Oklahoma

2015 Annual Economic Report

Oklahoma Employment Security Commission
Economic Research and Analysis Division

2015
ANNUAL ECONOMIC REPORT

Oklahoma Employment Security Commission
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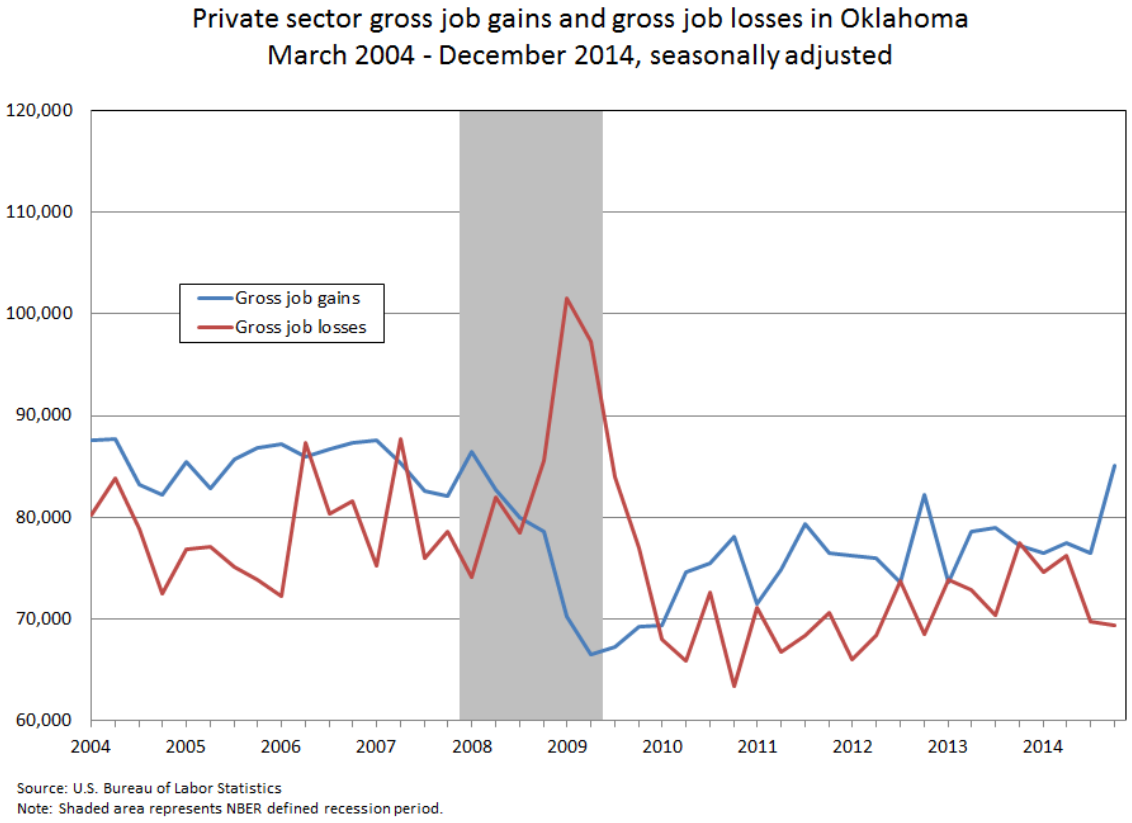
Gross Job Gains and Gross Job Losses: 4th Quarter 2014

From September 2014 to December 2014 gross job gains in Oklahoma totaled 85,104, while gross job losses numbered 69,389, according to the Oklahoma Employment Security Commission, Economic Research and Analysis Division, and the U.S. Bureau of Labor Statistics, (see Chart 1, below and Table 1, page 7). Gross job gains exceeded gross job losses for a net employment gain of 15,715 in 4th quarter 2014. During the previous quarter, the net change in employment was 6,816.

Chart 1



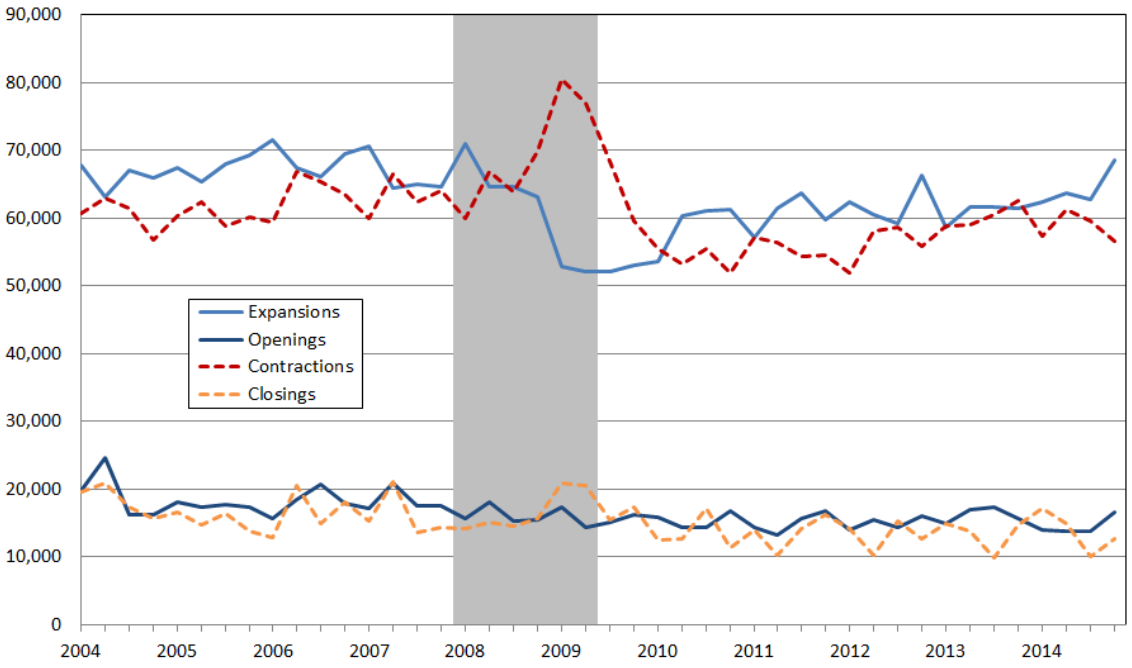
Source: U.S. Bureau of Labor Statistics
Note: Shaded area represents NBER defined recession period.

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, (see Technical Note, p. 7, for more information).

The number of gross job gains in Oklahoma rose by 8,608 between September 2014 and December 2014, (see Chart 1, above and Table 1, page 7). Oklahoma's gross job gains have remained above 75,000 for seven consecutive quarters. After dropping in the previous quarter, gross job losses continued to decline by 309 for the three months ended in December 2014. In the past ten years, job losses in the state peaked in 1st quarter 2009 when more than 101,000 jobs were lost.

Chart 2

Components of private sector gross job gains and losses in Oklahoma
March 2004 - December 2014, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded areas represent NBER defined recession periods.

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

Contracting establishments in Oklahoma lost 56,663 jobs in the 4th quarter of 2014. This number represents 3,103 fewer jobs lost from the previous quarter. Expanding establishments gained 68,544 jobs, an increase of 5,772 jobs compared to the 3rd quarter of 2014.

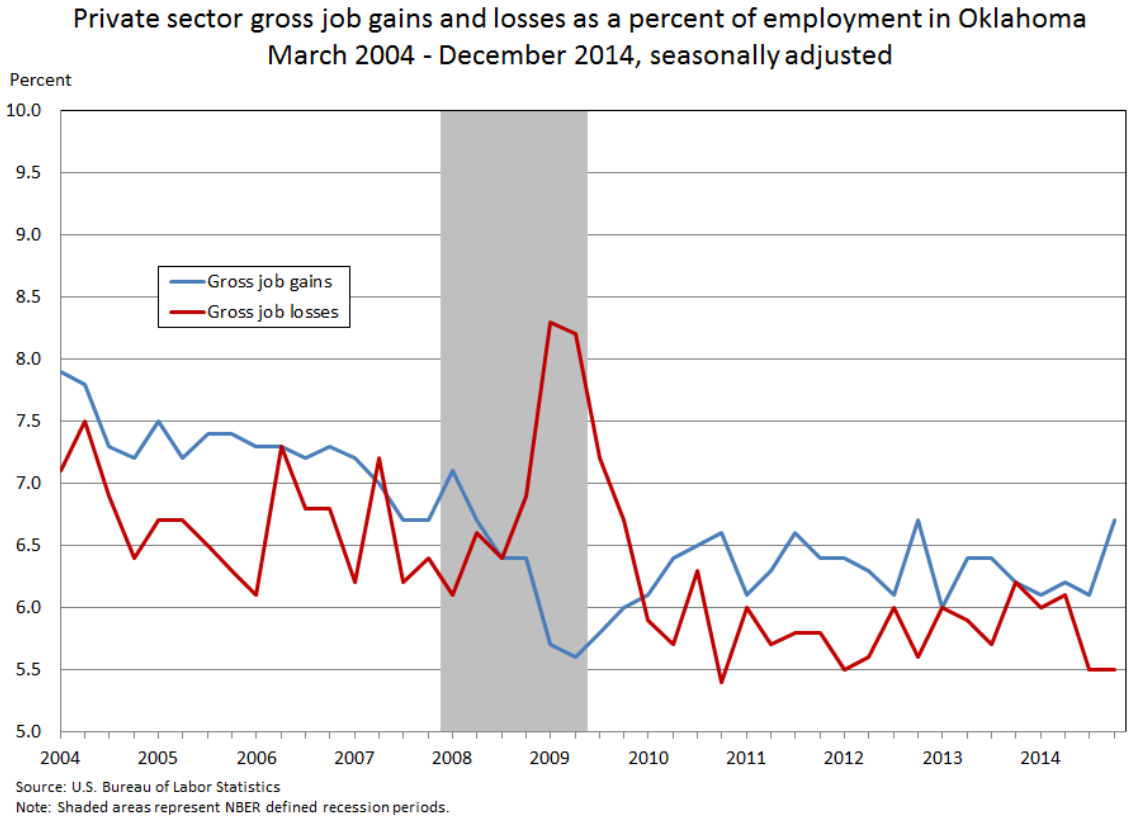
Closing establishments lost 12,726 jobs from September 2014 to December 2014. This represents 2,606 fewer jobs lost than the prior quarter. Opening establishments gained 16,560 jobs during the 4th quarter of 2014. This represents 2,836 more new jobs from private sector establishment openings than in 3rd quarter 2014, (see Chart 2, above).

In Oklahoma, the number of private sector establishment births, (a subset of the openings data), increased by 150 to 2,298 in the 4th quarter of 2014. These new establishments accounted for 11,306 jobs or 2,347 more jobs than the previous quarter.

Data for establishment deaths, (a subset of the closings data), are now available through the 1st quarter of 2014. From December 2013 to March 2014, 8,511 jobs were lost at 2,549 private

sector establishments in Oklahoma. In the prior quarter, 9,230 jobs were lost at 2,174 private sector establishments (see Chart 3, next page).

Chart 3



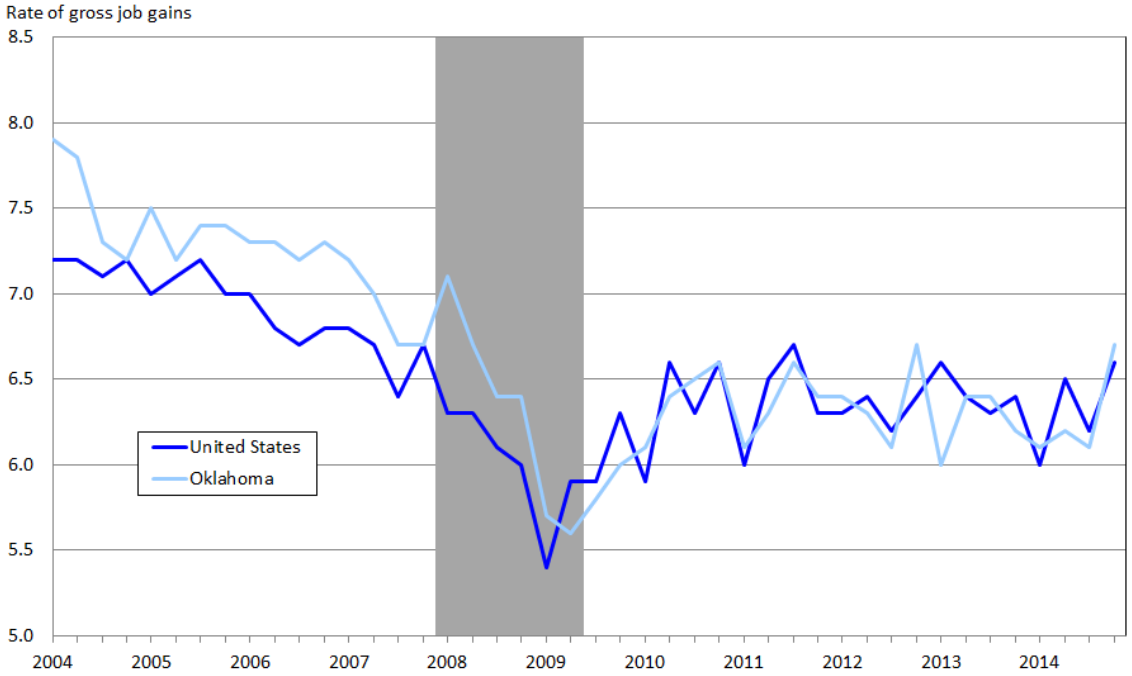
Gross Job Gains and Gross Job Losses: Percent of Total Private Sector Employment

Gross job gains represented 6.7 percent of 4th quarter 2014 total private sector employment in Oklahoma with expansions accounting for 5.4 percent of total private sector employment and openings contributing 1.3 percent. Nationally, gross job gains accounted for 6.6 percent of private employment in 4th quarter 2014. Oklahoma's rate of gross job gains generally tracked with the U.S. rate from the 4th quarter of 2008 to the 4th quarter of 2012. In the 1st quarter of 2013, Oklahoma's rate of gross job gains was 6.0 percent, considerably lower than the national rate of 6.6 percent. (See Chart 4, page 5.)

Oklahoma's rate of gross job losses as a percent of total private sector employment was 5.5 percent in the 4th quarter of 2014, with contractions accounting for 4.5 percent and closings adding another 1.0 percent. That was lower than the national rate of 5.6 percent. The rate of gross job losses in Oklahoma mirrored the national rate from 1st quarter 2011 to 4th quarter 2012, but has shown more volatility in recent quarters. (See Chart 5, page 5).

Chart 4

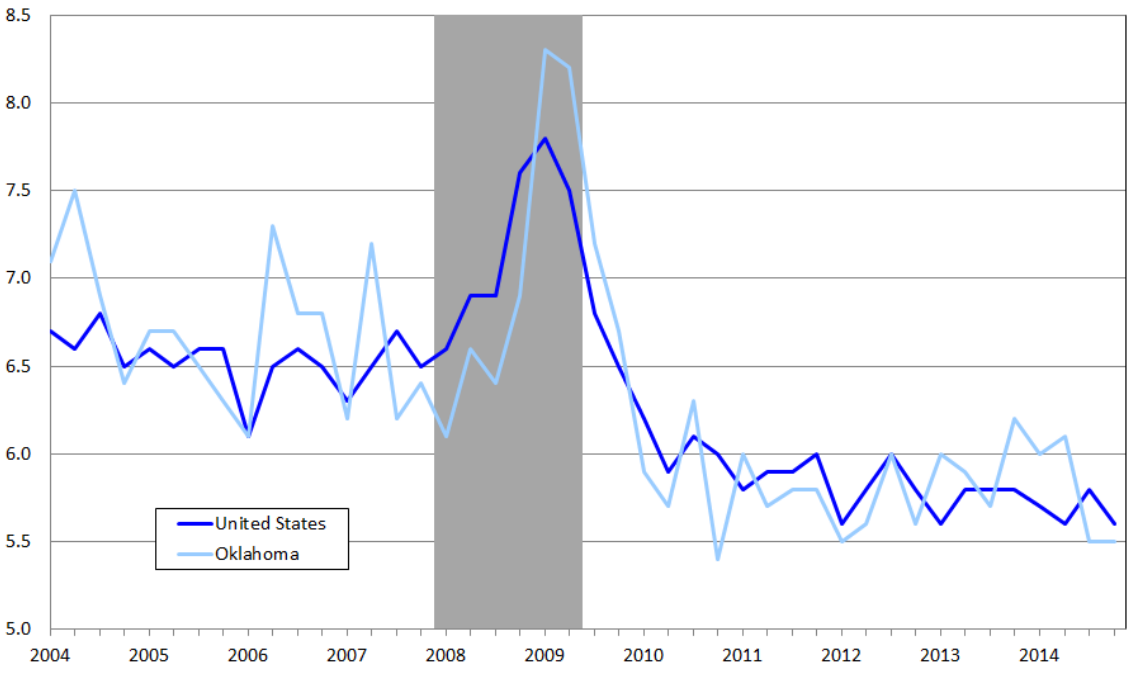
Private sector gross job gains as a percent of employment, United States and Oklahoma
March 2004 - December 2014, seasonally adjusted



Source: U.S. Bureau of Labor Statistics
Note: Shaded areas represent NBER defined recession periods.

Chart 5

Private sector gross job losses as a percent of employment, United States and Oklahoma
March 2004 - December 2014, seasonally adjusted

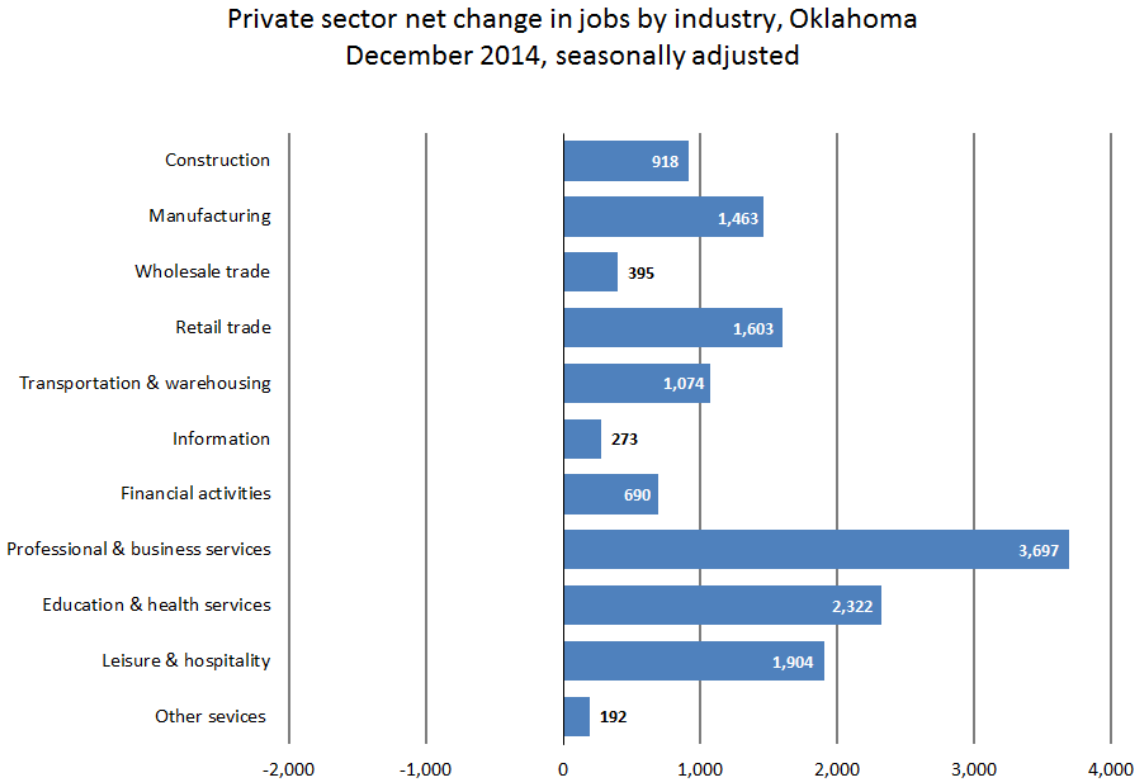


Source: U.S. Bureau of Labor Statistics
Note: Shaded areas represent NBER defined recession periods.

Gross Job Gains and Gross Job Losses by Industry: 4th Quarter 2014

During the 4th quarter of 2014, gross job gains exceeded gross job losses in all of the 11reported industry sectors in Oklahoma. For example, within manufacturing, gross job gains exceeded gross job losses by 1,463. While 4,078 jobs were lost at closing and contracting establishments in the industry, 5,541 were created at opening and expanding establishments in the 3 months ended in December 2014. In professional and business services, the loss of 12,991 jobs at closing and contracting establishments was offset by a gain of 16,688 jobs at opening and expanding establishments, resulting in a net gain of 3,697 jobs. Professional and business services also led all industry sectors in terms of both gross job gains and gross job losses with more than 12,000 of each, producing a net change of 3,697, (See Chart 6 below).

Chart 6



Source: U.S. Bureau of Labor Statistics

Table 1. Oklahoma: Three-month private sector gross job gains and losses, seasonally adjusted					
Category	3 months ended				
	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014
	Levels				
Gross job gains.....	**77,204**	**76,411**	**77,458**	**76,496**	**85,104**
Expanding establishments	61,498	62,366	63,658	62,772	68,544
Opening establishments	15,706	14,045	13,800	13,724	16,560
Gross job losses.....	**77,423**	**74,634**	**76,244**	**69,680**	**69,389**
Contracting establishments	62,601	57,401	61,316	59,560	56,663
Closing establishments	14,822	17,233	14,928	10,120	12,726
Net employment change[1]	-219	1,777	1,214	6,816	15,715
	Rates (percent)				
Gross job gains.....	**6.2**	**6.1**	**6.2**	**6.1**	**6.7**
Expanding establishments	4.9	5.0	5.1	5.0	5.4
Opening establishments	1.3	1.1	1.1	1.1	1.3
Gross job losses.....	**6.2**	**6.0**	**6.1**	**5.5**	**5.5**
Contracting establishments	5.0	4.6	4.9	4.7	4.5
Closing establishments	1.2	1.4	1.2	0.8	1.0
Net employment change[1]	0.0	0.1	0.1	0.6	1.2

Source: U.S Bureau of Labor Statistics

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

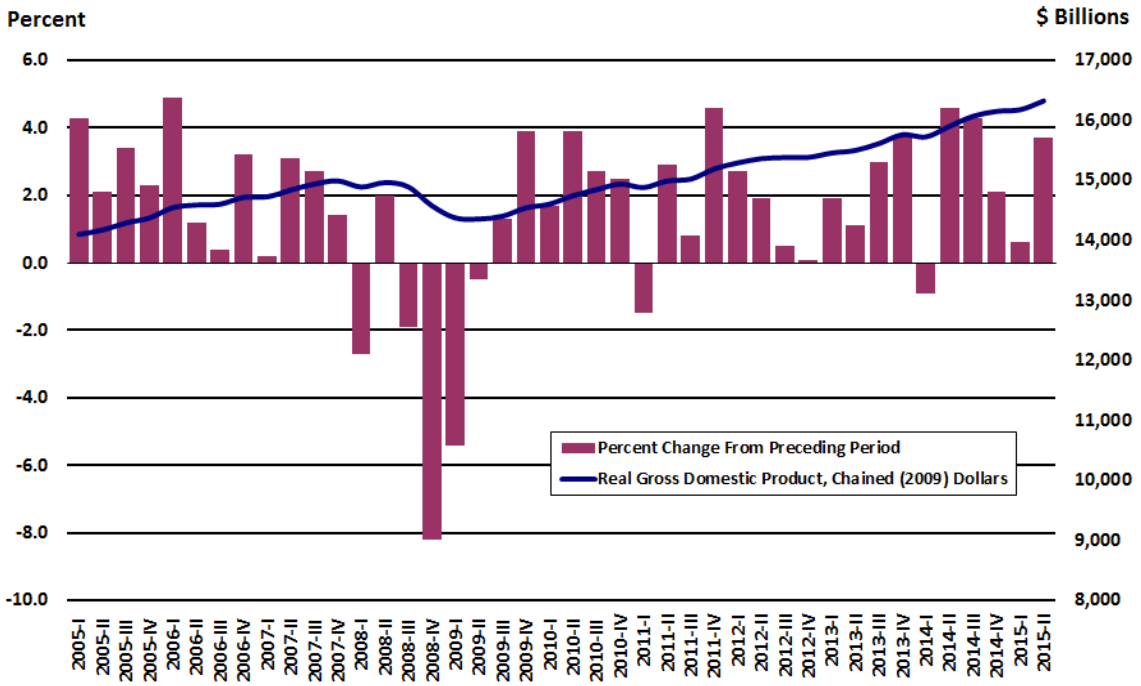
More Information

Additional information on gross job gains and gross job losses are available online at http://www.bls.gov/bdm. This information includes national data on the levels and rates of gross job gains and gross job losses by firm size, the non-seasonally adjusted data and other seasonally adjusted time series not presented in this release, charts of gross job gains and gross job losses by industry and firm size, and frequently asked questions on firm-size data. Additional information about the Business

Employment Dynamics data can be found in the Technical Note of this release or may be obtained at http://data.bls.gov/cgibin/forms/bdm.

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 grew faster than first thought in the 2nd quarter, pushed higher by strong consumer spending and business investment. Real gross domestic product (GDP) increased at an annual rate of 3.7 percent in the 2nd quarter of 2015, according to the "second" estimate released by the Bureau of Economic Analysis (BEA). The 2nd quarter revision was 1.4 percentage points greater than the initial 2.3 percent estimate and a sharp improvement from the 0.6 percent pace during the January-March quarter.

American households, buoyed by gains in employment, rising home prices and cheaper fuel costs, helped boost 2nd quarter GDP growth. Consumer spending grew at annual rate of 3.1 percent, up from a 1.8 percent growth rate in the 1st quarter. Spending on durable goods increased 8.2 percent, compared to the 7.3 percent rate previously estimated. Nondurable goods purchases increased 4.1 percent, instead of the 3.6 percent pace reported earlier. Services increased 2.0 percent, rather than 2.1 percent in the “advance” estimate.

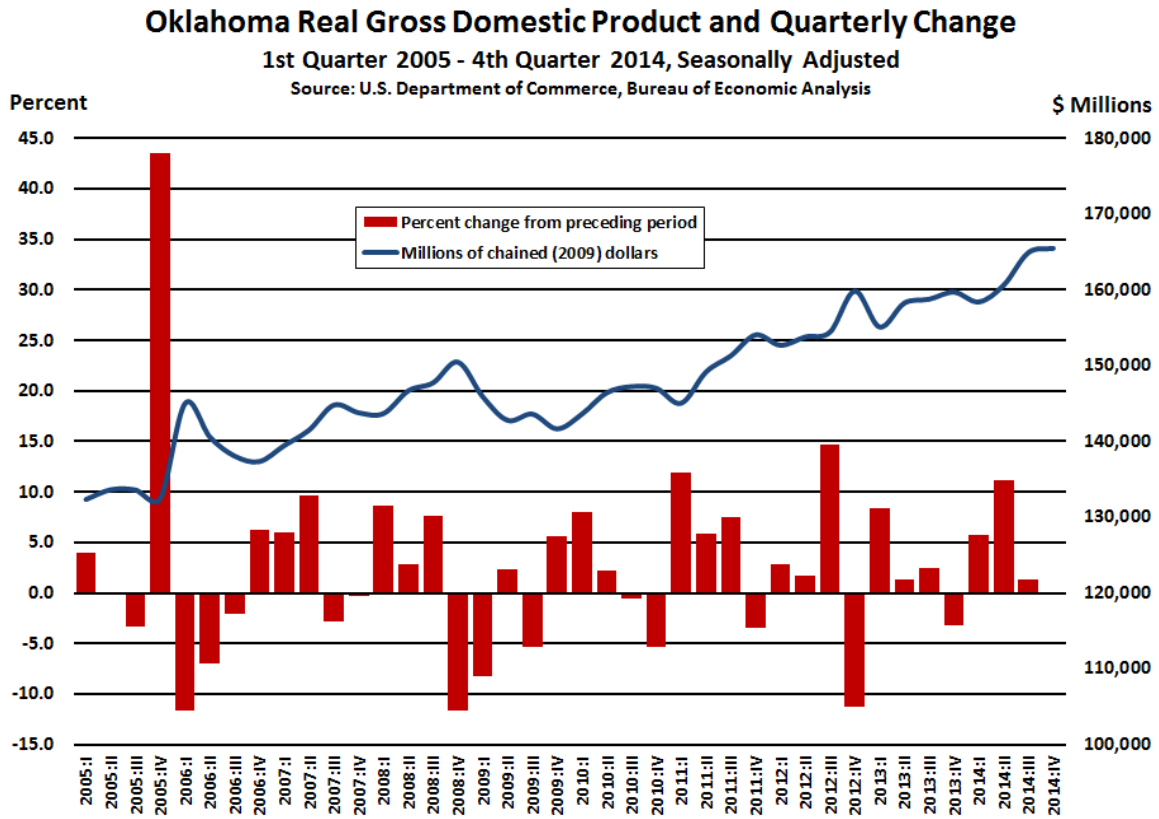
Investment in nonresidential structures was revised to show an increase rather than a contraction, reflecting stronger spending on commercial and healthcare construction. Real nonresidential fixed investment was revised up to 3.2 percent instead of a 0.6 decline.

Businesses spent more on inventory buildup in the 2nd quarter. Private businesses accumulated $121.1 billion worth of inventories, $11.1 billion more than previously estimated. The change in real private inventories contributed 0.22 percentage point to 2nd quarter GDP instead of subtracting 0.08 percentage point as reported last month.

Spending on residential construction in the 2nd quarter was also raised. Real residential fixed investment jumped 7.8 percent, up from an initial estimate of 6.6 percent, adding 0.25 percentage point to 2nd quarter GDP growth.

Exports rebounded in the 2nd quarter, despite a strong dollar, while imports rose moderately; the smaller trade deficit added 0.23 percentage point to GDP growth.

Government spending in the 2nd quarter increased by the most in five years as state and local outlays increased at the fastest rate since 2001. Real federal government consumption expenditures and gross investment was flat in the 2nd quarter, in contrast to a 1.1 percent decline previously reported. National defense spending grew 0.3 percent but was all but wiped out by a 0.4 decline in nondefense spending. Real state and local government consumption expenditures and gross investment increased at a 4.3 percent pace, more than double the previously reported 2.0 percent. Government consumption expenditures and gross investment added 0.47 percentage point from GDP growth in the 2nd quarter.



Definition & Importance

The U.S. Bureau of Economic Analysis (BEA) recently released prototype statistics of quarterly gross domestic product (GDP) by state for 2005–2013. 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.

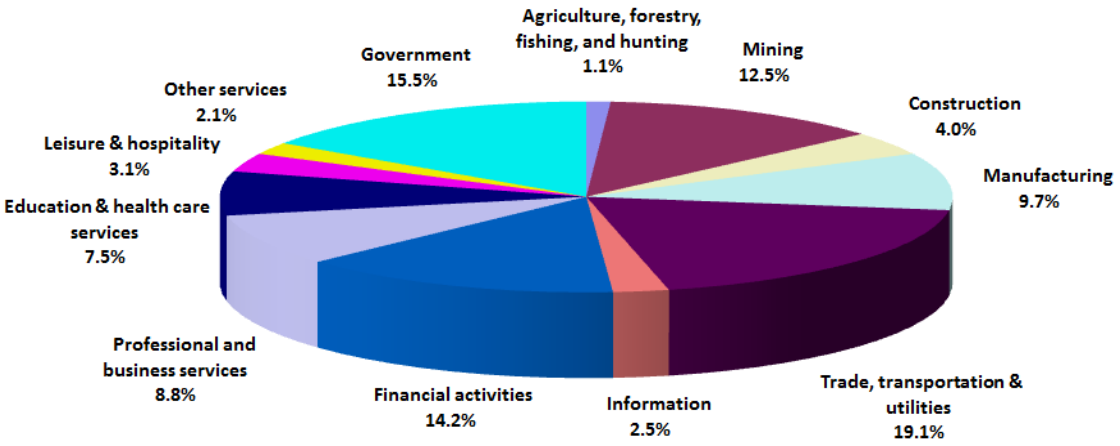
Current Developments

U.S. real GDP by state increased 2.2 percent in 2014. Growth in real GDP accelerated in the 2nd and 3rd quarter of the year after declining at an annual rate of 2.4 percent in the 1st quarter. After climbing to a high of 5.5 percent in the 3rd quarter, growth in real GDP decelerated to 2.0 percent in the 4th quarter. Real GDP increased in all eight BEA regions. However, in the first quarter of 2014 GDP declined in five of the eight regions. The Plains region declined the most primarily due to a decline in agriculture, forestry, fishing, and hunting.

In 4th quarter 2014, Oklahoma's real GDP was $165.5 billion in constant 2009 dollars, up from $164.9 billion in the 3rd quarter. The state's 4th quarter real GDP increased by $1.19 billion, or 1.3 percent, ranking Oklahoma 29th among all other states and the District of Columbia. Mining was the largest contributor to Oklahoma's GDP growth in the 4th quarter, adding 2.30 percent while utilities provided the largest drag, subtracting 2.61 percent.

For all of 2014, Oklahoma's real GDP was at a level of $162.4 billion in constant 2009 dollars, growing at a rate of 2.8 percent from 2013 and placing Oklahoma as the tenth-highest annual GDP growth rate among all other states and the District of Columbia.

2014 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

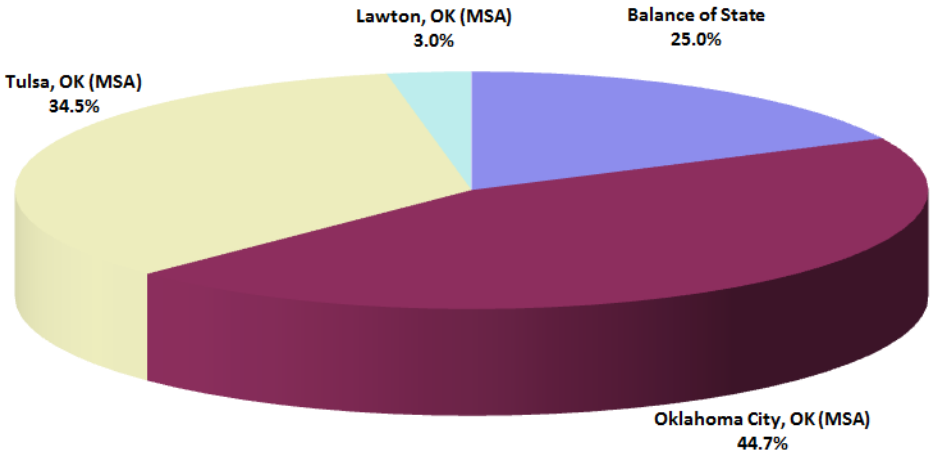
Oklahoma was among 48 states and the District of Columbia experiencing growth in real gross domestic product (GDP) in 2014, according to new statistics from the Bureau of Economic Analysis (BEA). U.S. real GDP grew 2.2 percent in 2014 after increasing 1.9 percent in 2013.

In 2014, Oklahoma's real GDP was at a level of $162.4 billion, a 2.8 percent gain from the revised $158.0 billion in 2013. Oklahoma's real GDP growth rate was the 10th highest among all states and the District of Columbia in 2014. Oklahoma's 2013 advance GDP estimate was revised downward from 4.2 percent to 1.8 percent while the state's 2012 GDP was further revised upward from 3.0 percent to 3.5 percent. The Southwest region, which includes Oklahoma, was the fastest growing BEA region in 2014 growing at 4.3 percent, and led by Texas with a 5.2 percent increase.

Although mining was not a significant contributor to real GDP growth for the U.S. economy, it did play a key role in Oklahoma. Mining contributed 1.45 percentage points to statewide real GDP growth in 2014. Other industries adding to 2014 GDP growth in Oklahoma were utilities (0.57 percentage point); non-durable goods manufacturing (0.25 percentage point); wholesale trade (0.22 percentage point); retail trade (0.14 percentage point); and finance & insurance (0.11 percent). Subtracting from Oklahoma GDP growth were real estate, rental & leasing (-0.36 percentage point); construction (-0.22 percentage point); and government (-0.06 percentage point).

Metropolitan Area Contribution to State Real Gross Domestic Product 2014

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



Definition & Importance

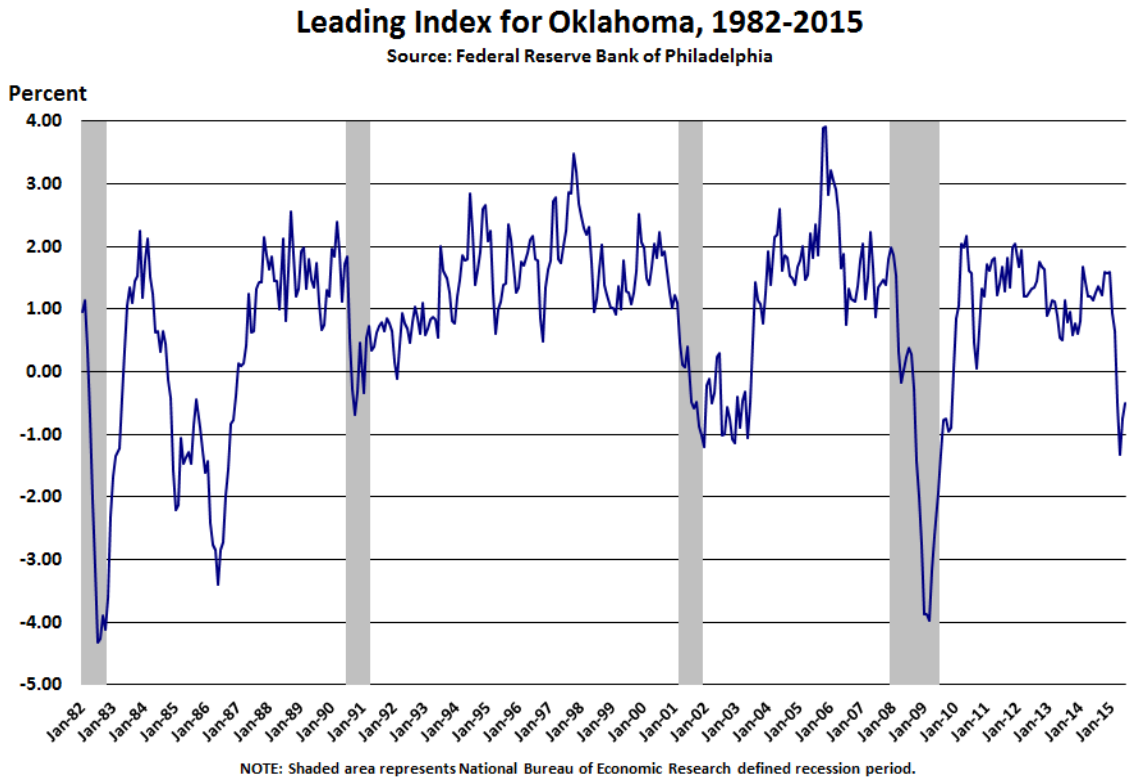
Metropolitan Statistical Areas (MSA) are county-based definitions developed by the Office of Management and Budget for federal statistical purposes. A metropolitan area is defined as a geographic area consisting of a large population nucleus together with adjacent communities having a high degree of 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 three MSAs of Oklahoma City, Tulsa and Lawton accounted for over 70 percent of total state GDP in 2013.

Current Developments

Real GDP increased in 282 of the nation's 381 metropolitan areas in 2014, led by growth in several industry groups: professional and business services, wholesale and retail trade, and the group of finance, insurance, real estate, rental, and leasing, according to the U.S. Bureau of Economic Analysis (BEA). Natural resources and mining remained a strong contributor to growth in several metropolitan areas. Collectively, real GDP for U. S. metropolitan areas increased 2.3 percent in 2014 after increasing 1.9 percent in 2013.

Two of three Oklahoma metropolitan areas outpaced the U.S. metropolitan area real GDP growth in 2014. Tulsa MSA's real GDP grew at a rate of 3.7 percent to $49.5 billion and ranked 51st (out of 381 metro areas). Oklahoma City MSA grew by 2.6 percent to $64.5 billion and ranked 99th. Lawton MSA contracted 1.5 percent to $4.4 billion in 2014 and ranked 344th among U.S. metro areas.



Definition & Importance

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

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

Current Developments

Declining oil and natural gas prices have weighed on Oklahoma's economy since the beginning of 2015. Oklahoma's leading index began falling at the end of 2014 and saw six consecutive months of decline slipping into negative territory in March, April and May.

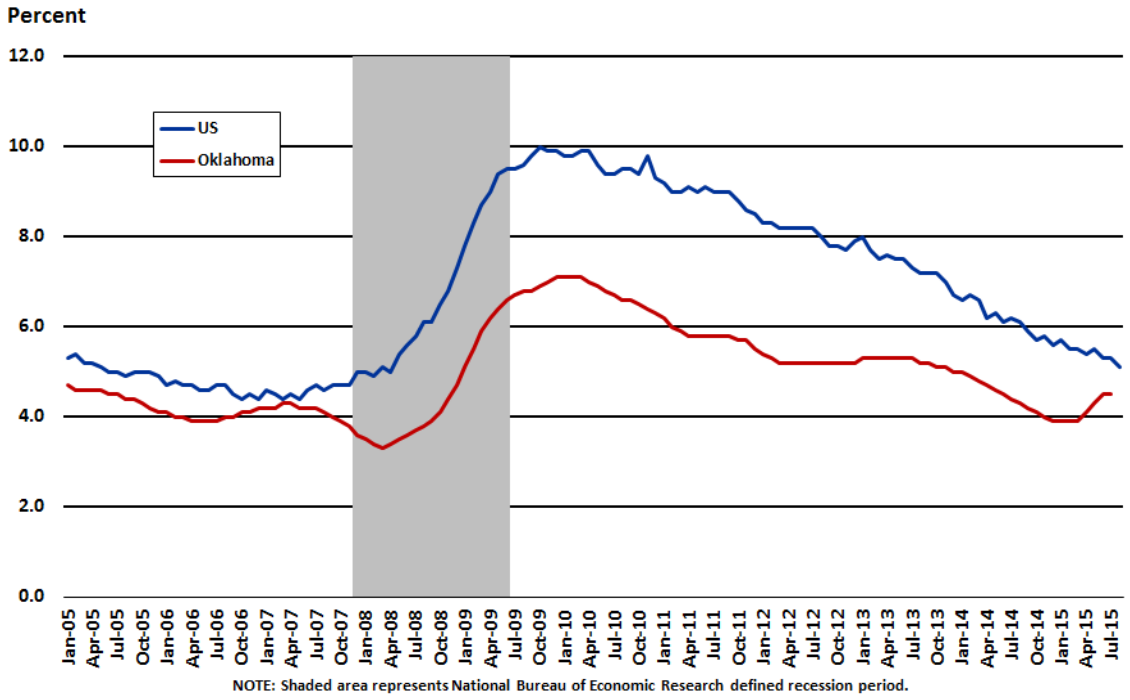
Oklahoma's leading index rose 1.33 percent in July after a 0.47 reading in June, according to the latest figures from the Federal Reserve Bank of Philadelphia.

During the first half of 2015, energy sector layoffs translated into elevated initial claims for unemployment insurance while home builders statewide pulled back on applications for residential construction. It appears that initial claims have finally stabilized and June marked a turnaround for residential permitting returning to normal levels.

Nevertheless, it looks like the Oklahoma economy experienced a mild recession during the first half of 2015.

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

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



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

Definition & Importance

The Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) program produces monthly estimates of total employment and unemployment from a national survey of 60,000 households. The unemployment rate measures the percentage of people who are without work and is calculated by dividing the estimated number of unemployed people by the civilian labor force. The result expresses unemployment as a percentage of the labor force.

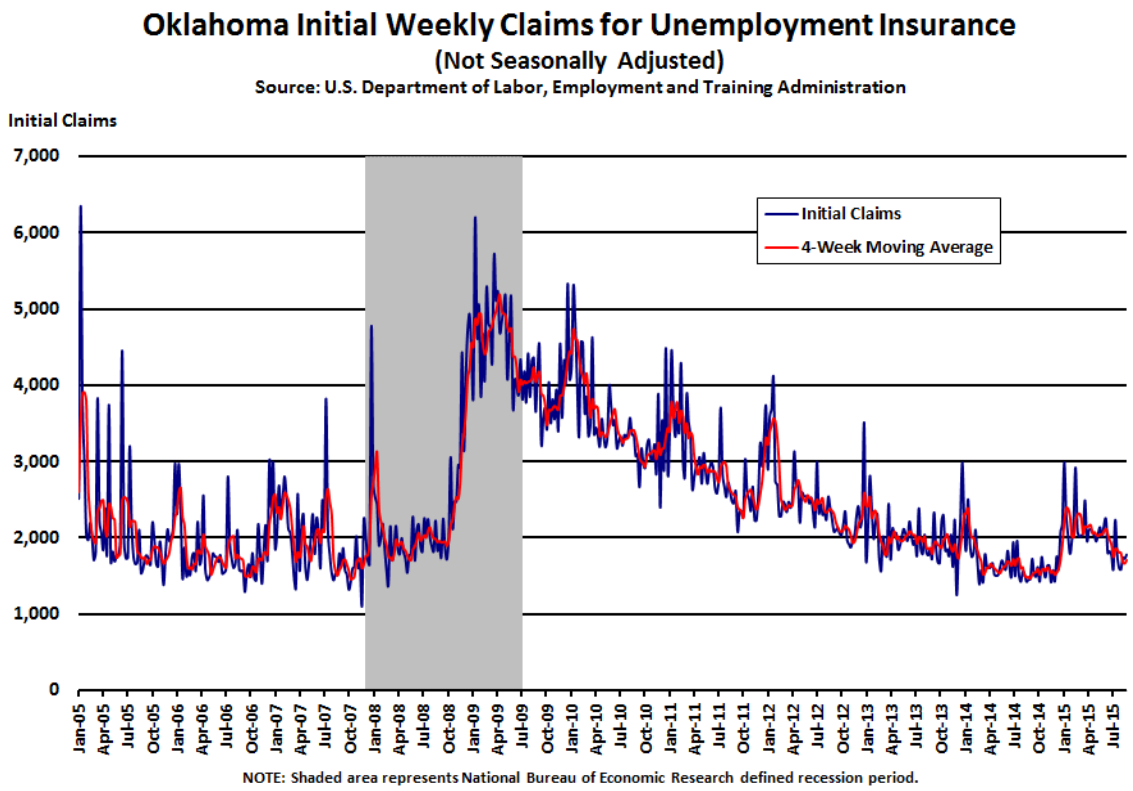
The unemployment rate is a lagging indicator of economic activity. During a recession many people leave the labor force entirely. As a result, the jobless rate may not increase as much as expected. This means that the jobless rate may continue to increase in the early stages of recovery because more people are returning to the labor force as they believe they will be able to find work. The civilian unemployment rate tends towards greater stability than payroll employment on a monthly basis and reveals the degree to which labor resources are utilized in the economy.

Current Developments

The U.S. unemployment rate fell to another seven-year low in August even as job growth slowed. In August, the unemployment rate edged down to 5.1 percent, according to the Bureau of Labor Statistics (BLS). The civilian labor force participation rate held steady for the third consecutive month at 62.6 percent, a 37-1/2-year low.

Oklahoma's unemployment rate remained at a seasonally adjusted 4.5 percent in July. Oklahoma's jobless rate was the 15th lowest unemployment rate among all states in July. Over the year, the state's seasonally adjusted unemployment rate was 0.1 percentage point more than the June 2014 rate of 4.4 percent.

Unemployment rates improved in 60 of 77 Oklahoma counties over the month in July. Coal and McIntosh Counties tied for Oklahoma's highest county unemployment rate of 9.1 percent in July. Cimarron County again posted the lowest county unemployment rate in July at 2.6 percent.



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.

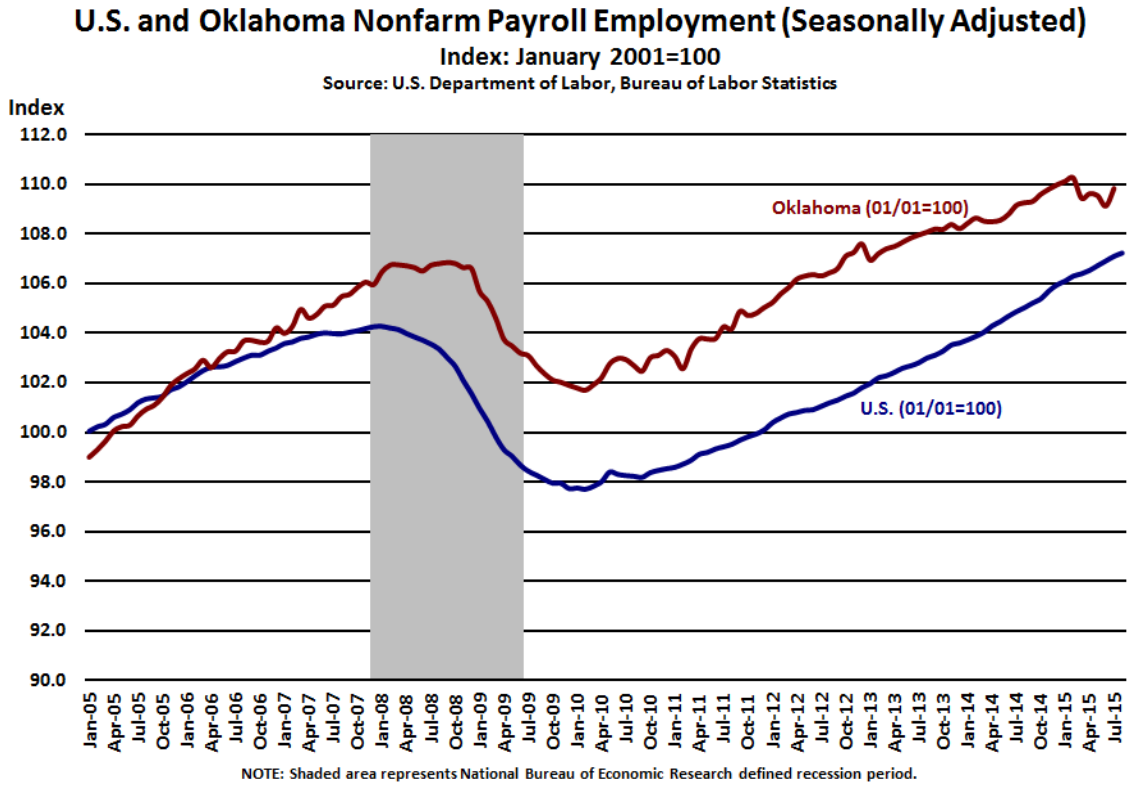
Initial claims are a leading indicator because they point to changes in labor market conditions. An increasing trend signals that layoffs are occurring. Conversely, a decreasing trend suggests an improving labor market. The four-week moving average of initial claims smooths out weekly volatility and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

Current Developments

More Americans applied for unemployment benefits in the last week of August, but initial jobless claims still remained near cycle lows. In the week ending August 29, the advance figure for seasonally adjusted initial claims was 282,000, an increase of 12,000 from the previous week's revised level of 270,000, according to figures released by the U.S. Labor Department (DOL). The less volatile 4-week moving average was 275,500, an increase of 3,250 from the previous week's revised average of 272,250.

Oklahoma initial jobless claims rose in August but the longer term trend has been declining. For the file week ending August 22, initial jobless claims were at a level of 1,779, or 54 more claims than the previous week. For the same file week ending, the four-week moving average moved up to 1,707, or 42 more claims from the previous week. Over the month, initial claims were up 169 from 1,610 for the file week ending July 25.

Over the year, statewide initial jobless claims have increased by 327 from 1,452 for the file week ended August 23, 2014, while the less volatile 4-week moving average was 218 more than the 1,488 for the same file week ending. Continued claims jumped by 6,143 over the year from 16,017 for the file week ended August 23, 2014.



Definition & Importance

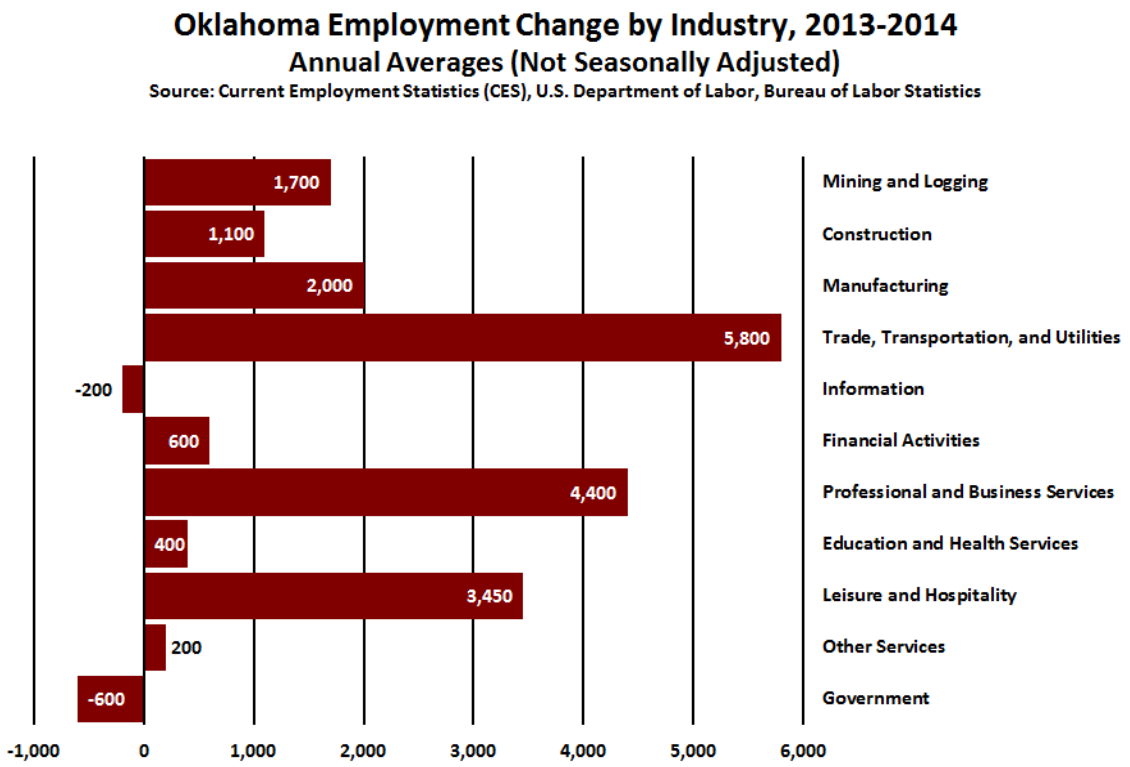
Nonfarm payroll employment data is produced by the Current Employment Statistics (CES) program of the Bureau of Labor Statistics (BLS). The CES Survey is a monthly survey of approximately 140,000 nonfarm businesses and government agencies representing approximately 440,000 individual worksites. The CES 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

U.S. job growth slowed in August, as job gains were the smallest in five months. Total nonfarm payroll employment rose by 173,000 in August, compared with an average monthly gain of 247,000 over the prior 12 months, according to the Bureau of Labor Statistics (BLS). In August, job gains occurred in health care and social assistance and in financial activities. Employment in manufacturing and mining declined.

Oklahoma's seasonally adjusted total nonfarm employment added 10,800 jobs (+0.7 percent) in July. Nine of Oklahoma's 11 supersectors posted job gains in July, with trade, transportation & utilities (+3,700 jobs) posting the largest increase. Over the year, statewide total nonfarm employment gained 10,300 jobs (+0.6 percent). Mining & logging (-7,200 jobs) and manufacturing (-6,600 jobs) were the only statewide supersectors losing jobs over the year. Trade, transportation & utilities (+4,500 jobs) also claimed the largest over-the-year job gain.



Definition & Importance

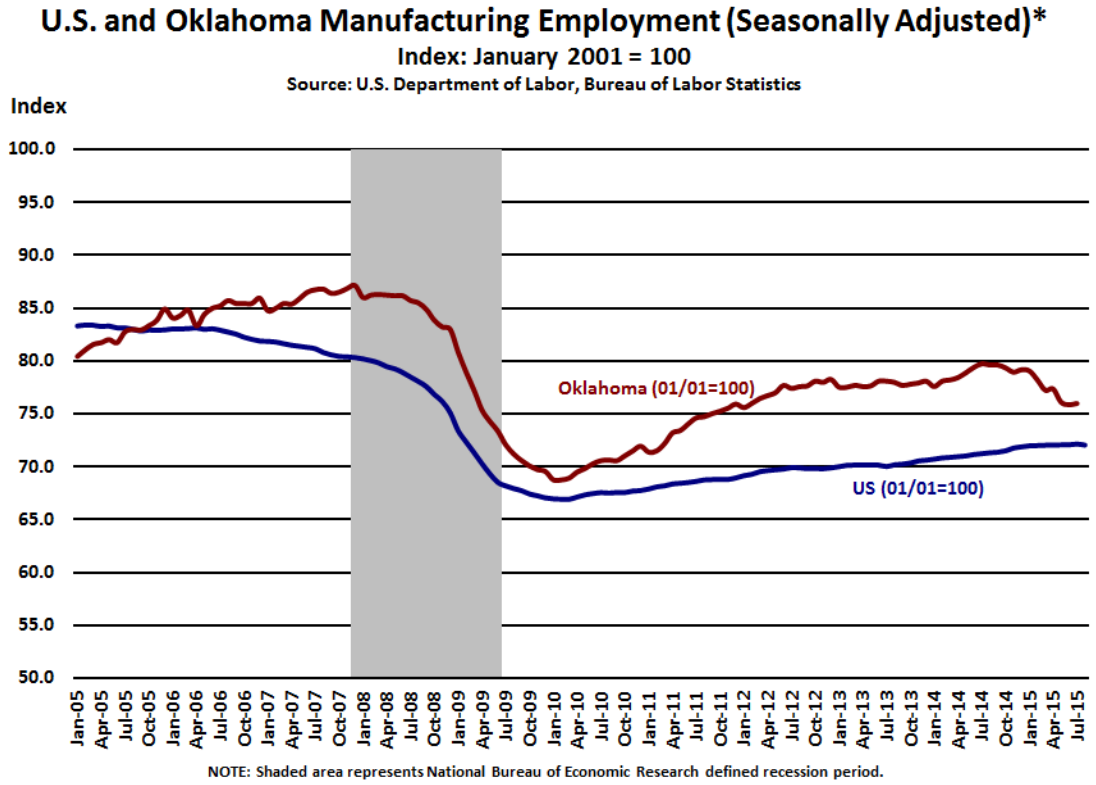
Employment growth by industry identifies the types of jobs being created in the state. Conversely, industries with a declining employment trend indicate those which are becoming less important in the state's economy. There may also be industries which behave more cyclically, growing during expansion 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

Nonfarm employment growth eased a bit in 2014, adding a non-seasonally adjusted 18,900 jobs for a 1.2 percent growth rate, (compared to 2013, with 21,000 jobs added and a 1.3 percent growth rate).

In 2014, nine out of Oklahoma's 11 statewide supersectors recorded job growth. The broad trade, transportation & utilities sector led all other supersectors adding a non-seasonally adjusted 5,800 jobs with the bulk of hiring occurring in retail trade. Professional & business services employment added 4,400 jobs with almost all of the growth coming from administrative & support and waste management & remediation services. Leisure & hospitality added 3,450 employees with most of the growth in accommodation & food services. Manufacturing employment grew by 2,100 driven by job gains in durable goods manufacturing. Mining & logging added 1,700 jobs led by support activities for mining. Construction added 1,100 jobs with nearly all the job growth in specialty trade contractors.

Over-the-year declines were seen in government (-400) and information (-200).



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. 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.

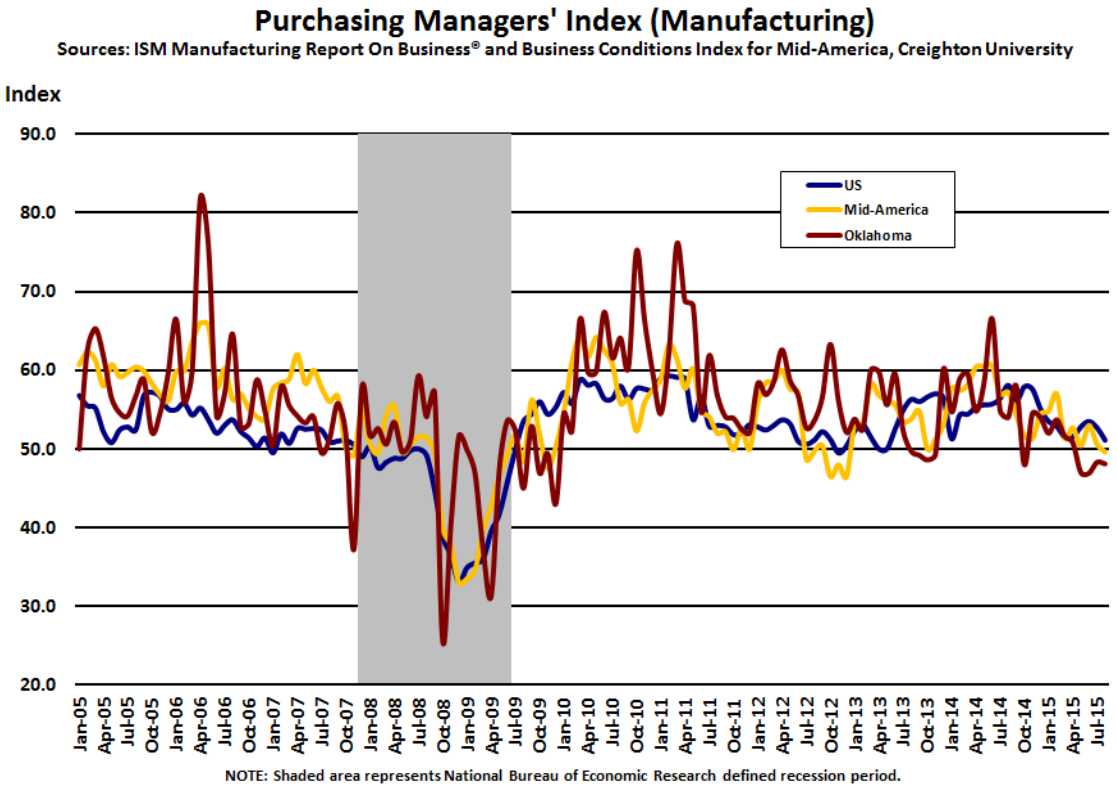
Current Developments

U.S. factory employment declined for the first time in two years in August as the strong dollar and weak global demand continue to produce headwinds for manufacturers. In August, manufacturing employment decreased by 17,000 in August, after changing little in July (+12,000), according to the Bureau of Labor Statistics (BLS). Job losses occurred in a number of component industries, including fabricated metal products and food manufacturing (-7,000 each). These losses more than offset gains in motor vehicles and parts (+6,000) and in miscellaneous durable goods manufacturing (+4,000).

Oklahoma manufacturing employment declined for the third month in a row in July, shedding a non-seasonally adjusted 200 jobs (-0.2 percent). Durable goods manufacturing accounted for the majority of the job losses in July.

Over the year, Oklahoma non-seasonally adjusted manufacturing employment dropped 6,600 jobs (-4.7 percent) with nearly all of the job losses coming from durable goods manufacturing.

**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.*



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

A strong dollar and weak global demand pulled down U.S. factory activity to its slowest rate of growth in more than two years. The August PMI® registered 51.1 percent, a decrease of 1.6 percentage points from the July reading of 52.7 percent, indicating growth in manufacturing for the 32nd consecutive month, according to the latest Manufacturing ISM Report On Business®. It was the second straight drop.

In August, the Employment Index registered 51.2 for a 1.5 point decline from July and the weakest reading since April. The New Orders Index at 51.7, declined 4.8 from July, one of the slowest rates of monthly growth of the recovery, since April 2013. New export orders fell 1.5 points to 46.5 percent, in their third straight month of contraction and are at the lowest rate since July 2012. Production slowed and prices paid, at only a 39.0 level last since in March, points to deflationary pressures.

The Mid-America Business Conditions Index for July, a leading economic indicator for a nine-state region stretching from North Dakota to Arkansas, slumped for the month. The Business

Conditions Index, which ranges between 0 and 100, declined to 49.6 from July's 50.6, according to the Creighton Economic Forecasting Group. The regional index, much like the national reading, is pointing to weak, and potentially negative growth through the fourth quarter of 2015.

"Growth for nondurable goods manufacturers offset weaker business conditions for durable goods producers including metal manufacturers, agricultural equipment producers and energy equipment manufacturers. Firms in Arkansas, Iowa, Minnesota, Missouri and South Dakota reported positive growth for the month while businesses in Kansas, Nebraska, North Dakota and Oklahoma detailed cuts in economic activity," said Ernie Goss, Ph.D., director of Creighton University's Economic Forecasting Group.

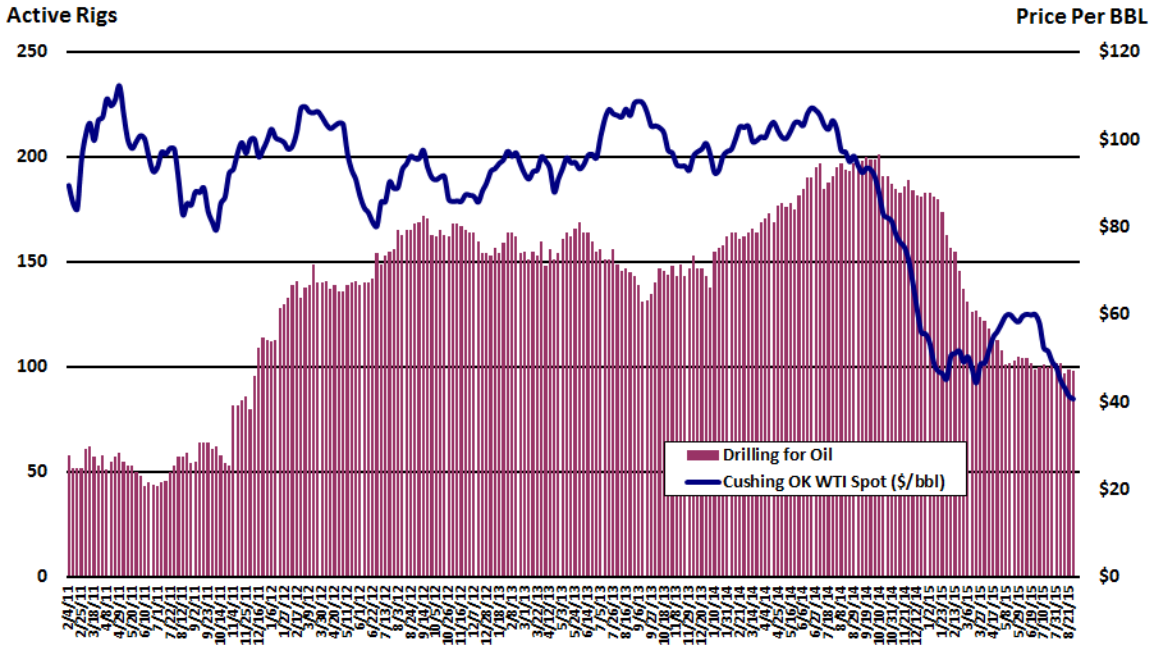
The July Business Conditions Index for Oklahoma slumped below growth neutral for a fourth straight month. The index from a monthly survey of supply managers in the state, dipped to a weak 48.1 from 48.3 in July. Components of the August survey of supply managers were new orders at 51.4, production or sales at 46.0, delivery lead time at 52.4, inventories at 40.4, and employment at 50.4.

"According to U.S. Bureau of Labor Statistics, Oklahoma has lost approximately 5,000, or 3.6 percent, of its manufacturing jobs since January 2015. The strong dollar and weakness in the state's energy sector weighed primarily on Oklahoma's manufacturing sector, particularly metal producers. Only Wyoming and North Dakota are more dependent on the two U.S. industries experiencing significant pullbacks in economic activity – agriculture and energy. Creighton's survey results over the past several months have pointed to economic losses for the overall state economy for the rest of 2015," said Goss.

Oklahoma Active Rotary Rigs & Cushing, OK WTI Spot Price

February 2011 to August 2015

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

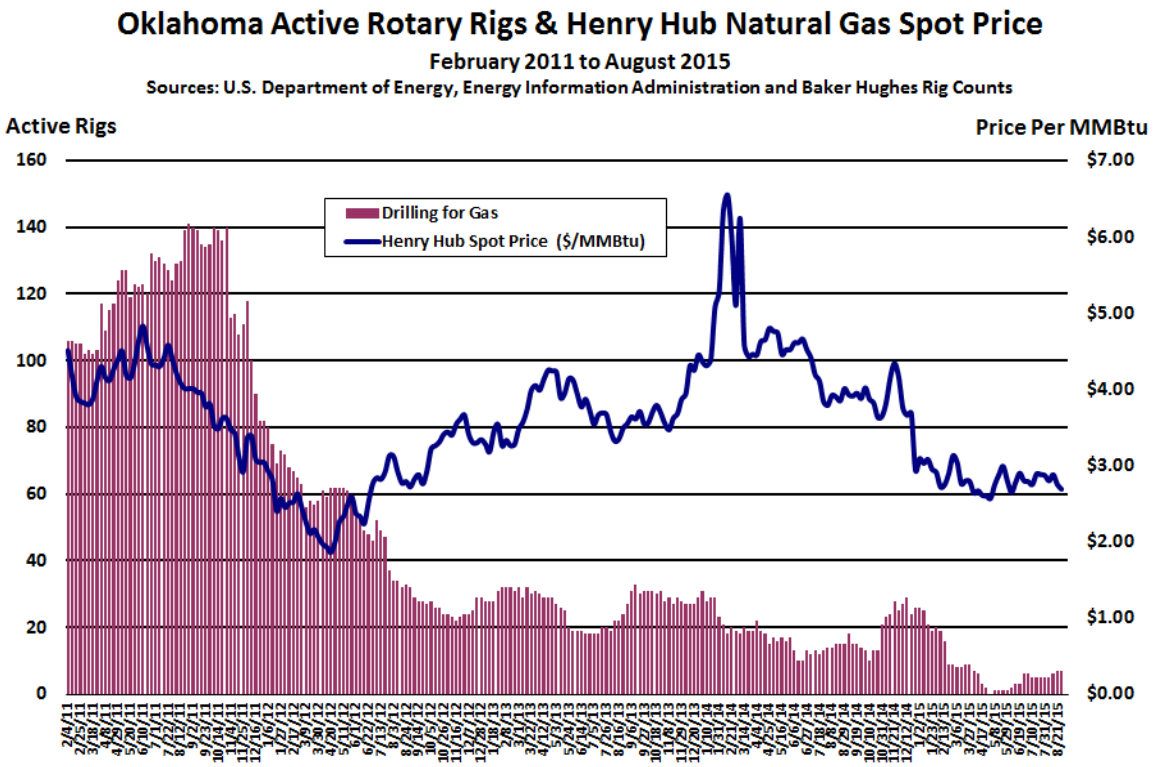
The recently announced crude oil swaps with Mexico are expected to provide economic and environmental benefits, according to a report from the Energy Information Administration (EIA). Under licenses approved earlier this month by the Bureau of Industry and Security (BIS), an office within the Department of Commerce that administers export controls on crude oil, volumes of crude oil produced in the United States and Mexico up to the approved volume cap will be exchanged. These swaps will likely involve U.S light sweet crude, such as the growing output from shale formations in the United States, and Mexican heavy sour crude. The approved swaps are expected to be both economically and environmentally beneficial due to differences in U.S. and Mexican refineries. With significant coking and desulfurization capacity, U.S. Gulf Coast refineries are well-suited to process heavy sour crude. Conversely, part of the Mexican refinery fleet is configured to run light sweet crude. Therefore, the exchange should result in better optimization of refineries within both Mexico and the United States, and allow for increased supply of lower-sulfur gasoline from Mexican refineries.

Oklahoma's crude production continues at levels matching those seen in the early to mid-1980s. Statewide crude production in June was at 10,675,000 barrels, 63,000 barrels, (or -0.6 percent), less than June's level of 10,738,000 barrels. For the first half of 2015, Oklahoma's crude production was 65,045,000 barrels, 2,026,000 barrels or 3.2 percent more than the 63,019,000 barrels produced in the first six months of 2014.

Domestic crude oil prices continued to slide in August. West Texas Intermediate (WTI-Cushing) spot prices dropped below the $40/barrel level to $38.22/barrel, its lowest level in 6 1/2 years, before recovering to finish the month at $49.20/barrel. Since peak prices in June 2014, WTI-Cushing prices have fallen more than 60 percent.

Oklahoma's active rig count moved down to 105 for the week ending August 28 with 98 rigs being oil-directed. Over the year, Oklahoma's rig count was off 107 from 212 rigs operating August 29, 2014.

The overall count of rigs searching for oil and natural gas in the U.S. fell by 8 to 877 in the week ended August 28, according to data from oilfield service company Baker Hughes. Oil-directed rigs accounted for 77.0 percent of drilling activity while natural gas-directed accounted for 23.0 percent.



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 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

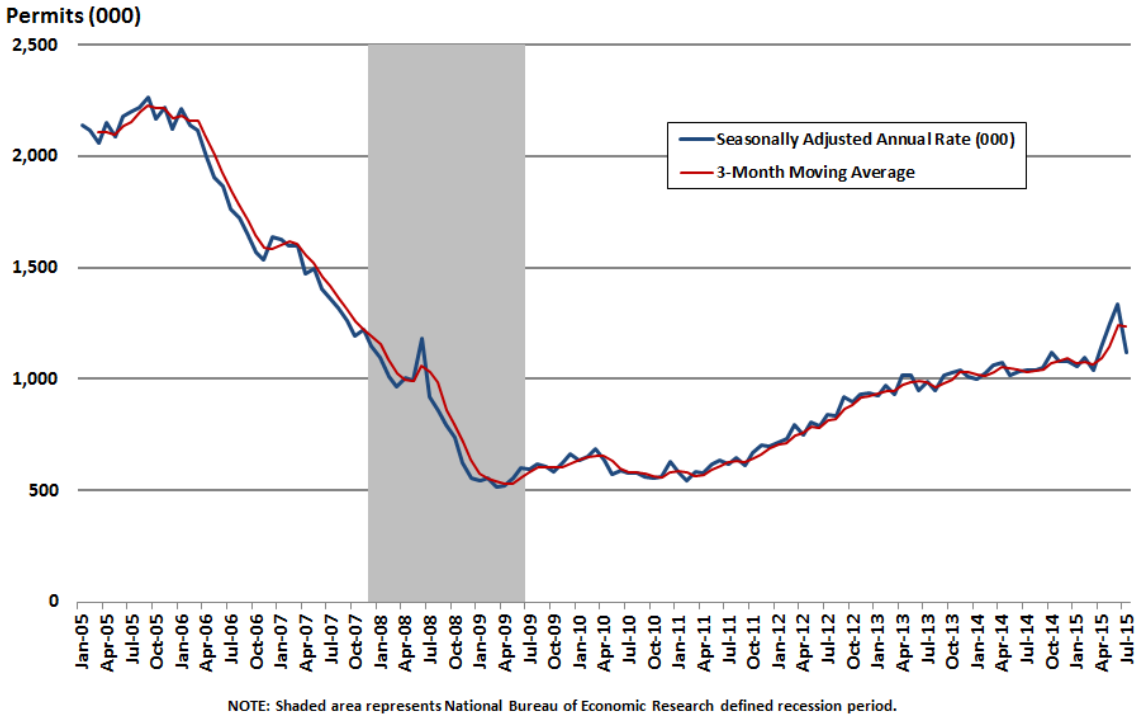
According to a recent article in the Wall Street Journal, abundant domestic natural gas supplies will likely keep prices low for decades. Natural gas increasingly powers the U.S. economy and is critical to the Obama administration's push to reduce carbon emissions from electricity generation. American natural gas consumption has risen 2.4 percent annually for the past decade while demand for coal has dropped 2.7 percent and oil by less than 1 percent, according to the Energy Information Administration (EIA). Natural gas is now used to generate approximately 30 percent of U.S electricity and heat nearly half of all American homes.

June natural gas gross withdrawals in Oklahoma were at a level of 209,633 MMcf, 3,181 MMcf (or -1.5 percent) less than May's record-setting production level. For the first half of 2015, Oklahoma natural gas gross withdrawals totaled 1,242,055 MMcf compared to 1,117,149 MMcf for the first six months of 2014, that's 124,906 MMcf, or 11.2 percent, more than the first half 2014.

Natural gas prices remained generally remained fairly stable in August. The Henry Hub spot price began the month at $2.76 per million British thermal units (MMBtu) and finishing the month at $2.70/MMBtu.

Oklahoma's natural gas-directed drilling rig count averaged about 6 active rigs in August. Over the year, Oklahoma's natural gas-directed rotary rig count was down eight rigs from 15 reported the week ended August 29, 2014.

U.S. New Private Housing Units Authorized by Building Permit, 2005-2015
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 $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

After posting three months of solid gains, approved building permits declined in July after achieving an eight-year high in June. Privately-owned housing units authorized by building permits in July were at a seasonally adjusted annual rate of 1,119,000, or 16.3 percent below the revised June rate of 1,337,000, but 7.5 percent above the July 2014 estimate of 1,041,000, according to the U.S. Census Bureau and the Department of Housing and Urban Development.

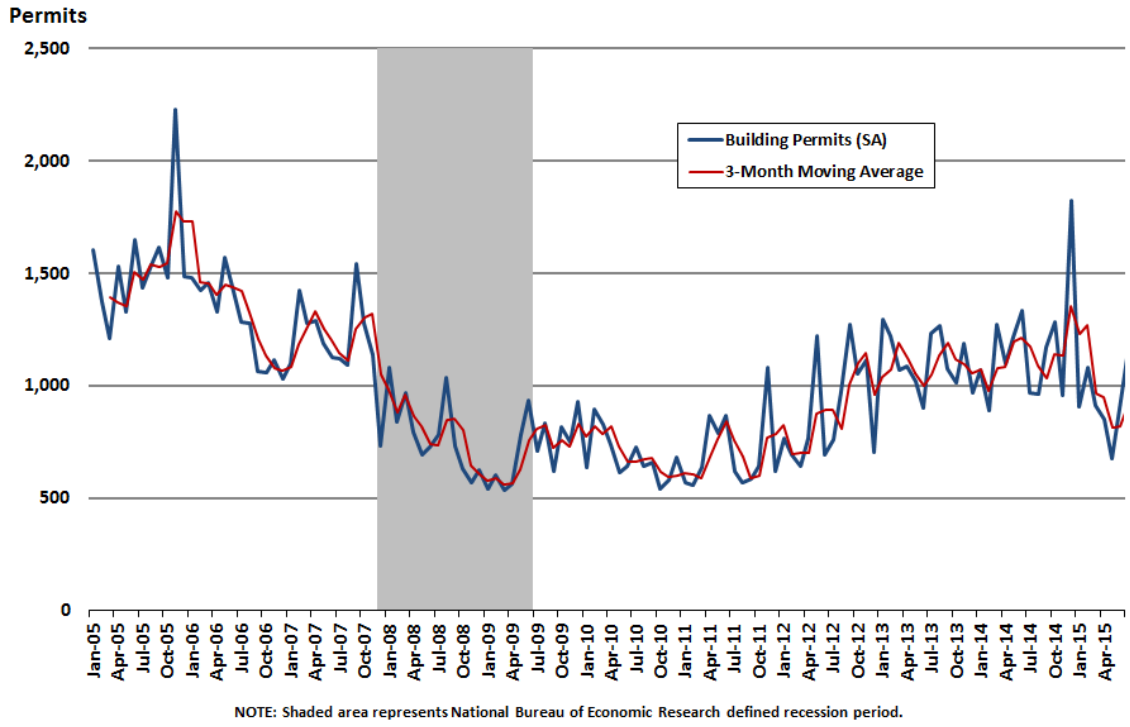
Much of the decrease in July permitting was attributed to a sharp plunge in permits to construct apartments after a tax break expired in New York. Building permits in the Northeast plunged 60.2 percent last month as all four regions of the country saw declines in July.

Homebuilder confidence climbed in August. The National Association of Home Builders/Wells Fargo builder sentiment index reached 61, the highest level since November 2005.

Oklahoma New Private Housing Units Authorized by Building Permit, 2005-2015

Seasonally Adjusted

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



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

Definition & Importance

The data services of the Federal Reserve Bank of St. Louis produces series that are seasonally adjusted 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.

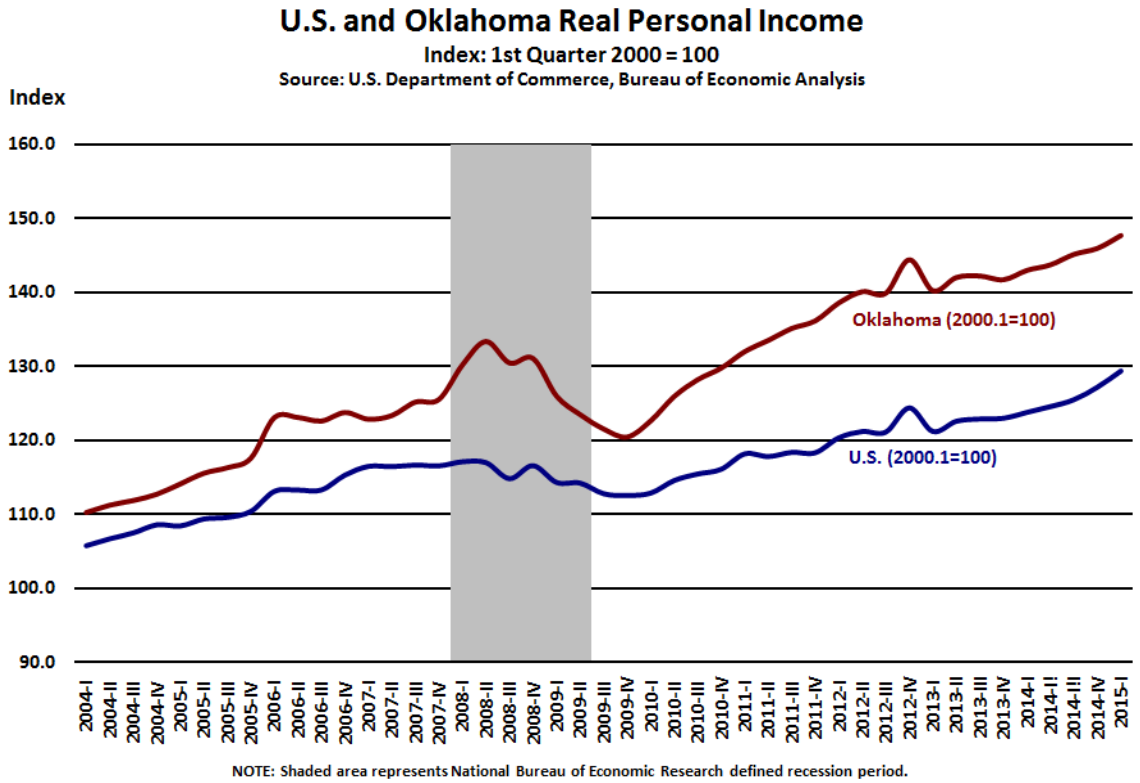
Current Developments

Residential permitting activity in Oklahoma continued to climb in July as apartment permitting helped boost the total. Total residential building permitting for July was at a seasonally adjusted level of 1,165, or 24.6 percent above the June level of 935 and 20.1 percent below the July 2014 estimate of 970 units, according to figures from the Federal Reserve Bank of St. Louis.

Single-family permitting accounted for 74.4 percent of total residential permitting activity in July while multi-family permitting added 25.6 percent. Applications for single-family homes were at a seasonally adjusted level of 867, or 1.5 percent more than June's level of 854 permits.

Over the year, total residential permitting was 195 permits, or 20.1 percent, more than July 2014. Single-family permits were up 46 permits, or 5.6 percent more than a year ago, while the more volatile multi-family permitting was 149 more than the June 2014 level of 149 permits.

It appears that statewide residential permitting has gotten off to a slow start in 2015. Year to date, total unadjusted residential building permitting was at a level of 6,521 for the first seven months of 2015, compared to 7,852 the first half of 2014.



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

Wages and salaries made their largest jump in eight months and consumer spending picked up in July as households bought more automobiles. Personal income increased $67.1 billion, or 0.4 percent, and disposable personal income (DPI) increased $61.5 billion, or 0.5 percent in July, according to the Bureau of Economic Analysis (BEA). Personal consumption expenditures (PCE) increased $37.4 billion, or 0.3 percent. In June, personal income increased $59.4 billion, or 0.4 percent, DPI increased $52.4 billion, or 0.4 percent, and PCE increased $31.8 billion, or 0.3 percent, based on revised estimates.

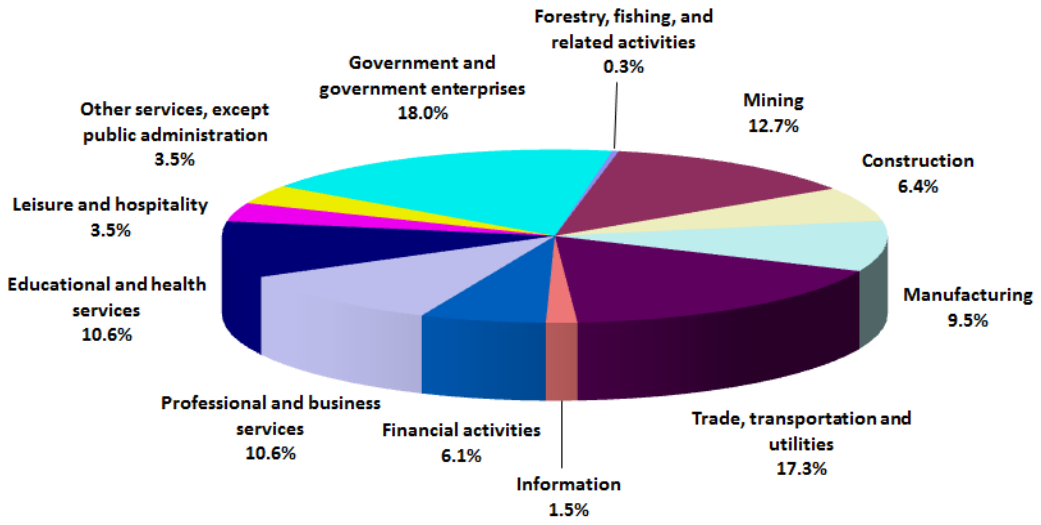
Spending on durable goods, including automobiles, increased 1.1 percent, reversing June's 1.1 percent drop. Auto purchases accounted for about half that increase. Outlays on services like utilities rose 0.2 percent. Inflation remained tame in July, the core PCE price index, rose only 0.1 percent, slowing from a 0.2 percent increase in June, and only 0.3 percent over the year.

The savings rate rose to 4.9 percent in July from 4.7 percent in June, stemming in part from a big jump in after-tax income of 0.5 percent, the biggest gain since last November.

Oklahoma Nonfarm Contribution to Earnings

First Quarter 2015

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 grew 0.9 percent on average in the 1st quarter of 2015, after growing 1.1 percent in the 4th quarter of 2014, according to estimates released today by the U.S. Bureau of Economic Analysis (BEA). Personal income grew in 46 states and growth accelerated in 15 of those states. The fastest growth, 1.3 percent, was in Florida. Personal income fell in four states, with the largest decline, 1.2 percent, in Iowa. The national price index for personal consumption expenditures fell 0.5 percent in the 1st quarter, after falling 0.1 percent in the 4th quarter.

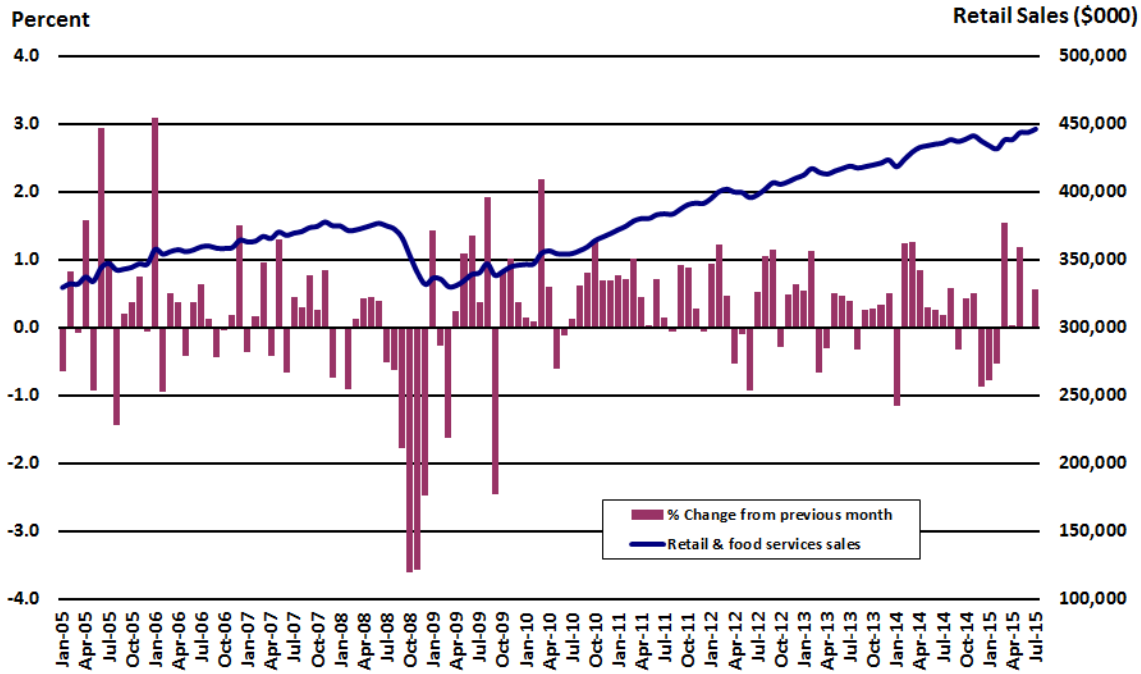
Oklahoma's personal income grew at a 0.4 percent pace in the 1st quarter of 2015, following a revised 0.3 percent rate in the 4th quarter, ranking the state 42nd among all other states and the District of Columbia. Total state personal income was at a level of $169.8 billion in the 1st quarter of 2015.

The drop in oil prices has hurt top oil-producing states, including Oklahoma, in the form of slower growth in personal income and employment. Earnings in mining (which includes oil and gas extraction) fell 3.5 percent in the 1st quarter, the first decline since the 3rd quarter of 2009, according to the BEA. Mining earnings fell 4.5 percent in Wyoming, 4.4 percent in Louisiana, 4.1 percent in North Dakota, 3.9 percent in Oklahoma, and 3.1 percent in Texas.

Oklahoma's earnings growth was essentially flat in the 1st quarter, growing only $11.0 million to a level of $120.3 million and a growth rate of 0.01 percent. Mining was the largest detractor to earnings growth, subtracting 0.36 percentage point. Farm earnings subtracted another 0.21 percentage point. Construction was the largest contributor to 1st quarter earnings growth, adding 0.12 percentage point.

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

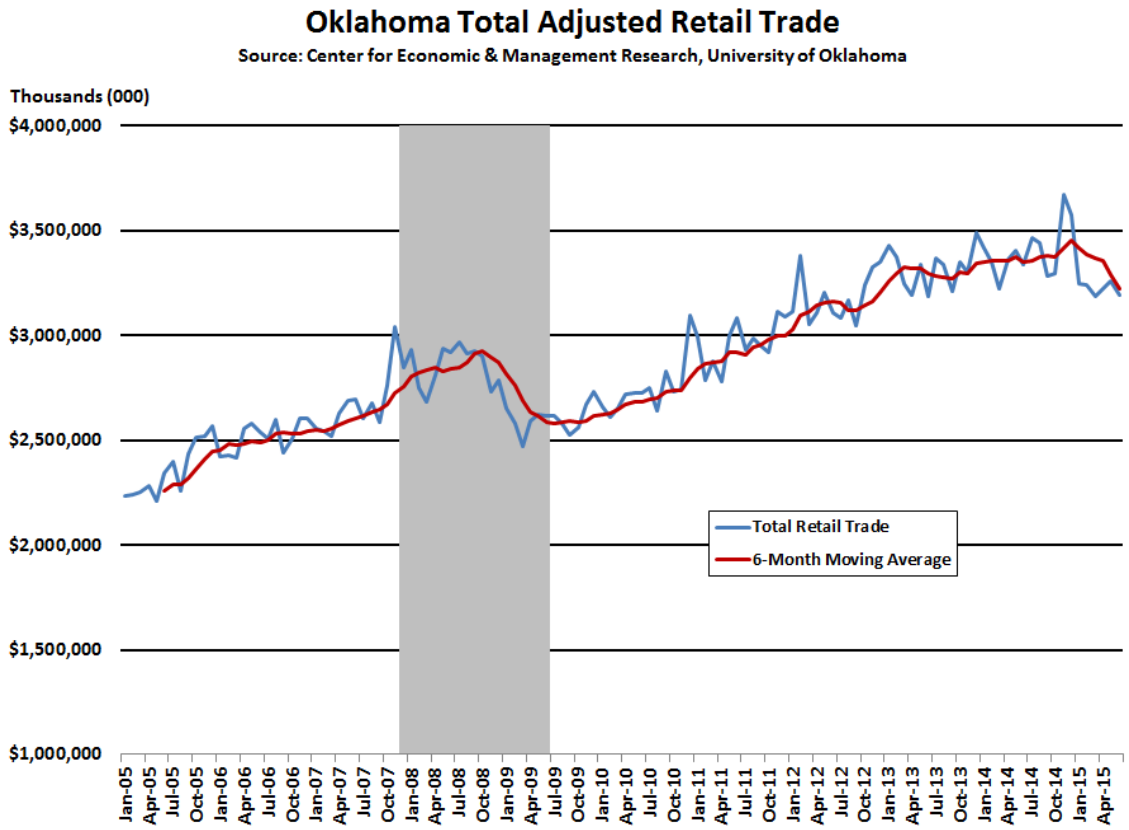
Retail sales measure the total receipts at stores that sell merchandise and related services to final consumers. Sales are by retail and food services stores. Data are collected from the Monthly Retail Trade Survey conducted by the U.S. Bureau of the Census. Essentially, retail sales cover the durables 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

U.S. retail sales rebounded in July as consumers boosted spending on cars, restaurants and building supplies. Advance estimates of U.S. retail and food services sales or July, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $446.5 billion, an increase of 0.6 percent from the previous month, and 2.4 percent above July 2014, according to the U.S. Census Bureau. The May 2015 to June 2015 percent change was revised from -0.3 percent to virtually unchanged while April to May was revised to a jump of 1.2 percent from 1.0 percent. The revisions to June and May point to an upward revision for 2nd-quarter GDP.

Purchases at auto dealers jumped 1.4 percent in July, nearly reversing June's 1.5 percent slide and almost matching May's historic 1.9 percent surge. Restaurants and building materials stores both recorded a 0.7 percent gain in July. Gasoline station sales increased 0.4 percent in July but cheaper energy prices have pushed sales down over the year by 15.2 percent. Excluding autos and gasoline, retail sales rose a solid 0.4 percent in July.

The less volatile "core" sales, which strip out automobiles, gasoline, building materials and food services rose 0.3 percent after a revised 0.2 percent gain in June. Gains were seen at furniture stores (+0.8 percent), and sporting goods (+0.9 percent) and clothiers (+0.4 percent), last month. Sales declined at electronics and department stores, while spending at grocers was flat.



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.

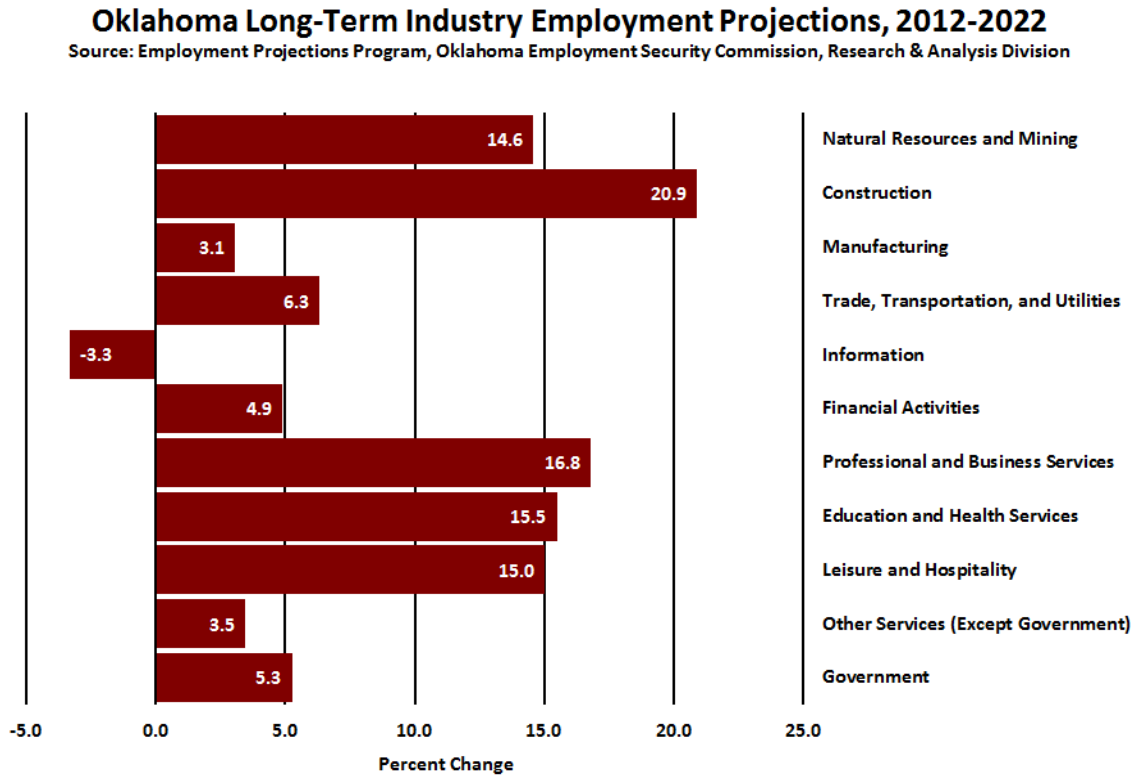
Current Developments

Oklahoma total adjusted retail trade fell in June with broad-based losses occurring in both durable and nondurable sales. Total adjusted retail sales for June were at a level of $3.19 billion, or 1.9 percent lower than the May level of $3.26 billion. For the first six months of 2015, total adjusted retail trade was at a level of $19.35 billion, or 3.7 percent lower than $20.09 billion for the first half of 2014.

Total durable goods sales fell 1.1 percent in June led by big declines in miscellaneous durable goods (2.2 percent) and auto accessories & repair (-1.9 percent). Other declining durable goods categories were furniture (-1.9 percent); electronics & music stores (-0.6 percent); lumber & hardware (-0.2 percent); and used merchandise (-0.8 percent).

Nondurable goods spending sank 2.2 percent in June led by a drop in estimated gasoline sales (-13.4 percent) due to lower pump prices. Other declining categories were miscellaneous non-durable goods sales (-1.3 percent); apparel (-0.7 percent); and general merchandise stores (-0.6 percent). Advancing for June were drugstore sales (1.2 percent); eating & drinking (0.5 percent); food (0.2 percent); and liquor (0.1 percent).

Oklahoma Industry Employment Projections: 2012 to 2022



Introduction

Every other year, the Oklahoma Employment Security Commission produces long-term industry and occupational employment projections with the base year of the projections decade being an even-numbered year. The goal is not necessarily to predict the exact level of employment 10 years in the future, but rather to determine overall trends that can be used for career and policy planning. Employment projections help to facilitate career exploration by high school students and their teachers and parents, college students, career changers, and career development and guidance specialists. Employment projections are also widely used by policymakers and education and training officials to make decisions about education and training policy, funding, and program offerings. Additionally, other state agencies, researchers, and academics use the projections to understand trends in the economy and labor market.

Industry Projections

Our 2012 to 2022 industry employment forecast for Oklahoma predicts that total payroll employment will grow by 10.0 percent over the decade, adding 175,071 jobs to the state's economy (see tables on pages 32-35). All but one of Oklahoma's major industry sectors are anticipated to grow in the coming years.

In the goods-producing industries, employment growth in construction is expected to lead, adding 14,700 jobs with specialty trade contractors contributing over half of the job growth (+7,880 jobs). Employment growth in the natural resources and mining sector follows closely adding 11,010 jobs from 2012 to 2022 with support activities for mining providing nearly three-fourths (+8,400 jobs) of total growth. Manufacturing employment is expected to grow more slowly, at a rate of 3.1 percent, adding 4,150 jobs almost all of which are anticipated to be in machinery manufacturing (+3,100 jobs) and fabricated metals manufacturing (+2,540 jobs). Job losses in most other manufacturing sectors will weigh against job gains.

Oklahoma Long-Term Industry Employment Projections, 2012-2022

Sector	2012	2022	Change	Percent Change
Total Employment[1]	**1,749,370**	**1,924,430**	**175,070**	**10.01**
Natural Resources & Mining	75,440	86,450	11,010	14.59
Construction	70,300	8,500	14,700	20.91
Manufacturing	135,160	139,310	4,150	3.07
Trade, Transportation, & Utilities	290,730	309,160	18,430	6.34
Information	22,640	21,890	-750	-3.31
Financial Activities	80,320	84,250	3,930	4.89
Professional & Business Services	177,540	207,350	29,810	16.79
Education & Health Services	388,780	449,030	60,250	15.50
Leisure & Hospitality	147,130	169,210	22,080	15.01
Other Services (Except Government)	60,060	62,140	2,080	3.47
Government	184,330	194,020	9,690	5.26

[1] Includes Self Employed and Unpaid Family Workers
Source: Employment Projections Program, Oklahoma Employment Security Commission, Research & Analysis Division

In the services-providing industries, employment in education & health services is forecast to provide the largest gains adding 60,250 jobs (15.5 percent) with health care & social assistance accounting for more than four-fifths of the growth and adding 48,460 jobs. More than three-fourths of the job growth in health care & social assistance is expected to be in the ambulatory health care services and hospitals sectors.

Professional & business services employment is expected to add 29,810 jobs (+16.8 percent) in the 2012-2022 timeframe. Nearly half of the job growth is led by gains in the administrative & support services sector which is projected to add 14,500 jobs (+15.7 percent). Professional, scientific & technical services is expected to contribute another 14,360 jobs (+21.8 percent).

The broad trade, transportation & utilities sector is forecast to add 18,430 jobs (+6.3 percent) between 2012 and 2022 with almost two-thirds of the employment growth in retail trade (+11,060 jobs). Wholesale trade is expected to add 3,930 jobs (6.5 percent) and transportation & warehousing employment growing by 2,930 jobs (+6.5 percent). Utilities employment is forecast to grow by 4.4 percent adding 520 jobs.

Leisure & hospitality employment is projected to increase by 22,080 jobs (+15.0 percent) from 2012 to 2022 with almost all the job gains in food services & drinking places (+18,750 jobs).

The financial activities supersector is forecast to add 3,930 jobs (+4.9 percent) between 2012 and 2022 with finance & insurance growing by 2,120 (+3.6 percent) and real estate and rental & leasing adding 1,810 jobs (+8.4 percent).

Other services (except government) is expected to add 2,080 for a 3.5 percent gain between 2012 and 2022. Information is the only supersector forecast to lose employment, shedding 750 jobs (-3.3 percent).

Government employment is projected to grow by 5.3 percent adding 9,690 jobs during the 2012-2022 period with nearly all the growth at the local government level which is expected to add 18,220 jobs (+18.2 percent). Federal and state government are both expected to lose employment in the 2012-2022 round.

OKLAHOMA AVERAGE ANNUAL WAGE BY MAJOR OCCUPATIONAL GROUP, 2014

Occupation Code	Occupation Title	Average Annual Wage		Percent U.S. Average
		Oklahoma	U.S.	
00-0000	All Occupations	$40,850	$47,230	86.49
11-0000	Management Occupations	$90,760	$112,490	80.68
13-0000	Business and Financial Operations Occupations	$59,730	$72,410	82.49
15-0000	Computer and Mathematical Occupations	$64,130	$83,970	76.37
17-0000	Architecture and Engineering Occupations	$81,490	$81,520	99.96
19-0000	Life, Physical, and Social Science Occupations	$63,940	$70,070	91.25
21-0000	Community and Social Services Occupations	$37,740	$45,310	83.29
23-0000	Legal Occupations	$82,190	$101,110	81.29
25-0000	Education, Training, and Library Occupations	$40,470	$52,210	77.51
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	$42,920	$55,790	76.93
29-0000	Healthcare Practitioners and Technical Occupations	$65,730	$76,010	86.48
31-0000	Healthcare Support Occupations	$25,640	$28,820	88.97
33-0000	Protective Service Occupations	$36,500	$43,980	82.99
35-0000	Food Preparation and Serving-Related Occupations	$19,560	$21,980	88.99
37-0000	Building and Grounds Cleaning and Maintenance Occupations	$22,750	$26,370	86.27
39-0000	Personal Care and Service Occupations	$22,520	$24,980	90.15
41-0000	Sales and Related Occupations	$33,240	$38,660	85.98
43-0000	Office and Administrative Support Occupations	$32,050	$35,530	90.21
45-0000	Farming, Fishing, and Forestry Occupations	$29,410	$25,160	116.89
47-0000	Construction and Extraction Occupations	$39,580	$46,600	84.94
49-0000	Installation, Maintenance, and Repair Occupations	$41,320	$45,220	91.38
51-0000	Production Occupations	$35,330	$35,490	99.55
53-0000	Transportation and Material Moving Occupations	$34,230	$34,460	99.33

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 2015.

OKLAHOMA LONG-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012 - 2022

Industry Title	Employment		Employment Change	
	2012	2022	Numeric	Percent
Total Employment[1]	**1,749,370**	**1,924,440**	**175,070**	**10.01**
Goods-Producing	**280,900**	**310,760**	**29,860**	**10.63**
Natural Resources and Mining	75,440	86,450	11,010	14.59
Construction	70,300	85,000	14,700	20.91
Manufacturing	135,160	139,310	4,150	3.07
Services-Providing	**1,351,530**	**1,497,050**	**145,520**	**10.77**
Trade, Transportation, and Utilities	290,730	309,160	18,430	6.34
Information	22,640	21,890	-750	-3.31
Financial Activities	80,320	84,250	3,930	4.89
Professional and Business Services	177,540	207,350	29,810	16.79
Education and Health Services	388,780	449,030	60,250	15.50
Leisure and Hospitality	147,130	169,210	22,080	15.01
Other Services (Except Government)	60,060	62,140	2,080	3.47
Government	184,330	194,020	9,690	5.26
Total Self-Employed and Unpaid Family Workers[2]	**116,940**	**116,640**	**-310**	**-0.26**
Self-Employed Workers	113,290	113,380	90	0.08
Unpaid Family Workers	3,650	3,260	-390	-10.80
Agriculture[3]	**17,380**	**16,710**	**-670**	**-3.86**
Mining	**58,060**	**69,740**	**11,680**	**20.12**
Oil and Gas Extraction	23,990	27,210	3,220	13.44
Mining (except Oil and Gas)	1,900	1,960	60	3.06
Support Activities for Mining	32,170	40,570	8,400	26.10
Utilities	**11,720**	**12,240**	**520**	**4.39**
Construction	**70,300**	**85,000**	**14,700**	**20.91**
Construction of Buildings	12,970	16,130	3,160	24.38
Heavy and Civil Engineering Construction	14,440	18,110	3,670	25.38
Specialty Trade Contractors	42,890	50,770	7,880	18.36
Manufacturing	**135,160**	**139,310**	**4,150**	**3.07**
Food Manufacturing	15,260	14,350	-910	-5.93
Beverage and Tobacco Product Manufacturing	2,630	3,140	510	19.21
Textile Mills	220	210	0	-1.39

OKLAHOMA LONG-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2022

Industry Title	Employment		Employment Change	
	2012	2022	Numeric	Percent
Textile Product Mills	610	460	-140	-23.31
Apparel Manufacturing	850	570	-280	-33.29
Leather and Allied Product Manufacturing	320	300	-20	-5.05
Wood Product Manufacturing	1,750	1,660	-90	-5.10
Paper Manufacturing	2,810	2,760	-50	-1.75
Printing and Related Support Activities	2,610	2,230	-380	-14.41
Petroleum and Coal Products Manufacturing	2,280	1,920	-360	-15.81
Chemical Manufacturing	3,390	3,700	310	9.18
Plastics and Rubber Products Manufacturing	9,970	9,580	-390	-3.88
Nonmetallic Mineral Product Manufacturing	6,930	7,060	130	1.89
Primary Metal Manufacturing	4,670	5,320	650	13.97
Fabricated Metal Product Manufacturing	23,940	26,480	2,540	10.60
Machinery Manufacturing	29,960	33,060	3,100	10.34
Computer and Electronic Product Manufacturing	5,090	4,720	-380	-7.40
Electrical Equipment, Appliance, and Component Manufacturing	2,980	2,600	-380	-12.63
Transportation Equipment Manufacturing	13,250	14,050	800	6.05
Furniture and Related Product Manufacturing	1,940	2,010	70	3.45
Miscellaneous Manufacturing	3,730	3,140	-600	-15.97
Wholesale Trade	**60,570**	**64,490**	**3,930**	**6.49**
Merchant Wholesalers, Durable Goods	28,660	30,720	2,070	7.21
Merchant Wholesalers, Nondurable Goods	23,970	24,790	820	3.43
Wholesale Electronic Markets and Agents and Brokers	7,940	8,980	1,040	13.09
Retail Trade	**173,510**	**184,570**	**11,060**	**6.37**
Motor Vehicle and Parts Dealers	24,210	26,100	1,890	7.80
Furniture and Home Furnishings Stores	4,780	5,080	300	6.21
Electronics and Appliance Stores	5,490	5,360	-130	-2.38
Building Material and Garden Equipment and Supplies Dealers	15,220	17,240	2,020	13.28
Food and Beverage Stores	20,490	18,740	-1,750	-8.54
Health and Personal Care Stores	11,710	13,410	1,690	14.44
Gasoline Stations	15,000	15,900	900	6.01
Clothing and Clothing Accessories Stores	12,120	13,220	1,100	9.08
Sporting Goods, Hobby, Book, and Music Stores	6,320	6,900	570	9.08
General Merchandise Stores	45,850	50,470	4,620	10.07
Miscellaneous Store Retailers	10,140	10,100	-40	-0.38
Nonstore Retailers	2,160	2,040	-110	-5.29

OKLAHOMA LONG-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2022

Industry Title	Employment		Employment Change	
	2012	2022	Numeric	Percent
Transportation and Warehousing	**44,930**	**47,860**	**2,930**	**6.52**
Air Transportation	7,460	6,600	-860	-11.54
Rail Transportation	2,310	2,310	0	0.00
Truck Transportation	18,140	19,520	1,380	7.62
Transit and Ground Passenger Transport	*	*	*	*
Pipeline Transportation	1,940	2,190	250	12.67
Scenic and Sightseeing Transportation	*	*	*	*
Support Activities for Transportation	1,940	2,190	250	12.67
Couriers and Messengers	3,990	3,780	-210	-5.27
Warehousing and Storage	4,080	4,920	850	20.81
Information	**22,640**	**21,890**	**-750**	**-3.31**
Publishing Industries	5,370	5,180	-190	-3.56
Motion Picture and Sound Recording Industries	1,930	1,810	-120	-6.18
Broadcasting (except Internet)	3,090	3,030	-60	-2.00
Telecommunications	10,370	9,940	-430	-4.13
Internet Service Providers, Web Search Portals, and Data Processing Services	1,480	1,450	-20	-1.42
Other Information Services	410	480	70	17.32
Finance and Insurance	**58,710**	**60,830**	**2,120**	**3.61**
Monetary Authorities - Central Bank	*	*	*	*
Credit Intermediation and Related Activities	32,140	33,680	1,540	4.78
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	4,200	4,590	390	9.34
Insurance Carriers and Related Activities	22,100	22,290	190	0.86
Funds, Trusts, and Other Financial Vehicles	*	*	*	*
Real Estate and Rental and Leasing	**21,610**	**23,420**	**1,810**	**8.35**
Real Estate	10,930	11,800	870	7.91
Rental and Leasing Services	10,310	11,280	970	9.42
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	370	340	-30	-8.40
Professional, Scientific, and Technical Services	**65,890**	**80,250**	**14,360**	**21.79**
Management of Companies and Enterprises	**15,970**	**16,370**	**410**	**2.55**

OKLAHOMA LONG-TERM INDUSTRY EMPLOYMENT PROJECTIONS, 2012-2022

Industry Title	Employment		Employment Change	
	2012	2022	Numeric	Percent
Administrative and Support and Waste Management and Remediation Services	**95,680**	**110,730**	**15,040**	**15.72**
Administrative and Support Services	92,350	106,850	14,500	15.70
Waste Management and Remediation Service	3,340	3,880	540	16.28
Educational Services	**167,720**	**179,510**	**11,790**	**7.03**
Health Care and Social Assistance	**221,060**	**269,520**	**48,460**	**21.92**
Ambulatory Health Care Services	71,040	97,730	26,690	37.57
Hospitals	85,870	97,300	11,430	13.31
Nursing and Residential Care Facilities	34,670	37,750	3,080	8.89
Social Assistance	29,480	36,730	7,260	24.62
Arts, Entertainment, and Recreation	**14,310**	**16,210**	**1,900**	**13.30**
Performing Arts, Spectator Sports, and Related Industries	2,410	2,590	180	7.61
Museums, Historical Sites, and Similar Institution	880	970	90	10.18
Amusement, Gambling, and Recreation Industries	11,020	12,650	1,630	14.79
Accommodation and Food Services	**132,830**	**153,010**	**20,180**	**15.19**
Accommodation	12,860	14,300	1,430	11.15
Food Services and Drinking Places	119,960	138,710	18,750	15.63
Other Services (Except Government)	**60,060**	**62,140**	**2,080**	**3.47**
Repair and Maintenance	14,230	16,650	2,420	17.00
Personal and Laundry Services	12,150	12,420	270	2.20
Religious, Grantmaking, Civic, Professional, and Similar Organizations	31,820	31,610	-210	-0.64
Private Households	1,860	1,460	-400	-21.40
Government	**184,330**	**194,020**	**9,690**	**5.26**
Federal Government	**48,360**	**41,410**	**-6,950**	**-14.38**
Federal Government, Excluding Postal Service	41,550	36,550	-5,000	-12.03
Postal Service	6,810	4,860	-1,950	-28.69
State Government, Excluding Education and Hospitals	**35,550**	**33,970**	**-1,580**	**-4.45**
Local Government, Excluding Education and Hospitals	**100,420**	**118,650**	**18,220**	**18.15**

Source: Employment Projections Program, Oklahoma Employment Security Commission, Research and Analysis Division, July 2014.

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 this 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 2012 and QCEW program.

* Employment data is withheld to maintain data confidentiality.