overall rotary rig activity for August averaged 169—the lowest monthly average since June 2011. Over the year, August's active rotary rig count in Oklahoma fell by 30 rigs. Oil-directed active rotary rigs dropped to a level of 143, (for the week ended August 30, 2013), accounting for approximately 84 percent of total rig activity in the state.

Oklahoma Active Rotary Rigs & Henry Hub Natural Gas Spot Price

February 2011 to August 2013

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 and 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. If inventories are high and rising in a period of strong demand, prices may not need to increase at all, or as much. 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 is one of the top natural gas producers in the United States with production typically accounting for almost one-tenth of the U.S. total. More than a dozen of the 100 largest natural gas fields in the country are found in Oklahoma and proven reserves of conventional natural gas have been increasing in recent years.

Most natural gas in Oklahoma is consumed by the electricity generation and industrial sectors. About three-fifths of Oklahoma households use natural gas as their primary energy source for home heating. Nevertheless, only about one-third of Oklahoma’s natural gas output is

consumed within the state. The remaining supply is sent via pipeline to neighboring states, the majority to Kansas, including the natural gas trading hubs in Texas and Kansas.

Current Developments

Working natural gas in storage increased to 3,188 Bcf as of Friday, August 30, according to the Energy Information Administration, (EIA). The 58-Bcf gain in storage levels was significantly higher than the 33-Bcf injection that occurred during the same week in 2012, but was in line with the 5-year average increase of 60 Bcf. Current inventories are 210 Bcf (6.2 percent) less than last year at this time and 43 Bcf (1.4 percent) above the 5-year average of 3,145 Bcf.

The EIA also noted that industrial consumption of natural gas is poised to continue recent growth through the next several years, evidenced by planned expansions in gas-intensive industries, as well as by a major industrial indicator released this week by the Institute for Supply Management (ISM). Indicating an uptick in industrial activity, the recently released PMI™ for August registered 55.7, the highest level in more than two years. The PMI™ is an indicator of whether manufacturers feel that business conditions are improving, staying the same, or worsening each month. An index of 50 indicates that business managers believe market conditions are unchanged, while an index of greater than 50 indicates a positive outlook.

The Henry Hub natural gas spot price increased modestly in August. The Henry Hub price started the month at \$3.44 per MMBtu and ended at \$3.57 per MMBtu, a gain of 13 cents per MMBtu.

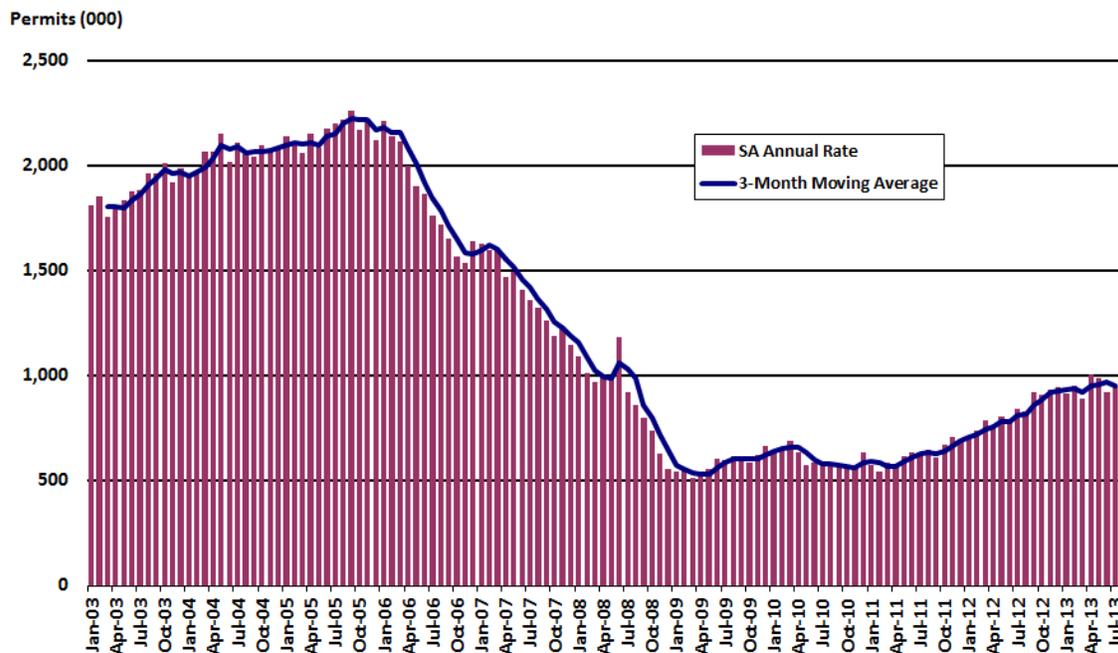
According to data reported by Baker Hughes, Oklahoma's natural gas rotary rig count picked up in August. For the week ended August 30, the state natural gas-directed drilling rig count stood at 27 and accounted for about 16 percent of total drilling activity. Over the year, Oklahoma's natural gas-directed rotary rig count has declined by 5 from 32 rigs reported for the week ended August 31, 2012.

The Baker Hughes U.S. natural gas rotary rig count totaled 380 active units as of Friday, August 30, a decrease of 7 rigs from the previous week. The oil rig count increased by 6 to 1,388. Compared with a year ago, gas rigs are down 93 units while oil rigs are down 31.

U.S. Total Residential Building Permits, 2003-2013

Seasonally Adjusted

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



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 next 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 outside impact on the economy. Each home built creates an average of three jobs for a year and about \$90,000 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

Applications for permits for future home construction climbed in July, paced by a jump in multifamily permitting. Privately-owned housing units authorized by building permits in July were at a seasonally adjusted annual rate of 943,000, 2.7 percent above the revised June rate of 918,000 and 12.4 percent above the July 2012 estimate of 839,000, according to the U.S. Census Bureau and the Department of Housing and Urban Development.

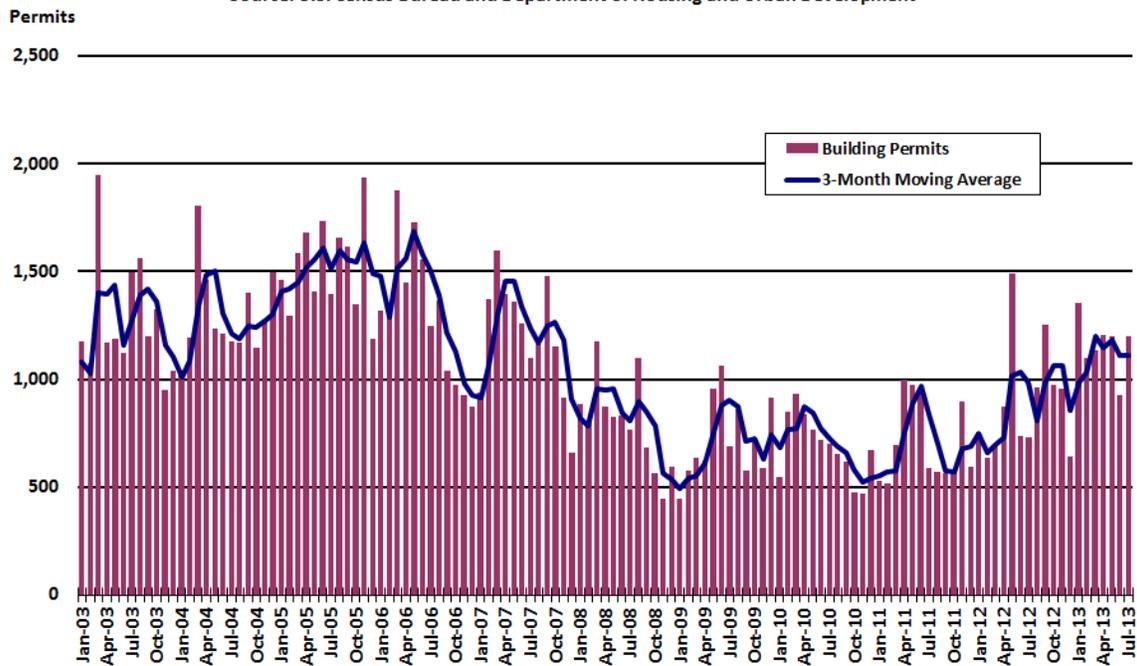
Building applications for single-family housing in July exceeded the number of starts, signaling some opportunity for a pickup in construction in coming months. Single-family authorizations in July were at a rate of 613,000, 1.9 percent below the revised June figure of 625,000. Apartment permitting bounced 13.5 percent from June and accounted for nearly all the monthly gain in residential permitting.

The National Association of Home Builders/Wells Fargo builder sentiment index rose to 59 from 56 in July—the highest level since November 2005.

Oklahoma Total Residential Building Permits, 2003-2013

Not Seasonally Adjusted

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



Residential permitting activity surged in July, driven by single-family building applications. Total unadjusted residential building permits for July jumped 29.6 percent from June, according to figures from the U.S. Census Bureau and the Department of Housing and Urban Development. Single-family permitting accounted for 88.0 percent of residential permitting activity in June and multi-family accounted for 10.8 percent.

Year over year, total unadjusted residential permitting was 64.6 percent over July 2012. Single-family permitting was up 56.9 percent. The volatile multi-family component was up 271.4 percent from July 2012.

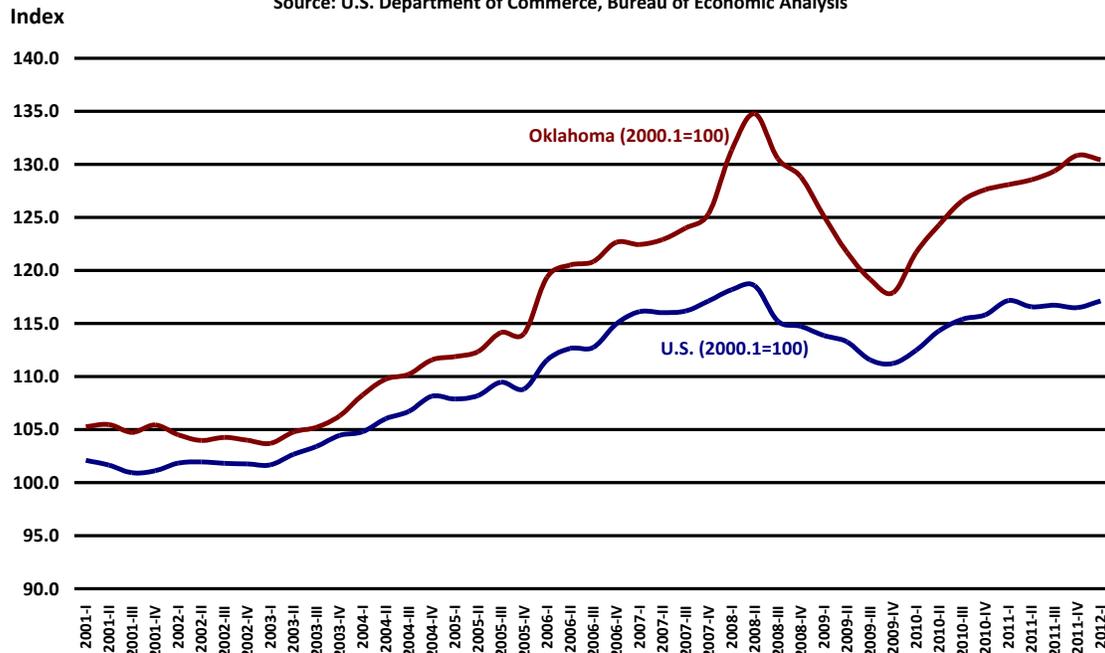
Year-to-date, Oklahoma residential permitting activity in 2013 was 37.7 percent greater than the first seven months of 2012. That pace is the highest level of residential permitting in Oklahoma in the past five years.

Tornado outbreaks during the month of May will no doubt have a significant impact on residential permitting activity going forward. The Oklahoma Department of Emergency Management reported that, besides the loss of human life, an estimated 1,248 homes were destroyed, 452 sustained major damage, and 640 sustained minor damage in the May 19-21 tornadoes. Additionally, in the May 28 through June 2 severe storms, more than 538 homes and businesses were impacted in Canadian and Oklahoma counties alone, including 52 destroyed, 193 with major damage, and 159 with minor damage. Oklahoma Insurance Department officials estimate up to \$2 billion in damage may have occurred in the affected areas.

U.S. and Oklahoma Real Personal Income

Index: 1st Quarter 2000 = 100

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



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 spent more cautiously in July after their income grew more slowly, as steep government spending cuts reduced federal workers' salaries. Personal income increased \$14.1 billion, or 0.1 percent, and disposable personal income (DPI) increased \$21.7 billion, or 0.2 percent, in July, according to the Bureau of Economic Analysis (BEA). Personal consumption expenditures (PCE) increased \$16.3 billion, or 0.1 percent. In June, personal income increased \$38.2 billion, or 0.3 percent, DPI increased \$27.3 billion, or 0.2 percent, and PCE increased \$64.0 billion, or 0.6 percent, based on revised estimates.

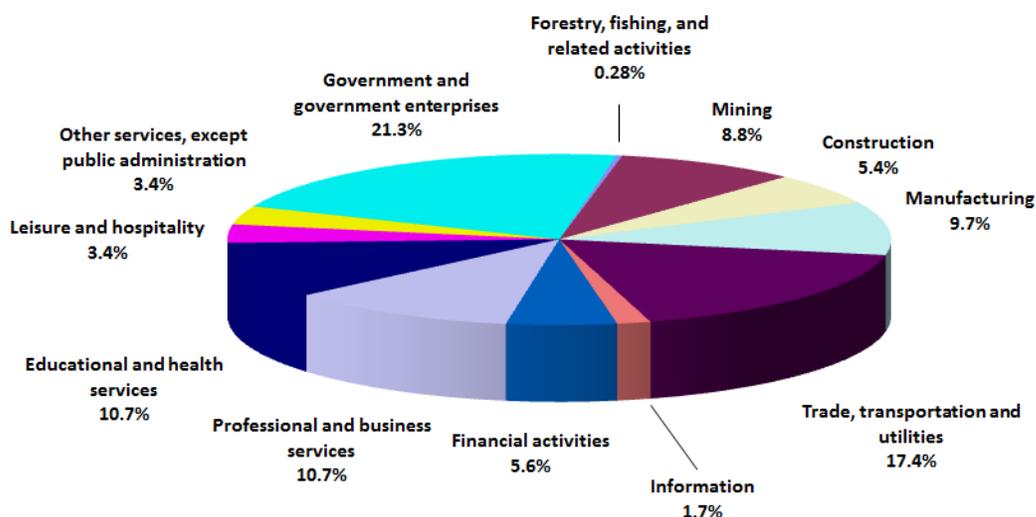
Wages and salaries fell in July for the first time since January. Government wages were reduced \$7.7 billion in July and \$700 million in June, largely because of forced furloughs of government employees to meet the spending cuts known as the 'sequester'.

In July, consumers cut their spending on long-lasting manufactured goods, such as cars and appliances (-0.2 percent), while spending on services was unchanged after a 0.3 percent advance in June. Strength was in nondurables, up 0.9 percent after a 1.2 percent spike in June.

Oklahoma Nonfarm Industry Contribution to Earnings

First Quarter 2013

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 than the data that were available when the estimates were initially prepared and to incorporate updated seasonal factors.

Current Developments

State personal income declined an average 1.2 percent in the 1st quarter of 2013 after growing 2.7 percent in the 4th quarter of 2012, according to the most recent estimates by the U.S. Bureau of Economic Analysis (BEA). Personal income declines ranged from 0.1 percent in Iowa to 2.5 percent in Wyoming. The only state showing an increase in personal income in the 1st quarter was South Dakota, which grew 1.6 percent.

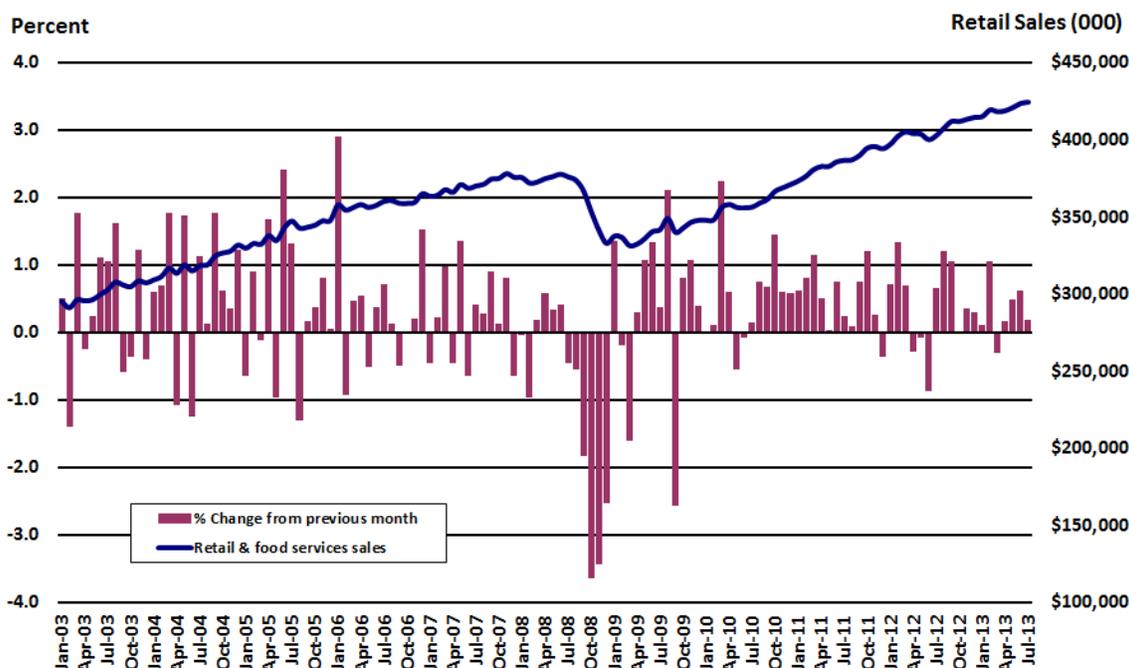
The BEA noted that the decline in 1st-quarter personal income reflected the effects of several special factors including the expiration at the beginning of 2013 of the "payroll tax holiday" (a temporary two-percentage point reduction in the personal contribution rate for social security). Also, in anticipation of 1st-quarter changes to the individual income tax rates, many people accelerated the receipt of income, including personal dividends and bonuses, into the 4th quarter to avoid higher rates.

After experiencing 11 consecutive quarters of growth, personal income in Oklahoma plunged in the 1st quarter. Oklahoma's personal income totaled \$151.6 billion in the 1st quarter of 2013, down from \$154.2 billion in the 4th quarter of 2012 for a 1.6 percent decline. That ranked Oklahoma 43rd (out of 50 states) for income growth in the 1st quarter and well below the national average.

In Oklahoma, earnings from construction was the largest contributor to 1st quarter personal income growth, adding 0.13 percentage points to the percent change in state personal income. Professional, scientific, and technical services earnings added 0.12 percentage points. Mining recorded the biggest drag on earnings subtracting 0.37 percentage points.

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

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



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

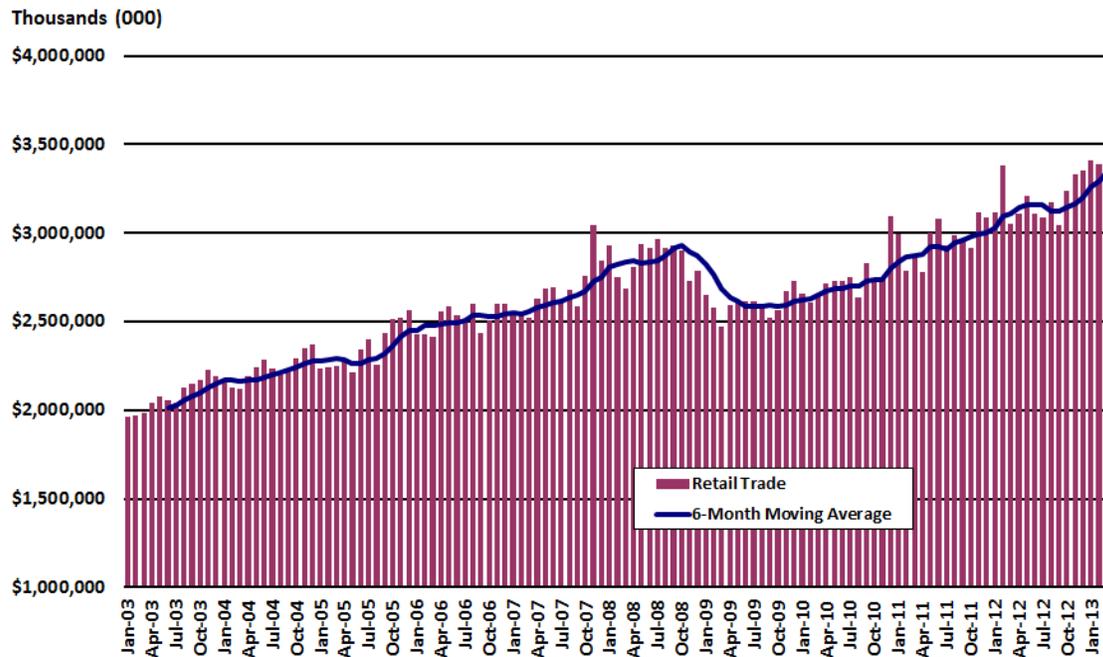
Retail sales rose in July for a fourth consecutive month despite a drop in auto sales. Advance estimates of U.S. retail and food services sales for June, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$424.5 billion, an increase of 0.2 percent from the previous month, and 5.4 percent above July 2012, according to the U.S. Census Bureau. Total sales for the May through July 2013 period were up 5.2 percent from the same period a year ago. The May to June 2013 percent change was revised upward from +0.4 percent to +0.6 percent. The change in both months was driven by automobile sales, which surged 2.9 percent in June but fell 1 percent in July.

"Core" retail sales, purchases excluding autos, gasoline and building materials, which provide the figures used to calculate GDP, advanced 0.5 percent last month—the biggest such increase since a similar 0.5 percent rise in December. Core sales had risen 0.1 percent in May and 0.2 percent in June.

Within core retail sales, gains were widespread with increases in food & beverage stores (+0.8 percent), health & personal care (+0.7 percent), clothing (+0.9 percent), sporting goods & hobbies & music (+1.0 percent), general merchandise (+0.4 percent), miscellaneous store retailers (+0.8 percent), nonstore retailers (+0.1 percent), and food services & drinking places (+0.6 percent).

Oklahoma Total Adjusted Retail Trade

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



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

Falling pump prices during the first few months of the year caused Oklahoma consumers to spend less on gasoline and lowered overall retail trade levels. Total adjusted retail sales for March 2013 were at a level of \$3.36 billion—down 0.8 percent from February but 9.9 percent greater than March 2012. For the first three months of 2013, total adjusted retail trade was 6.3 percent more than the same period in 2012.

Durable goods sales improved 1.3 percent in March with the largest gain seen in electronics & music store sales (+7.4 percent), followed by miscellaneous durable goods (+3.2 percent), and furniture (+1.8 percent). Gains were also seen in auto accessories & repair (+1.4 percent) and used merchandise (+0.2 percent). Declining sales were seen in lumber & hardware (-1.6 percent). Over the year, durable goods sales were 20.6 percent more than March 2012.

Total nondurable goods sales sank 1.7 percent in March with the largest drop in estimated gasoline sales (-11.0 percent). The other decline in non-durable goods sales was food (-3.7 percent). Advancing were apparel sales (+3.8 percent); liquor (+2.1 percent); general merchandise (+1.9 percent); drugs (+1.9 percent); and eating & drinking (1.3 percent). Over the year, non-durable goods sales advanced 6.7 percent.

OKLAHOMA AVERAGE ANNUAL WAGE BY MAJOR OCCUPATIONAL GROUP, 2012

Occupation Code	Occupation Title	Average Annual Wage		Percent U.S. Average
		Oklahoma	U.S.	
00-0000	All Occupations	\$39,160	\$45,790	85.52
11-0000	Management Occupations	\$85,110	\$108,570	78.39
13-0000	Business and Financial Operations Occupations	\$57,280	\$69,550	82.36
15-0000	Computer and Mathematical Occupations	\$60,810	\$80,180	75.84
17-0000	Architecture and Engineering Occupations	\$81,900	\$79,000	103.67
19-0000	Life, Physical, and Social Science Occupations	\$70,980	\$68,360	103.83
21-0000	Community and Social Services Occupations	\$36,400	\$44,240	82.28
23-0000	Legal Occupations	\$78,210	\$98,570	79.34
25-0000	Education, Training, and Library Occupations	\$40,150	\$51,210	78.40
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	\$38,870	\$54,490	71.33
29-0000	Healthcare Practitioners and Technical Occupations	\$63,230	\$73,540	85.98
31-0000	Healthcare Support Occupations	\$24,380	\$27,780	87.76
33-0000	Protective Service Occupations	\$35,210	\$43,050	81.79
35-0000	Food Preparation and Serving-Related Occupations	\$19,170	\$21,380	89.66
37-0000	Building and Grounds Cleaning and Maintenance Occupations	\$22,030	\$25,670	85.82
39-0000	Personal Care and Service Occupations	\$22,050	\$24,550	89.82
41-0000	Sales and Related Occupations	\$31,990	\$37,990	84.21
43-0000	Office and Administrative Support Occupations	\$30,390	\$34,410	88.32
45-0000	Farming, Fishing, and Forestry Occupations	\$27,270	\$24,230	112.55
47-0000	Construction and Extraction Occupations	\$37,820	\$44,960	84.12
49-0000	Installation, Maintenance, and Repair Occupations	\$40,440	\$43,870	92.18
51-0000	Production Occupations	\$34,010	\$34,500	98.58
53-0000	Transportation and Material Moving Occupations	\$31,600	\$33,590	94.08

Sources: Oklahoma Employment Security Commission, Research & Analysis Division, Occupational Employment Statistics Program and U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics, May 2013.

OKLAHOMA SHORT-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2014

Industry Title	Employment		Employment Change	
	2012	2014	Numeric	Percent
Total Employment¹	1,763,710	1,784,000	20,280	1.15%
Goods-Producing	291,470	294,250	2,780	0.95%
Natural Resources and Mining	86,200	86,540	330	0.38%
Construction	69,940	72,650	2,710	3.87%
Manufacturing	135,320	135,060	-260	-0.19%
Services-Providing	1,356,420	1,374,210	17,790	1.31%
Trade, Transportation, and Utilities	289,740	293,100	3,360	1.16%
Information	22,650	21,450	-1,200	-5.31%
Financial Activities	80,060	80,770	710	0.89%
Professional and Business Services	177,920	182,890	4,970	2.79%
Education and Health Services	389,540	392,780	3,240	0.83%
Leisure and Hospitality	150,040	152,630	2,590	1.72%
Other Services (Except Government)	61,980	61,900	-80	-0.13%
Government	184,480	188,690	4,210	2.28%
Total Self-Employed and Unpaid Family Workers²	115,820	115,540	-280	-0.25%
Self-Employed Workers	114,080	113,820	-260	-0.22%
Unpaid Family Workers	1,740	1,720	-30	-1.61%
Agriculture³	28,230	27,600	-620	-2.21%
Mining	57,980	58,930	950	1.65%
Oil and Gas Extraction	23,930	24,370	440	1.82%
Mining (except Oil and Gas)	1,920	1,940	20	1.04%
Support Activities for Mining	32,130	32,630	500	1.55%
Utilities	11,680	11,830	150	1.32%
Construction	69,940	72,650	2,710	3.87%
Construction of Buildings	13,030	12,730	-300	-2.33%
Heavy and Civil Engineering Construction	14,020	15,260	1,240	8.81%
Specialty Trade Contractors	42,890	44,670	1,770	4.13%
Manufacturing	135,320	135,060	-260	-0.19%
Food Manufacturing	15,220	14,950	-270	-1.77%
Beverage and Tobacco Product Manufacturing	2,630	2,680	50	1.75%
Textile Mills	210	210	0	-0.94%

OKLAHOMA SHORT-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2014

Industry Title	Employment		Employment Change	
	2012	2014	Numeric	Percent
Textile Product Mills	600	520	-80	-13.95%
Apparel Manufacturing	870	900	40	4.15%
Leather and Allied Product Manufacturing	330	340	10	2.44%
Wood Product Manufacturing	1,740	1,750	10	0.52%
Paper Manufacturing	2,790	2,840	50	1.76%
Printing and Related Support Activities	2,660	2,180	-490	-18.26%
Petroleum and Coal Products Manufacturing	2,300	2,290	-10	-0.35%
Chemical Manufacturing	3,400	3,480	80	2.39%
Plastics and Rubber Products Manufacturing	10,060	9,780	-280	-2.77%
Nonmetallic Mineral Product Manufacturing	6,840	6,640	-200	-2.87%
Primary Metal Manufacturing	4,740	4,880	140	2.87%
Fabricated Metal Product Manufacturing	24,170	24,650	480	2.00%
Machinery Manufacturing	29,960	31,460	1,500	5.00%
Computer and Electronic Product Manufacturing	5,110	4,710	-400	-7.79%
Electrical Equipment, Appliance, and Component Manufacturing	2,950	2,810	-140	-4.65%
Transportation Equipment Manufacturing	13,070	12,540	-530	-4.08%
Furniture and Related Product Manufacturing	1,970	1,920	-50	-2.74%
Miscellaneous Manufacturing	3,730	3,560	-160	-4.32%
Wholesale Trade	60,780	61,870	1,090	1.79%
Merchant Wholesalers, Durable Goods	28,780	29,580	800	2.79%
Merchant Wholesalers, Nondurable Goods	24,130	24,300	170	0.72%
Wholesale Electronic Markets and Agents and Brokers	7,880	7,990	110	1.45%
Retail Trade	172,720	175,070	2,350	1.36%
Motor Vehicle and Parts Dealers	24,280	24,790	500	2.08%
Furniture and Home Furnishings Stores	4,740	4,770	30	0.65%
Electronics and Appliance Stores	5,360	5,500	130	2.48%
Building Material and Garden Equipment and Supplies Dealers	16,060	16,190	130	0.80%
Food and Beverage Stores	20,380	20,040	-340	-1.66%
Health and Personal Care Stores	11,550	12,040	490	4.24%
Gasoline Stations	15,030	15,640	610	4.07%
Clothing and Clothing Accessories Stores	11,580	11,850	270	2.33%
Sporting Goods, Hobby, Book, and Music Stores	6,050	5,950	-100	-1.64%
General Merchandise Stores	45,430	46,440	1,010	2.22%
Miscellaneous Store Retailers	10,080	9,730	-350	-3.43%
Nonstore Retailers	2,180	2,130	-50	-2.11%

OKLAHOMA SHORT-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2014

Industry Title	Employment		Employment Change	
	2012	2014	Numeric	Percent
Transportation and Warehousing	44,560	44,330	-230	-0.52%
Air Transportation	7,570	7,140	-430	-5.71%
Rail Transportation	*	*	*	*
Truck Transportation	18,060	18,240	180	0.99%
Transit and Ground Passenger Transport	1,000	1,000	0	0.20%
Pipeline Transportation	1,930	1,920	-20	-0.78%
Scenic and Sightseeing Transportation	*	*	*	*
Support Activities for Transportation	5,940	5,980	40	0.67%
Couriers and Messengers	3,910	3,880	-30	-0.77%
Warehousing and Storage	4,060	4,090	40	0.89%
Information	22,650	21,450	-1,200	-5.31%
Publishing Industries	5,360	5,200	-160	-2.93%
Motion Picture and Sound Recording Industries	1,980	1,900	-90	-4.39%
Broadcasting (except Internet)	3,070	2,750	-320	-10.44%
Telecommunications	10,340	9,740	-600	-5.79%
Internet Service Providers, Web Search Portals, and Data Processing Services	1,480	1,440	-40	-2.64%
Other Information Services	420	420	0	0.24%
Finance and Insurance	58,350	59,410	1,060	1.82%
Monetary Authorities - Central Bank	*	*	*	*
Credit Intermediation and Related Activities	31,970	32,520	550	1.71%
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	4,190	4,290	100	2.29%
Insurance Carriers and Related Activities	21,910	22,350	450	2.03%
Funds, Trusts, and Other Financial Vehicles	*	*	*	*
Real Estate and Rental and Leasing	21,710	21,360	-350	-1.62%
Real Estate	10,940	10,920	-30	-0.23%
Rental and Leasing Services	10,400	10,090	-310	-3.00%
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	360	350	-10	-3.85%
Professional, Scientific, and Technical Services	65,910	68,370	2,460	3.74%
Management of Companies and Enterprises	15,900	16,290	390	2.45%

OKLAHOMA SHORT-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2014

Industry Title	Employment		Employment Change	
	2012	2014	Numeric	Percent
Administrative and Support and Waste Management and Remediation Services	96,110	98,230	2,120	2.20%
Administrative and Support Services	92,810	94,920	2,110	2.27%
Waste Management and Remediation Service	3,300	3,310	10	0.24%
Educational Services	170,110	170,830	720	0.42%
Health Care and Social Assistance	219,440	221,950	2,520	1.15%
Ambulatory Health Care Services	71,320	72,880	1,550	2.18%
Hospitals	84,050	85,070	1,020	1.21%
Nursing and Residential Care Facilities	34,560	34,660	100	0.29%
Social Assistance	29,500	29,350	-150	-0.52%
Arts, Entertainment, and Recreation	15,210	15,340	130	0.83%
Performing Arts, Spectator Sports, and Related Industries	2,650	2,670	30	0.94%
Museums, Historical Sites, and Similar Institution	900	970	70	7.32%
Amusement, Gambling, and Recreation Industries	11,670	11,700	40	0.31%
Accommodation and Food Services	134,830	137,290	2,460	1.83%
Accommodation	13,120	13,420	300	2.27%
Food Services and Drinking Places	121,710	123,870	2,160	1.78%
Other Services (Except Government)	61,980	61,900	-80	-0.13%
Repair and Maintenance	14,190	14,140	-60	-0.39%
Personal and Laundry Services	12,430	12,600	170	1.39%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	33,470	33,450	-10	-0.04%
Private Households	1,900	1,710	-190	-9.91%
Government	184,480	188,690	4,210	2.28%
Federal Government	48,440	48,670	230	0.47%
Federal Government, Excluding Postal Service	41,540	42,080	540	1.31%
Postal Service	6,910	6,590	-320	-4.56%
State Government, Excluding Education and Hospitals	35,540	35,410	-120	-0.35%
Local Government, Excluding Education and Hospitals	100,500	104,610	4,110	4.09%

Source: Employment Projections Program, Oklahoma Employment Security Commission, Research and Analysis Division, July 2013.

Footnotes:

1) Total employment includes covered and non-covered employment, agricultural employment and self-employed and unpaid family workers. Covered employment data are from the BLS (Bureau of Labor Statistics) Quarterly Census of Employment and Wages program from Oklahoma Employment Security Commission. Non-covered employment data are average annual data from the BLS Current Employment Statistics program from Oklahoma Employment Security Commission. Employment estimates have been rounded to the nearest 10. Percent change is based on unrounded data.

2) Self-employed & unpaid family workers data are produced from the projection matrix system based on Oklahoma OES (Occupational Employment Statistics) survey and BLS Current Population Survey. The estimates of the number of self-employed in the base year are larger than projections round than they were in previous rounds because the file supplied by the Bureau of Labor Statistics now includes estimates of all self-employed jobs (jobs held by people primarily self-employed plus jobs held by people secondarily self-employed).

3) Employment data for Agriculture are from the Census Bureau's American Community Survey 2008 and QCEW program.

* Employment data is withheld to maintain data confidentiality.