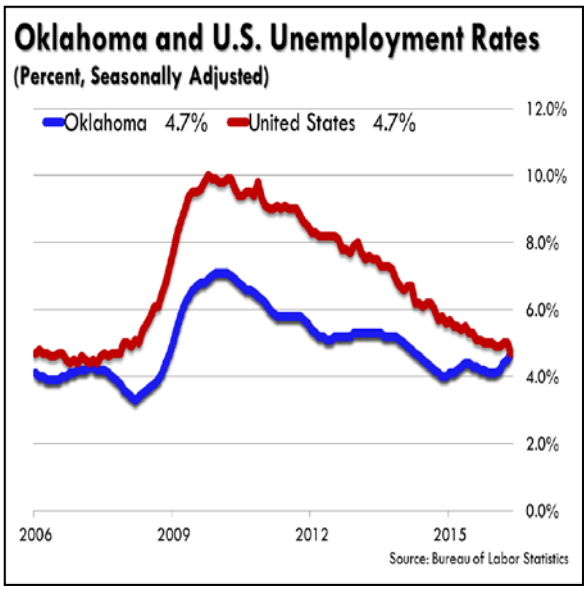
Oklahoma Economic Update

June 17, 2016

Summary

Nonfarm payroll employment in Oklahoma declined by 700 jobs and the unemployment rate rose to 4.7 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Oklahoma Unemployment Rate



During May, the unemployment rate in Oklahoma increased by 0.2 percentage point to 4.7 percent. The number of people counted as unemployed rose by 2,625 in May to 87,755, while the labor force fell by 7,312 to 1,864,292. Among the 50 states and the District of Columbia, 24 posted lower unemployment rates for the month than Oklahoma. A year earlier, the unemployment rate in Oklahoma stood at 4.4 percent.

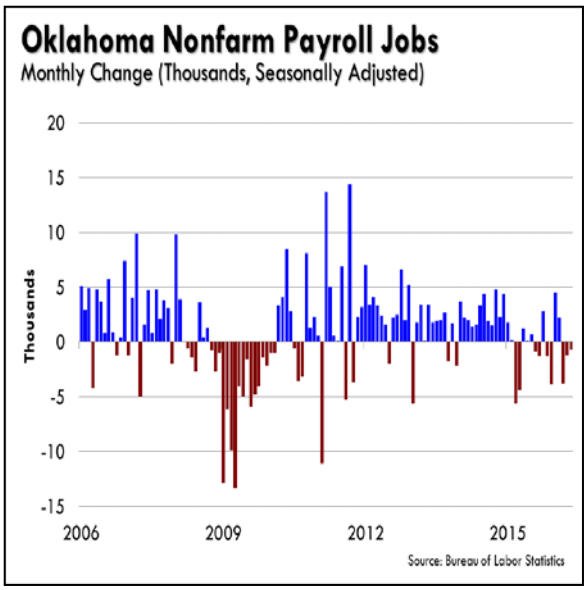
The 10 year peak for the unemployment rate in Oklahoma was 7.1 percent in March 2010. The series high for the unemployment rate in Oklahoma occurred in April 1983 when the unemployment rate reached 8.9 percent. The 10 year low for the unemployment rate in Oklahoma was 3.3 percent in March 2008. The series low for the unemployment rate in Oklahoma occurred in December 2000 when the unemployment rate reached 2.9 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.

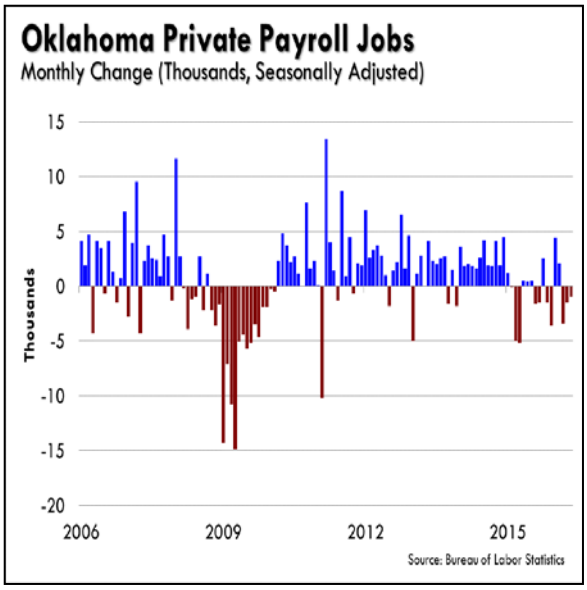
Prepared by the Joint Economic Committee
Senator Dan Coats, Chairman Representative Pat Tiberi, Vice Chairman

Oklahoma Payroll Employment

Oklahoma nonfarm payrolls declined by 700 jobs, or 0.04 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls declined by 1,200. Over the past 12 months nonfarm payrolls in Oklahoma declined by 2,800, or 0.17 percent. Oklahoma nonfarm payroll employment has increased in 5 of the past 12 months.



Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Oklahoma ranks 47th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

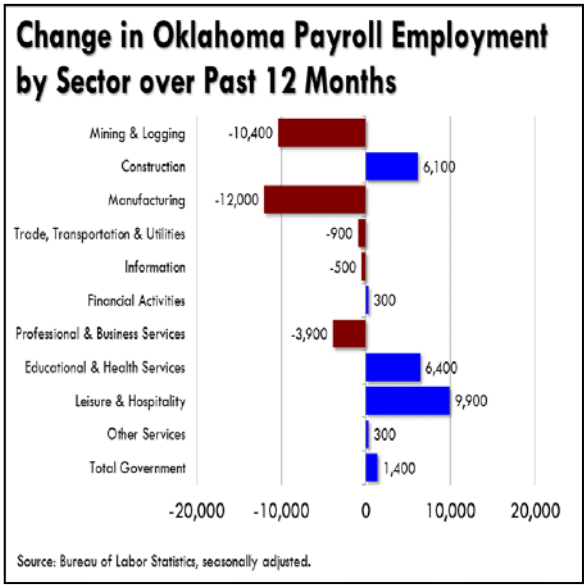


During May, Oklahoma private sector payrolls declined by 1,000, or 0.08 percent. Private sector payrolls declined by 1,500 jobs in the prior month. Over the past 12 months, private sector payrolls in Oklahoma declined by 4,200, or 0.32 percent. Oklahoma private sector payroll employment has increased in 5 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent. Oklahoma ranks 46th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Oklahoma increased by 300, or 0.09 percent. Federal government payroll employment increased by 200, or 0.42 percent. State government payroll employment was unchanged, while local government payroll employment increased by 100, or 0.05 percent.

Over the past year, total government payroll employment increased by 1,400, or 0.40 percent. State government payroll employment declined by 600, or 0.70 percent. Local government payroll employment increased by 1,300, or 0.59 percent.

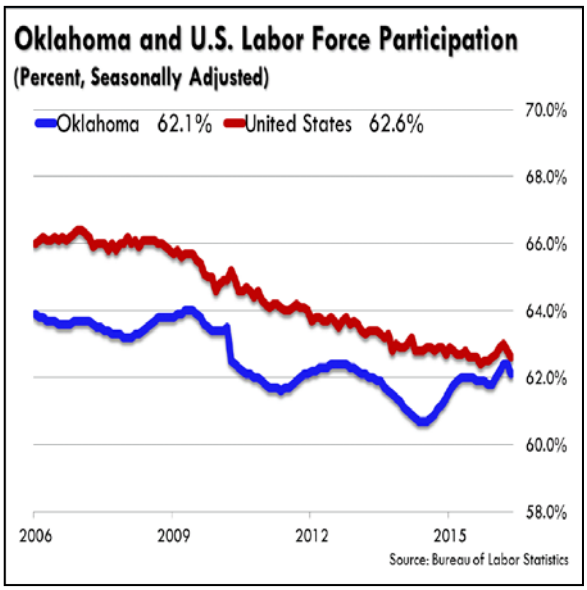


The best performing sectors on a seasonally adjusted basis during May were Educational & Health Services (+3,300) and Construction (+1,800). The poorest performing sectors during the month were Professional & Business Services (-2,300) and Manufacturing (-2,000).

The best performing sectors during the last twelve months were Leisure & Hospitality (+9,900) and Educational & Health Services (+6,400). The poorest performing sectors for the year were Manufacturing (-12,000) and Mining & Logging (-10,400).

<u>Other Oklahoma Labor Force Statistics</u>

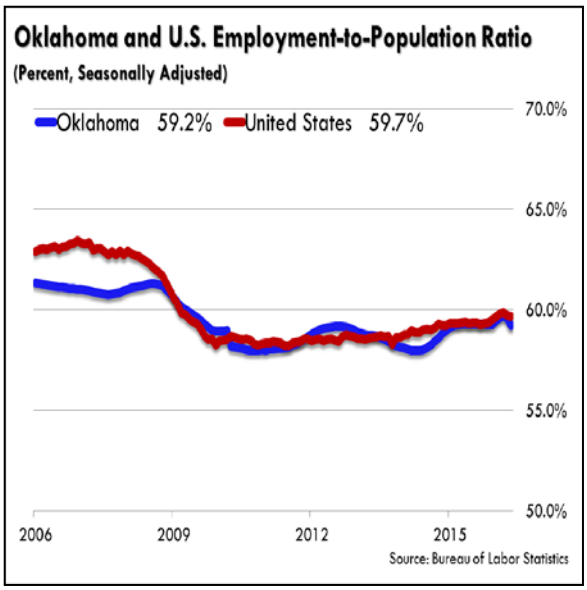
The labor force participation rate in Oklahoma declined to 62.1 percent in May from 62.4 percent the prior month. Among the 50 states and the District of Columbia, 33 have a higher labor force participation rate than Oklahoma. The labor force participation rate in Oklahoma is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Oklahoma was 64.0 percent in June 2009. The series high for the labor force participation rate in Oklahoma occurred in June 1986 when the labor force participation rate hit 65.9 percent. The 10 year low for the labor force participation rate was 60.7 percent in July 2014. The series low for the labor force participation rate occurred in November 1976 when the labor force participation rate hit 58.7 percent.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Oklahoma civilian noninstitutionalized population 16 years and older counted as employed, declined to 59.2 percent in May from 59.6 percent the prior month. Among the 50 states and the District of Columbia, 33 have higher employment-to-population ratios than Oklahoma. The employment-to-population ratio in Oklahoma is 0.1 percentage point lower than a year earlier.



The 10 year high for the employment-to-population ratio in Oklahoma was 61.3 percent in September 2008. The series high for the employment-to-population ratio in Oklahoma occurred in March 2001 when the employment-to-population ratio hit 62.5 percent. The 10 year low for the employment-to-population ratio was 58.0 percent in June 2014. The series low for the employment-to-population ratio occurred in July 1976 when the employment-to-population ratio hit 55.3 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.