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The *Oklahoma Business Bulletin* is published by the Center for Economic and Management Research, Michael F. Price College of Business, The University of Oklahoma.

OVERVIEW

Created by the Oklahoma Territorial Legislature in 1890, the University of Oklahoma is a doctoral degree granting research university serving the educational, cultural, economic and health-care needs of the state, region and nation. The Norman campus serves as home to all of the university's academic programs except health-related fields. Both the Norman and Health Sciences Center colleges offer programs at the Schusterman Center, the site of OU-Tulsa. The OU Health Sciences Center, which is located in Oklahoma City, is one of only four comprehensive academic health centers in the nation with seven professional colleges. OU enrolls more than 30,000 students, has more than 2,400 full-time faculty members, and has 21 colleges offering 163 majors at the baccalaureate level, 166 majors at the master's level, 81 majors at the doctoral level, 27 majors at the doctoral professional level, and 26 graduate certificates. The university's annual operating budget is $1.5 billion. The University of Oklahoma is an equal opportunity institution.

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Business Highlights

by Robert C. Dauffenbach

National Economy

The national economy is looking a little stronger. The closely watched changes in wage and salary employment, the so-called Establishment Survey, has average nearly 200,000 in month-to-month gains, April through June, 2013. Year-over-year gains are about 2.2 million. Indeed, for the year ending June, 2013, year-over-year gains have averaged 2.15 million. While these gains are weak in comparison to those typically seen in recovery from recession periods, the steadiness of the gains is encouraging.

Growth in inflation-adjusted GDP, known as real GDP, has been tepid. The first quarter of 2013 yielded only a 1.6 percentage point gain in real GDP from its year ago level. This is lower than the average year-over-year gain of 2.1 percent since the first quarter of 2010. Annualized quarterly gains have exceeded 4.0 percent only on two occasions in the recovery. This is in sharp contrast to gains achieved in recovery periods from prior recessions. For example, in the two years following the 1990-91 recession, there were four quarterly gains yielding 4.0 annualized percentage gains. Concerns of forecasters are mounting that read GDP growth, while positive, will continue to be comparatively weak.

The stock market has been volatile of late. Wall Street is concerned that the Bernanke and the Fed will "back off" of their purchases of treasury's and mortgage backed securities. Quantitative Easing, the Fed calls it. Many economists call it "printing money. "

What is Quantitative Easing? It is simply purchases by the Fed of marketable assets such as treasuries and mortgage backed securities. When the Fed buys such securities, say, from a large investment bank, it receives the securities and simply credits the reserve account of that investment bank. Magically, through simple electronic bookkeeping entries, the Fed now owns the assets. These purchases are made through what is known as "open market operations."

Policy in regard to purchases and sales of such assets are the province of the Federal Open Market Committee. This committee consists of all of the seven members of the Federal Reserve Board of Governors, four rotating members from the presidents of regional Federal Reserve banks, and the president of the New York Federal Reserve bank.

Simple demand and supply mechanics explain how Fed purchases of bonds lead to lower interest rates. Fed purchases increase demand for bonds, and all else equal the price of bonds increase. Ultimately with large scale purchases there are fewer marketable assets now on the open market. These assets now command higher prices. Individuals and institutions have to pay more, but only get a fixed dollar amount of interest earnings from prior purchases of treasury bonds. With the interest earnings fixed and a higher price, the current interest rate "yield" falls.

But bond holders are not entirely unhappy with this sequence of events. The value of their holdings increase. The earnings from prior bond purchases were fixed at the time of initial purchase. On the open market, investors are willing to pay more for those bonds initiated at higher interest rates. Current holders experience a capital gain as the bonds they hold command higher prices. Thus, the monetary policy transmission mechanism is: (1) The Fed purchases bonds increasing the demand for bonds; (2) the price of bonds rise and interest rates fall; (3) lower bond current yields lead to economy-wide lower interest rates; (4) lower interest induce larger investment and consumption expenditures; and, (5) income, output, and employment expand. That is the monetary policy mechanism in a "nutshell."

We are now in QE IV, depending on how one counts. The Fed has expanded its balance sheet since January 2008 in this magical fashion by $2.6 Trillion. In the most recent QE rendition, they have stated that they will buy $85 billion a month. Now when multiplying $85 billion by 12, a full year's worth, one gets over a trillion dollars in new liquidity.

Recently the Fed and chair Bernanke have been signaling that the Fed may begin to "taper" its purchases of securities. That led to some trepidation on Wall Street that liquidity injections would soon cease. The problem is that the stock and bond markets have grown dependent upon Fed largesse. Markets expressed their disappointment by increasing the volatility of stock and bond prices, only to be at least temporarily assuaged by Bernanke announcements that low interest rate policies will continue into the indefinite future.

What problems could ultimately plague the economy from the Fed's QE policies? Inflation is the eventual concern. When the Fed increases member bank reserves, it increases the lending power of banks. Because we have a fractional reserve system in that banks need to hold back only a small percentage of assets in reserve, the banking system is capable of multiple expansions of the money supply with injections of liquidity. Open Market Operations create high-powered money and greatly expand the ability of the banking system to make loans.

Thus far the economic recovery has been weak and the Fed has further lessened the willingness of banks to make loans by paying banks a nominal interest rate to keep their reserves deposited at the Fed. But, what happens when and if the economy "picks up steam." Then the problem of inflation comes to the fore with "too much money chasing too few goods." Eventually the Fed will have to taper, and fear that the "punch bowl will be taken away" is what is troubling financial markets.

While this is all very difficult to comprehend, there is hope that this accounting helps to clarify forces at play in financial markets today. It is important for us as citizens to be aware of what is going on, for, ultimately, we will be impacted. And what is going on is support for the financial institutions. Certainly low interest rates can be a good thing. And, the Fed judges that low rates are necessary to support a comparatively weak economy. Let us hope that they are correct in their judgments and that they have the insight, will, and fortitude to return the economy and the banking system to a state of normalcy.

Oklahoma Economy

Among the 50 states and the District of Colombia, state personal income declined an average 1.2 percent , seasonally-adjusted and annualized basis, in the first quarter of 2013. Oklahoma fell 1.6 percent. This is the most recent data available. While this negative number is of some concern, it is to be recognized that the "payroll tax holiday" expired January 1, 2013. That legislation allowed a temporary two-percentage point reduction in the personal contribution rate for social security. Thus, the negative change was not a surprise and there is hope that the second quarter numbers will be more encouraging.

On the jobs front, Oklahoma still continues to do fairly well, particularly in the two major metro areas. In May, 2013, the Oklahoma City metro area was up 14,300 jobs, a 2.4 percent gain year-over-year. The Tulsa metro area was up 5,500 jobs for a 1.3 percent gain. Unfortunately, the rest of the state lost 4,100 jobs, a 0.7 percent loss. The state as a whole was up 1.0 percent, year-over-year, a 15,700 employment gain.

Since the national employment trough in February, 2010, Oklahoma has exceeded year-over-year national employment gain in 15 of 28 months. Recently, however, and somewhat of concern is that in the last year ending May, 2013, Oklahoma exceeded the national growth rate only twice. Since the employment trough, the nation and Oklahoma have both grown by 5.0 percent in wage and salary jobs. The Oklahoma City metro area has grown by 8.0 percent, however. The Tulsa metro has gained 3.9 percent while the balance of the state has gained 2.8 percent.

Gross state tax collections provide useful signals on the Oklahoma economy. Tax collections have any seasonal elements. Thus, the X-11 method is used to seasonally adjust collections from various sources. To further capture trends, the data are smoothed through a six-month weighted procedure. Results are shown below. Figure A. shows the smoothed, seasonally-adjusted collections and the year-over-year percentage change. Note that the rate of change has fallen from sometimes as much as 10 percent gains to about 2 percent gains recently.

Figure B. shows the smoothed composition of gross tax receipts. Individual income taxes account for about 38 percent of gross tax receipts; sales and use make up 28 percent; severance taxes of oil and gas extraction account for 11 percent; and motor vehicle taxes represent about 7 percent of gross tax revenues. I total these four taxes comprise about $85 out of every $100 collected.

In terms of both employment and gross tax collections trends, the Oklahoma economy, like the nation, appears to be entering a period of rather slow growth. As noted in previous issues of the Bulletin, the Oklahoma economy is today a more diversified economy than the one we knew in the early 1980's. In consequence, our patterns of employment growth, while not exactly matching the nation's, certainly "rhyme" with the nation's. Continuing employment growth nationally is, thereby, encouraging, but there are few pundits calling for dramatic acceleration of national employment growth. Given the accuracy of forecasters, that may in fact be an encouraging sign.

Robert C. Dauffenbach is Director of the Center for Economic and Management Research and Associate Dean for Research and Graduate Programs.

Figure A. Total and Yr/Yr % Change in Oklahoma Gross Tax Collections

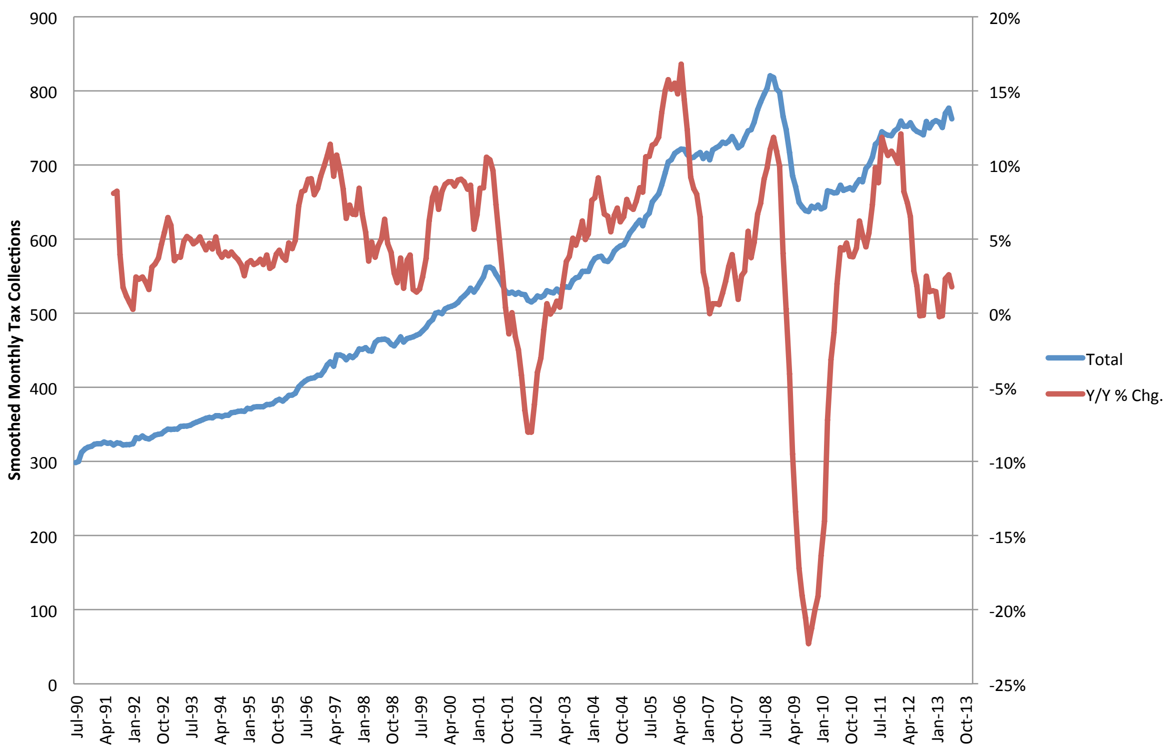
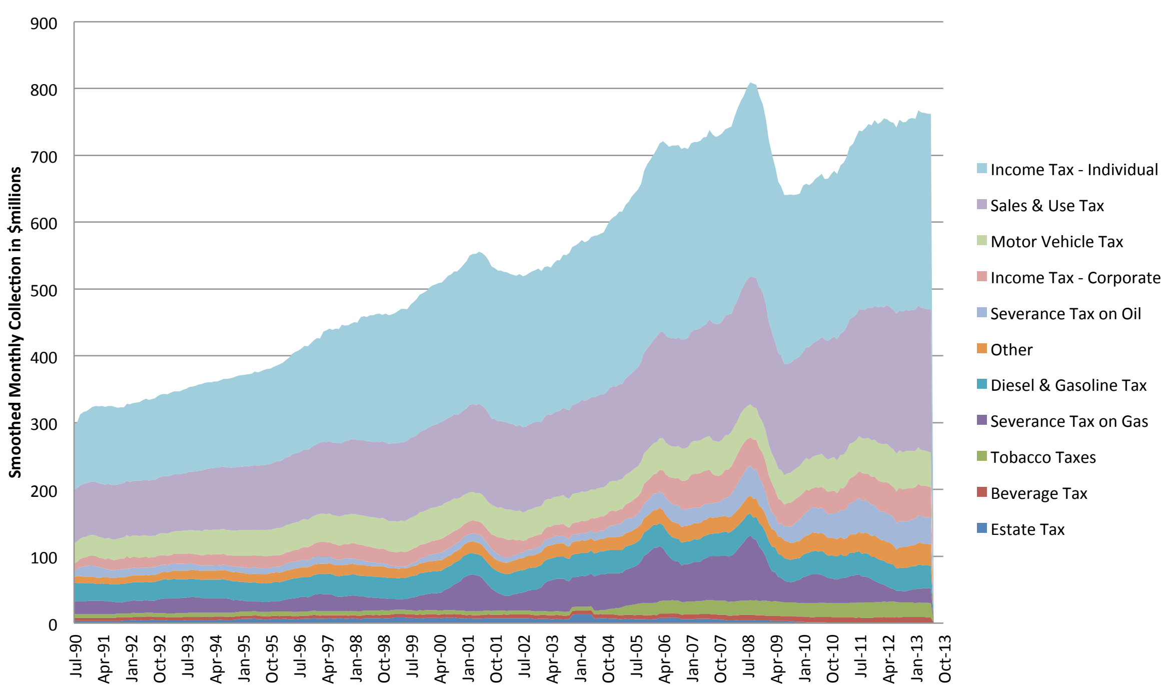


Figure B. Oklahoma Gross Tax Collections 1990 - Present



Current Economic Conditions and Ethical Values

Larkin Warner
Regents Professor Emeritus
Oklahoma State University

At the outset, let me share a big warning about assessing economic conditions. Most of us have seen the ad on TV for Ally Bank, with Nobel Prize winning economist Thomas Sargent sitting on stage. The narrator asks "Can you tell me what CD rates will be in two years?" and Sargent replies "No." One observer noted that economists have successfully forecast the last four recessions seven times.

I want to be even more humble about making the assertion that the economic difficulties that we have been experiencing are partially—perhaps mainly--due to lapses in ethical behavior of consumers, of the business sector, and of government officials. I want to emphasize that a free enterprise capitalist system relies heavily on the fair and honest behavior of the participants. I don't care whether you are a liberal or conservative, government cannot oversee each of the billions of transactions that occur each year. We have to count on the honest behavior of those with whom we are dealing. I will return to the issue of ethical values, but first, let me go over some of the features of recent economic conditions on the sheet that I've handed out.

The period beginning in late 2007 has come to be referred to as the "Great Recession"—the worst period since the Great Depression of the 1930s.

Technically, the Great Recession began in December 2007 and bottomed out in June 2009. The big trouble actually began in September 2008 with a financial crisis and a fall in the stock market. Since 2009, the growth of the overall economy as measured by inflation-adjusted Gross Domestic Product or GDP has hovered at a rate of around 2.2 percent per year—about half the growth rate in typical recoveries, and well below our long run growth rate of 3 percent per year. We're still not much above where we were in 2007.

Nationwide, the employment situation has been terrible. In February of this year we still had an employment level well below where we were in 2007. Although the unemployment rate has remained relatively high, it is coming down and was 7.7 percent in February.

One disturbing features of the current scent is the significant decline in what is called the "labor force participation rate" or the percent of the population 18 and over that is at work or actively looking for work. The economically actively share of the population has declined from 66 percent to 63.5 percent during the Great Recession. A significant number of people lost their jobs and simply gave up. But there's another problem whose effect is going to be around for a long, long time—that is the rapidly rising share of older Americans. We will be hearing more and more of this.

Worst of all, in my opinion, is that, on average, Americans' are losing ground. The last table on the sheet that I handed out shows median family income, with the figures adjusted for the effects of inflation. The median is a great measure to use for this purpose—half the families have incomes above the median, and half are below the median. However you want to define the "middle class" we have to figure that the median lies somewhere in its middle. Note that the median family income was virtually constant during the period 2000 through 2007. It then declines significantly and appears to have continued to drop through 2011—the latest figure that is available.

As we know from experience and the newspapers, Oklahoma has done pretty well during this Great Recession. Unlike the nation, employment has grown in the state since 2009. At around 5 percent, our unemployment rate has only risen a bit and is well below the national rate. For many years, our per capita personal income was around 80-83 percent of the national average; today it has risen to 92 percent. Our price level is lower than that of the nation, so we are probably about as well off in this measure as the nation. That's quite an accomplishment, given the relatively low level of educational attainment of Oklahomans compared with the nation.

But Oklahoma continues to have some big problems. In 2011, our poverty rate was 17.2 percent compared with the national average of 15.9 percent. And poor means really poor. Recently, people were classified as in poverty if, for example, they were in a family of four persons with a family income of around $23,500.

Before I leave the topic of current conditions, let me mention a couple of odd features.

First, the stock market is doing very, very well—setting records—in spite of what appears to have been a pretty anemic economic recovery. This appears to be due to two conditions. Corporations' are doing quite well. But the most interesting feature to me is this: In order to speed up the economy's recovery, the Federal Reserve has been maintaining a regime of low interest rates. Today, the Fed is committed to buying $85 billion of bonds per month—half U.S. government securities, and half are mortgage backed securities. You say "How can they do that?" The answer is that they are simply creating money. (An aside: The entire cuts in federal government spending between March and the end of the fiscal '13 on Sept. 30 is $85 billion.)

But back to the stock market. Since the Fed is maintaining low interest rates, more people are turning to the stock market to get any sort of return on their financial assets. This means that if the economy begins growing more rapidly (a good thing), the Fed will stop maintaining such low interest rates, and people will shift investments from the stock market to CDs and so forth. In other words, we are in the odd situation in which better economic conditions will lead to a relative fall in the stock market.

A second feature that I find remarkable is that the economy is doing as well as it is, given the continued dysfunction in Washington. This foolishness in Washington surly must generate uncertainty regarding business decisions to hire workers and to spend money on capital equipment.

This also applies to consumers whose spending accounts for about 70 percent of the national economy. Given such recent events as the increase in payroll taxes and the onset of the federal sequester, you would expect a drop in consumer spending. Instead, consumer spending has continued to rise. Moreover, the household sector seems to be much more optimistic in the long term—especially as indicated by the recovery of the housing sector. New home sales were up 20 percent last year, housing prices are increasing, and mortgage rates remain extremely low.

The current forecasts are that the U.S. economy will grow a bit faster this year than last. But as the previous discussion indicates, we are still below where we should have been, had the recovery after 2009 been typical.

As I said at the outset, the severity of the Great Recession would not have been so great if it had not been for ethical lapses by consumers, businesses, and government. This was very much a finance-driven recession. During the collapse of 2007-2009,

$16 trillion of wealth in housing and financial assets was erased. That's a good deal more than the total national output or GDP of $13 trillion. Where had all this wealth come from?

As noted in the handout, median family income had remained constant during 2000-2009. How can someone become better off in this environment? One ready answer is to borrow more with mortgages and credit cards. Financial businesses were all too ready to provide easy credit. Ethical values were lousy all the way around, particularly in housing markets in western United States. Here are some features.

(1)Greedy home buyers anticipated a fast buck as housing prices grew rapidly. This was called "flipping." They were also willing to get more cash through second mortgages.

(2)Subprime lending was growing and had been encouraged by the federal government. In 1994, only 5 percent of mortgages were classified as subprime; by 2005 the share of very risky mortgages had grown to 20 percent. One could buy a home with little or no down payment. Remember the old days when you had to come up with 20 percent. These low downpayments meant that a decline in the price of housing could place such a borrower in a position of being "underwater", that is, owing more on a house than it was worth. In spite of all that we have been through, there are still 10.4 million homeowners underwater nationwide.

(3)Practices in real estate and real estate finances were something to behold. Here are some of the mortgage categories that were used by companies doing the financing.

No-doc/Low-doc—Involving no or little documentation on the financial status of the borrower.

Liar's loans—Failure by loan originator to validate applicant's qualifications

NINJA loans—no income, no job, or assets

There were also **ARM's** or adjustable rate mortgages which I suspect many borrowers didn't really understand. Lenders would use "teaser rates" go hook the customer. Variants could include arrangements in which the borrower would pay interest only on a mortgage. There could even be a deal in which the borrower paid less than the regular monthly interest payment and with the principal rising.

(4)Mortgages didn't stay with the initial issuer. Remember the old days. When I bought my first house, the transaction was financed by the Ponca City Savings and Loan. That firm held the mortgage and serviced the mortgage. I made my monthly payment to the Ponca City S&L. If something bad happened, then Ponca City S&L would foreclose on the property.

A big innovation was the use of mortgage-backed securities in which a bunch of mortgages would be bundled together and a single security would be sold. This process greatly facilitated the flow of financial capital to housing markets. This was nothing new and was a good thing. But the process could be misused by unethical mortgage salesmen who could take a commission—no matter how shaky was the borrower—and shove the mortgage on up the line.

Big financial institutions were combining mortgages of various types of risk—both prime and subprime. This created was a mortgage backed security in which the mortgages consisted of various "tranches" (slices) reflecting varying degrees of risk.

People all over the world buying these mortgage-backed securities apparently did not really know what they were buying. Couldn't you count on the biggest banks and institutions in the nation such as Goldman-Sachs, Citi, Bank of America, and Chase? Such prestigious institutions wouldn't sell us something bogus! Moreover the bond rating services—Moodys, Standard & Poors, Fitch—were giving these securities triple A ratings even though they contained tranches of subprime mortgages. The rating agencies all could be accused of conflict of interest; they were providing other financial services for big fees and then turning around and rating their securities as though they were unbiased.

The ethics of not performing due diligence was an endemic problem in this process.

Things got even worse when housing prices began to fall and foreclosures increased. Because there had been so many mortgages bundled up and sold and resold, it was it was not unusual to not be able to figure out who owned an individual mortgage—that is who could foreclose. The whole system deteriorated, and institutions were claiming more legal oversight in the implementation of foreclosures than was truly the case. Obviously, they knew better and this mess is still being cleaned up.

I have not mentioned the ethics of actions by the federal government. All this is so complicated that I would not presume to be able to explain it. I do know that the federal government and its institutions such as Fannie Mae and Freddie Mac played a key role in facilitating bad behavior. Part of this has its foundation in national administrations supporting the politically attractive "affordable housing" so that more and more people can own their own homes. Once things came unglued, things became especially complicated on the policy front. Nobody was paying attention to the KISS rule of policymaking—"keep it simple stupid."

One thing is dreadfully clear: the Bush and Obama administrations took very expensive actions to save the big financial institutions that had taken on too much risk and were in trouble. These institutions were treated as too big to fail. Meanwhile, it has taken much longer and there has been much pain for individual homeowners who got into trouble.

Consider measures the Obama administration has taken to help homeowners. How many of you are familiar with HARP, HAMP, HAFA, HHF, and HAUP. These are the Home Affordable Financing Program, the Home Affordable Modification Program, the Home Affordable Foreclosure Alternative program, The Hardest Hit Funds, or the Home Affordable Unemployment Program. Is putting on such a show of ineffective policies ethical?

Let's finish with reference to the implications of Matthew 7:12 for all this. Here's the old-fashioned King James version:

"Therefore in all things whatsoever, ye would have that men should do to you, do ye even so to them; for this is the law and the prophets."

The Peterson Bible tries to get this across in contemporary language:

"So here is a simple rule-of-thumb guide for behavior. Ask yourself what you want people to do for you, then grab the initiative and do it for them. Add up God's law and the Prophets and this is what you get."

How many of the participants in the practices I've described ever thought of the Golden Rule?

SELECTED INDICATORS FOR OKLAHOMA

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
Crude Oil Production (000 bbl)a	15,843	18,430	14,721	7.6	-14.0
Natural Gas Production (000 mcf)a	588,027	597,429	356,207	65.1	-1.6
Rig Count	190	188	200	-5.0	1.1
Permit-Authorized Construction					
Residential Single Family					
Dollar Value ($000)	480,147	363,982	300,936	59.6	31.9
Number of Units	2,434	1,924	1,662	46.5	26.5
Residential-Multi Family					
Dollar Value ($000)	58,216	27,839	16,351	(e)	(e)
Number of Units	1,091	516	279	(e)	(e)
Total Construction ($000)	538,363	391,821	317,287	69.7	37.4
Employment					
Total Labor Force (000)b	1,801.7	1,816.0	1,773.0	1.6	-0.8
Total Employment (000)	1,708.4	1,726.1	1,669.4	2.3	-1.0
Unemployment Rate (%)	5.1	5.0	5.9	--	--
Wage and Salary Employment (000)	1,606.9	1,613.1	1,577.7	1.9	-0.4
Manufacturing	135,000	137,976	134,967	0.0	-2.2
Mining	55,667	54,967	55,300	0.7	1.3
Construction	68,467	69,700	64,000	7.0	-1.8
Retail Trade	174,333	176,800	169,600	2.8	-1.4
Government	350,867	350,733	341,133	2.9	0.0
Average Weekly Hours (Per Worker)					
Manufacturing	39.7	40.6	40.8	-2.7	-2.2
Average Weekly Earnings ($ Per Worker)					
Manufacturing	690.05	694.12	690.55	-0.1	-0.6

Note: Includes revisions in some previous months.
(a) 1st Qtr 2013 estimated. Validated amounts from source (OTC) not available till 3rd Qtr 2013
(b) Labor Force refers to place of residence, non-agricultural wage and salary employment refers to place of work.
(e) exceeds 100%

OKLAHOMA GENERAL BUSINESS INDEX

	Preliminary Forcecast Mar '13	Mar '12	Mar '11	Percentage Change '13/'11 Mar	Percentage Change '13/'12 Mar
State	147.9	144.8	141.8	4.3	2.1
Oklahoma City MSA	148.6	145.9	141.6	4.9	1.9
Tulsa MSA	143.2	139.3	138.9	3.1	2.8

ADJUSTED RETAIL TRADE FOR METRO AREAS AND STATE

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
OKLAHOMA CITY MSA					
Durable Goods	969,910,680	929,447,884	828,498,406	17.1	4.4
Lumber, Building Materials and Hardware	314,421,806	325,914,806	241,881,341	30.0	-3.5
Auto Accessories and Repair	150,746,089	144,296,002	117,036,431	28.8	4.5
Furniture	104,929,090	101,492,408	95,073,564	10.4	3.4
Computer, Electronics and Music Stores	146,019,674	128,903,249	124,476,302	17.3	13.3
Miscellaneous Durables	232,377,832	207,514,099	226,294,393	2.7	12.0
Used Merchandise	21,416,190	21,327,320	23,736,375	-9.8	0.4
Nondurable Goods	2,509,593,585	2,587,177,318	2,429,459,243	3.3	-3.0
General Merchandise	758,204,664	815,258,515	765,882,977	-1.0	-7.0
Food Stores	308,796,752	282,841,301	294,956,617	4.7	9.2
Apparel	165,189,869	172,551,942	159,246,359	3.7	-4.3
Eating and Drinking Places	629,272,266	621,200,995	547,167,200	15.0	1.3
Drug Stores	46,852,827	51,215,920	49,480,017	-5.3	-8.5
Liquor Stores	43,246,109	44,514,054	40,475,651	6.8	-2.8
Miscellaneous Nondurables	135,957,592	140,416,142	136,215,150	-0.2	-3.2
Gasoline	422,073,507	459,178,449	436,035,273	-3.2	-8.1
Total Retail Trade	3,479,504,265	3,516,625,202	3,257,957,649	6.8	-1.1
TULSA MSA					
Durable Goods	604,405,313	573,338,561	521,140,600	16.0	5.4
Lumber, Building Materials and Hardware	161,162,461	167,889,467	147,786,616	9.1	-4.0
Auto Accessories and Repair	80,920,599	79,786,544	71,134,544	13.8	1.4
Furniture	71,832,691	65,278,386	56,198,770	27.8	10.0
Computer, Electronics and Music Stores	126,784,008	111,400,398	89,726,738	41.3	13.8
Miscellaneous Durables	148,979,943	134,539,642	140,654,726	5.9	10.7
Used Merchandise	14,725,612	14,444,125	15,639,206	-5.8	1.9
Nondurable Goods	1,962,900,046	1,926,142,612	1,900,007,206	3.3	1.9
General Merchandise	601,298,464	559,785,936	580,421,657	3.6	7.4
Food Stores	246,184,237	254,290,223	246,603,181	-0.2	-3.2
Apparel	122,382,296	111,747,562	116,457,343	5.1	9.5
Eating and Drinking Places	406,162,965	390,056,616	359,901,697	12.9	4.1
Drug Stores	48,719,521	45,667,134	50,221,499	-3.0	6.7
Liquor Stores	36,533,479	34,053,097	33,544,701	8.9	7.3
Miscellaneous Nondurables	82,544,757	81,905,684	83,273,373	-0.9	0.8
Gasoline	419,074,328	448,636,359	429,583,755	-2.4	-6.6
Total Retail Trade	2,567,305,359	2,499,481,173	2,421,147,806	6.0	2.7
LAWTON MSA					
Durable Goods	47,259,686	46,633,197	50,027,950	-5.5	1.3
Lumber, Building Materials and Hardware	19,284,400	20,676,705	18,343,329	5.1	-6.7
Auto Accessories and Repair	6,581,625	6,869,734	7,050,652	-6.7	-4.2
Furniture	5,207,294	5,236,279	5,851,544	-11.0	-0.6
Computer, Electronics and Music Stores	6,743,208	4,607,669	7,007,447	-3.8	46.3
Miscellaneous Durables	8,534,064	8,073,442	9,976,409	-14.5	5.7
Used Merchandise	909,095	1,169,368	1,798,569	-49.5	-22.3

ADJUSTED RETAIL TRADE FOR METRO AREAS AND STATE

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
Nondurable Goods	201,288,230	198,766,780	200,511,330	0.4	1.3
General Merchandise	85,460,150	80,482,011	85,159,526	0.4	6.2
Food Stores	16,833,689	17,284,490	17,641,840	-4.6	-2.6
Apparel	12,300,318	11,199,163	12,562,367	-2.1	9.8
Eating and Drinking Places	42,168,362	41,948,844	39,676,232	6.3	0.5
Drug Stores	2,970,374	2,959,123	3,397,384	-12.6	0.4
Liquor Stores	3,084,170	2,999,775	3,083,515	0.0	2.8
Miscellaneous Nondurables	8,189,201	7,951,676	7,889,810	3.8	3.0
Gasoline	30,281,967	33,941,698	31,100,656	-2.6	-10.8
Total Retail Trade	248,547,917	245,399,976	250,539,280	-0.8	1.3
ENID MICROSA					
Durable Goods	52,110,685	45,576,139	36,394,802	43.2	14.3
Lumber, Building Materials and Hardware	23,477,810	20,538,386	12,569,958	86.8	14.3
Auto Accessories and Repair	9,449,447	8,974,992	7,470,085	26.5	5.3
Furniture	3,746,688	3,786,884	3,620,510	3.5	-1.1
Computer, Electronics and Music Stores	7,126,118	4,605,578	4,405,379	61.8	54.7
Miscellaneous Durables	7,266,859	6,730,579	7,186,960	1.1	8.0
Used Merchandise	1,043,763	939,722	1,141,909	-8.6	11.1
Nondurable Goods	143,218,900	139,057,433	131,912,738	8.6	3.0
General Merchandise	50,091,976	45,696,742	45,276,214	10.6	9.6
Food Stores	19,652,343	20,836,096	20,301,222	-3.2	-5.7
Apparel	7,067,513	6,572,563	6,497,050	8.8	7.5
Eating and Drinking Places	30,378,222	28,257,737	23,417,529	29.7	7.5
Drug Stores	3,472,591	3,287,935	3,298,209	5.3	5.6
Liquor Stores	1,878,191	1,725,242	1,592,693	17.9	8.9
Miscellaneous Nondurables	5,750,919	5,550,401	5,785,770	-0.6	3.6
Gasoline	24,927,146	27,130,717	25,744,050	-3.2	-8.1
Total Retail Trade	195,329,585	184,633,572	168,307,539	16.1	5.8
OKLAHOMA					
Durable Goods	2,523,006,489	2,406,418,784	2,142,400,679	17.8	4.8
Lumber, Building Materials and Hardware	779,162,300	810,412,025	655,943,707	18.8	-3.9
Auto Accessories and Repair	468,578,228	451,688,909	403,448,289	16.1	3.7
Furniture	249,874,876	243,306,084	226,993,701	10.1	2.7
Computer, Electronics and Music Stores	429,995,634	359,659,243	297,182,283	44.7	19.6
Miscellaneous Durables	544,035,240	489,832,449	501,937,164	8.4	11.1
Used Merchandise	51,360,211	51,520,075	56,895,535	-9.7	-0.3
Nondurable Goods	7,627,220,472	7,513,821,408	7,459,487,407	2.2	1.5
General Merchandise	2,432,690,414	2,298,499,212	2,318,184,644	4.9	5.8
Food Stores	864,298,236	922,217,901	953,794,108	-9.4	-6.3
Apparel	427,466,359	389,085,947	382,947,261	11.6	9.9
Eating and Drinking Places	1,602,435,428	1,534,510,885	1,356,592,353	18.1	4.4
Drug Stores	146,729,505	139,298,878	149,825,460	-2.1	5.3
Liquor Stores	122,474,619	113,983,257	111,377,614	10.0	7.4
Miscellaneous Nondurables	364,469,402	373,321,633	428,434,305	-14.9	-2.4
Gasoline	1,666,656,509	1,742,903,695	1,758,331,662	-5.2	-4.4
Total Retail Trade	10,150,226,962	9,920,240,192	9,601,888,086	5.7	2.3

ADJUSTED RETAIL TRADE FOR SELECTED CITIES

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
Ada	84,702,842	82,421,297	83,890,922	1.0	2.8
Altus	56,010,440	55,175,329	56,641,553	-1.1	1.5
Alva	26,771,113	25,702,151	22,907,586	16.9	4.2
Anadarko	18,829,320	18,324,158	18,120,186	3.9	2.8
Ardmore	120,865,467	114,491,063	114,449,260	5.6	5.6
Bartlesville	126,035,957	118,366,181	121,893,741	3.4	6.5
Blackwell	21,745,499	21,242,202	19,454,826	11.8	2.4
Broken Arrow	238,339,512	225,190,064	220,202,324	8.2	5.8
Chickasha	56,947,645	57,645,669	52,487,165	8.5	-1.2
Clinton	29,466,654	30,059,033	25,685,778	14.7	-2.0
Cushing	29,826,437	30,883,552	27,955,167	6.7	-3.4
Del City	55,272,205	56,334,456	52,881,546	4.5	-1.9
Duncan	75,395,714	76,742,082	68,940,860	9.4	-1.8
Durant	71,857,634	71,898,857	65,911,577	9.0	-0.1
Edmond	338,141,332	339,165,303	271,665,359	24.5	-0.3
El Reno	44,903,057	44,126,285	43,277,341	3.8	1.8
Elk City	80,305,597	77,152,604	74,591,384	7.7	4.1
Enid	192,498,758	173,566,012	161,266,464	19.4	10.9
Guthrie	35,033,647	34,445,428	31,502,866	11.2	1.7
Guymon	44,473,763	43,435,974	41,604,123	6.9	2.4
Henryetta	19,321,319	19,037,953	18,228,612	6.0	1.5
Hobart	9,273,206	9,218,696	9,107,576	1.8	0.6
Holdenville	13,032,886	12,854,288	12,487,103	4.4	1.4
Hugo	21,091,791	21,344,999	19,807,750	6.5	-1.2
Idabel	24,823,695	24,684,817	22,586,765	9.9	0.6
Lawton	250,756,051	245,175,928	215,510,141	16.4	2.3
McAlester	94,680,346	96,954,272	88,780,440	6.6	-2.3
Miami	40,459,241	41,416,703	37,897,628	6.8	-2.3
Midwest City	179,602,951	181,142,697	168,026,392	6.9	-0.9
Moore	167,477,705	165,531,698	153,034,092	9.4	1.2
Muskogee	140,643,140	132,404,082	142,856,199	-1.5	6.2
Norman	389,346,055	359,634,644	360,160,720	8.1	8.3
Oklahoma City	1,911,290,851	1,800,764,057	1,776,462,482	7.6	6.1
Okmulgee	36,755,038	36,710,143	35,546,670	3.4	0.1
Pauls Valley	35,688,470	34,497,795	32,125,557	11.1	3.5
Pawhuska	9,898,917	9,750,991	10,062,940	-1.6	1.5
Ponca City	85,180,132	81,835,461	84,194,238	1.2	4.1
Poteau	41,954,998	41,110,107	40,729,160	3.0	2.1
Sand Springs	74,538,823	72,955,747	70,916,958	5.1	2.2
Sapulpa	58,255,876	57,160,563	58,576,349	-0.5	1.9
Seminole	31,346,472	30,878,557	28,975,770	8.2	1.5
Shawnee	130,234,850	121,697,507	129,786,585	0.3	7.0
Stillwater	176,976,562	170,370,267	166,717,700	6.2	3.9
Tahlequah	77,998,603	75,595,557	74,196,713	5.1	3.2
Tulsa	1,596,590,582	1,501,301,856	1,493,670,822	6.9	6.3
Watonga	7,646,814	7,670,225	6,948,612	10.0	-0.3
Weatherford	55,277,671	54,647,945	47,505,707	16.4	1.2
Wewoka	4,331,103	4,449,555	3,921,245	10.5	-2.7
Woodward	80,293,628	79,837,356	64,691,307	24.1	0.6
Total Selected Cities	7,512,190,372	7,187,002,170	6,948,842,264	8.1	4.5

SELECTED INDICATORS FOR THE LAWTON MSA AND ENID AND MUSKOGEE MICROSA'S

				Percentage Change	
	1st Qtr ‘13	4th Qtr ‘12	1st Qtr ‘12	‘13/’12 1st Qtr	1st Qtr ‘13 4th Qtr ‘12
ENID MicroSA					
Employment (Number)					
Labor Force (a)	33,549	34,312	33,104	1.3	-2.2
Total Employment	32,371	33,106	31,890	1.5	-2.2
Unemployment Rate (%)	3.5	3.5	3.7	--	--
LAWTON MSA					
Employment (Number)					
Labor Force (a)	47,745	46,343	47,154	1.3	3.0
Total Employment	44,608	43,257	43,737	2.0	3.1
Unemployment Rate (%)	6.6	6.6	7.2	--	--
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value ($000)	4,528	3,011	7,186	-37.0	50.4
Number of Units	24	17	41	-41.5	41.2
Residential-Multi Family					
Dollar Value ($000)	0	0	265	(e)	(e)
Number of Units	0	0	6	(e)	(e)
Total Construction ($000)	4,528	3,011	7,451	-39.2	50.4
MUSKOGEE MA					
Employment (Number)					
Labor Force (a)	30,780	31,882	31,529	-2.4	-3.5
Total Employment	28,755	29,947	29,218	-1.6	-4.0
Unemployment Rate (%)	6.6	6.1	7.3	--	--
Water Transportation					
Port of Muskogee					
Tons In	270,158	212,317	236,500	14.2	27.2
Tons Out	95,507	69,182	68,326	39.8	38.1

Note: Includes revisions.
(a) Civilian Labor Force.
(e) exceeds 100%

SELECTED INDICATORS FOR THE TULSA MSA

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
Employment (Number)					
Labor Force (a)	449,373	450,876	438,902	2.4	-0.3
Total Employment	424,017	426,734	410,820	3.2	-0.6
Unemployment Rate (%)	5.6	5.3	6.4	--	--
Wage and Salary Employment	425,067	423,867	412,733	3.0	0.3
Manufacturing	50,600	51,167	49,467	2.3	-1.1
Mining	7,733	7,867	7,800	-0.9	-1.7
Construction	20,900	23,133	19,667	6.3	-9.7
Wholesale and Retail Trade	61,100	60,533	59,000	3.6	0.9
Government	57,033	58,500	55,733	2.3	-2.5
Air Transportation					
Passengers Enplaning (Number)	281,181	331,887	298,268	-5.7	-15.3
Passengers Deplaning (Number)	288,184	327,681	304,846	-5.5	-12.1
Freight (Tons)	13,897	14,126	13,632	1.9	-1.6
Water Transportation					
Tulsa Port of Catoosa					
Tons In	225,221	190,001	282,115	-20.2	18.5
Tons Out	544,387	480,235	504,934	7.8	13.4
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value ($000)	161,247	117,167	110,196	46.3	37.6
Number of Units	809	619	596	35.7	30.7
Residential-Multi Family					
Dollar Value ($000)	33,154	280	4,465	(e)	(e)
Number of Units	432	2	132	(e)	(e)
Total Construction	194,401	117,447	114,661	69.5	65.5

Note: Includes revisions.
(a) Civilian Labor Force.
(e) Exceeds 100%

SELECTED INDICATORS FOR OKLAHOMA CITY MSA

	1st Qtr '13	4th Qtr '12	1st Qtr '12	Percentage Change '13/'12 1st Qtr	Percentage Change 1st Qtr '13 4th Qtr '12
Employment (Number)					
Labor Force(a)	599,008	605,516	579,347	3.4	-1.1
Total Employment	569,484	577,226	548,102	3.9	-1.3
Unemployment Rate (%)	4.9	4.7	5.4	--	--
Wage and Salary Employment	598,100	599,133	572,367	4.5	-0.2
Manufacturing	35,500	35,100	33,967	4.5	1.1
Mining	19,733	18,567	18,200	8.4	6.3
Construction	26,933	24,067	23,133	16.4	11.9
Wholesale and Retail Trade	89,533	93,167	87,000	2.9	-3.9
Government	124,133	122,667	118,367	4.9	1.2
Air Transportation					
Passengers Enplaning (Number)	396,256	464,341	397,293	-0.3	-14.7
Passengers Deplaning (Number)	408,009	459,135	409,693	-0.4	-11.1
Freight Enplaned (Tons)	3,344	3,856	3,687	-9.3	-13.3
Freight Deplaned (Tons)	4,585	5,210	4,849	-5.4	-12.0
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value ($000)	283,505	214,470	166,098	70.7	32.2
Number of Units	1,408	1,055	912	54.4	33.5
Residential-Multi Family					
Dollar Value ($000)	19,416	13,815	5,133	(e)	(e)
Number of Units	455	276	67	(e)	(e)
Total Construction ($000)	302,921	228,285	171,231	76.9	32.7

Note: Includes revisions.
(a) Civilian Labor Force.
(e) exceeds 100%

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