

# Economic Impact of COVID-19 on Oklahoma's Economy

Oklahoma Department of Commerce



OKLAHOMA



# Key Topics

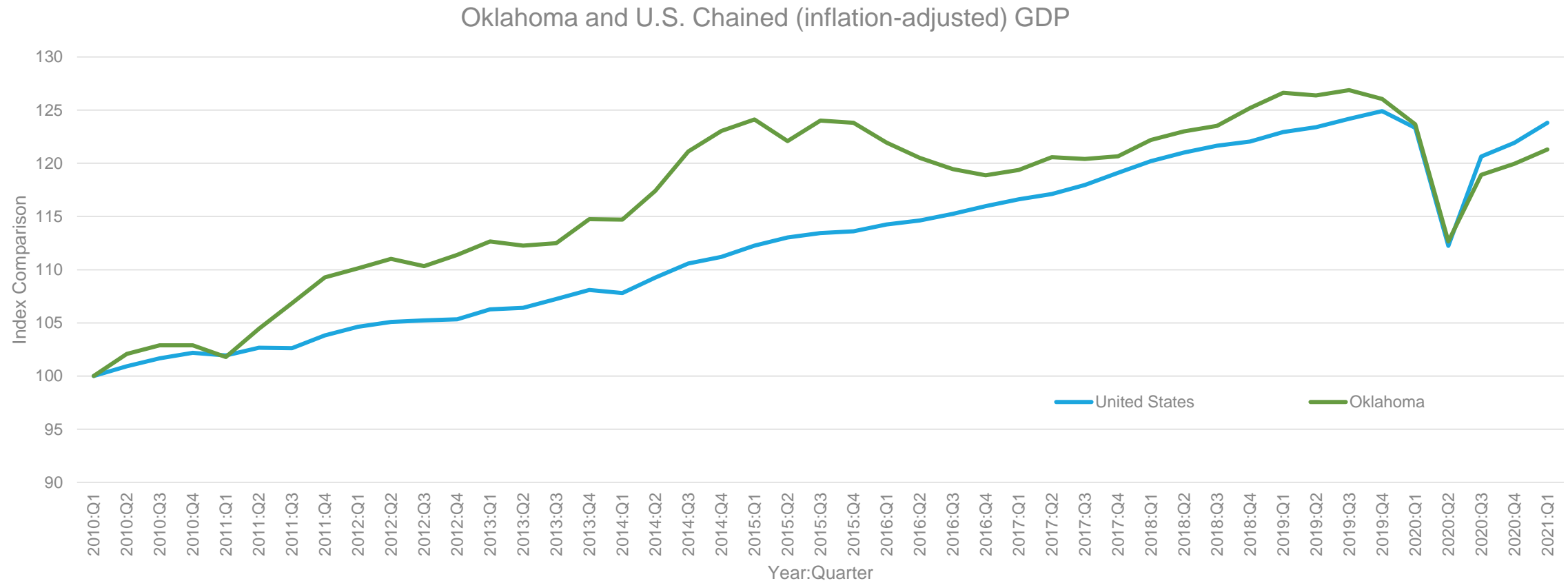
- Statewide Economic Impacts
- Industry-specific Impacts
- Local Main Street Impacts



# Statewide Economic Impacts: Gross Domestic Product

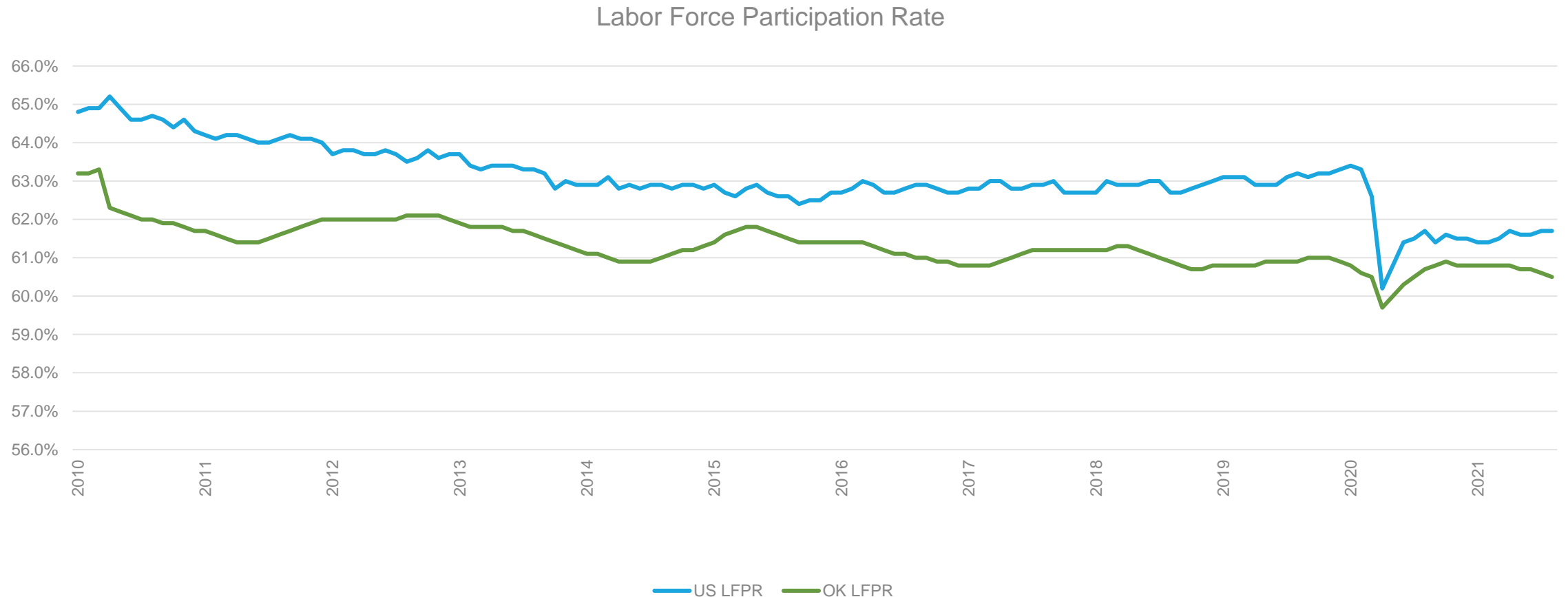


Oklahoma's GDP is 95.6% of the pre-pandemic high (3Q 2019).  
From the pandemic low, we have regained 60.8% of the loss; US has regained 91.4% of its pre-pandemic size.



# Statewide Economic Impacts: Labor Force Participation Rate

Pre-pandemic, Oklahoma's LFPR was 60.9%, 2.2% behind the national average of 63.1%. Our COVID-related low was 59.7%, or a reduction in 36,901 fewer people in the labor force. We have regained labor force participation to near pre-pandemic levels – currently at 60.8%



# Statewide Economic Impacts: Labor Force Participation Rate

Rank	State	LFPR*
1	South Dakota	68.8
2	North Dakota	68.5
3	Nebraska	68.4
4	Colorado	68.3
5	Utah	67.9
6	Minnesota	67.8
7	Kansas	67.6
8	Iowa	66.8
9	Wisconsin	66.5
10	New Hampshire	66.0

\*seasonally adjusted

Rank	State	LFPR*
41	Michigan	59.1
42	Florida	59.0
43	Louisiana	57.8
44	New Mexico	57.3
45	South Carolina	57.3
46	Arkansas	57.2
47	Alabama	56.6
48	Kentucky	56.4
49	Mississippi	55.9
50	West Virginia	55.2



Oklahoma ranks #36 in the nation for labor force participation. Pre-COVID ranking was #41.

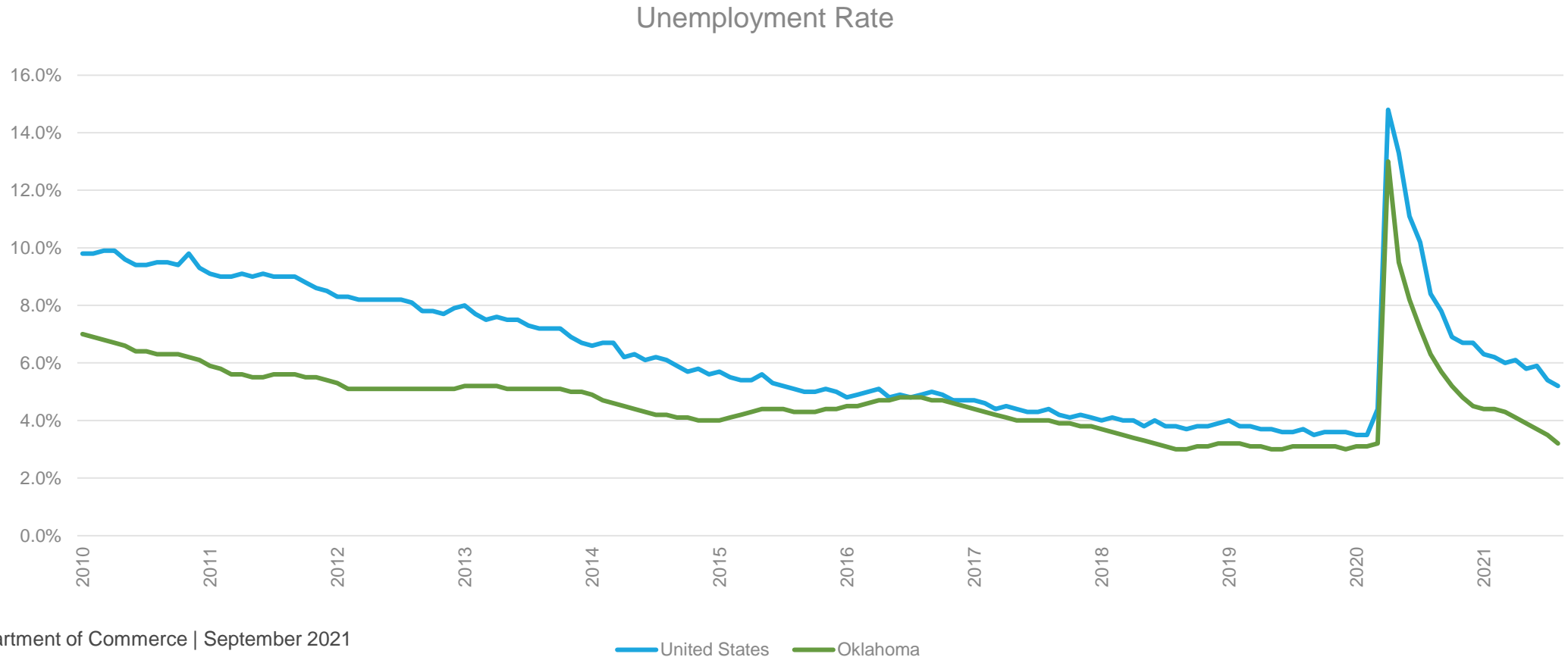
The nation averages 61.7%

If Oklahoma were to meet the national average, 36,000-40,000 additional workers would be in the market.

# Statewide Economic Impacts: Unemployment Rate

➤ Oklahoma's unemployment rate has returned to pre-pandemic levels at 3.2%, 2% lower than the national average. Oklahoma ranks 8<sup>th</sup> lowest in the nation, maintaining this ranking for three months.

If Oklahoma had the nation's unemployment rate, 37,248 Oklahomans would not have a paycheck. At the pandemic's peak, more than one-in-eight Oklahomans in the labor force were unemployed.

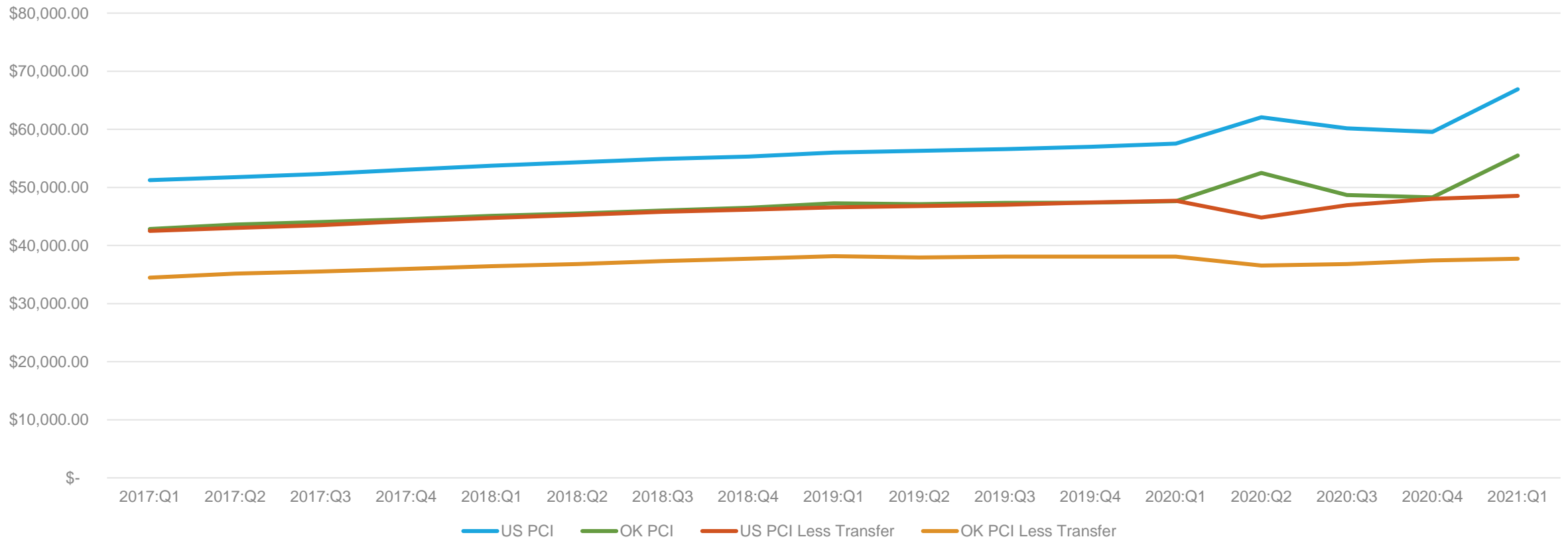


# Statewide Economic Impacts: Per Capita Income



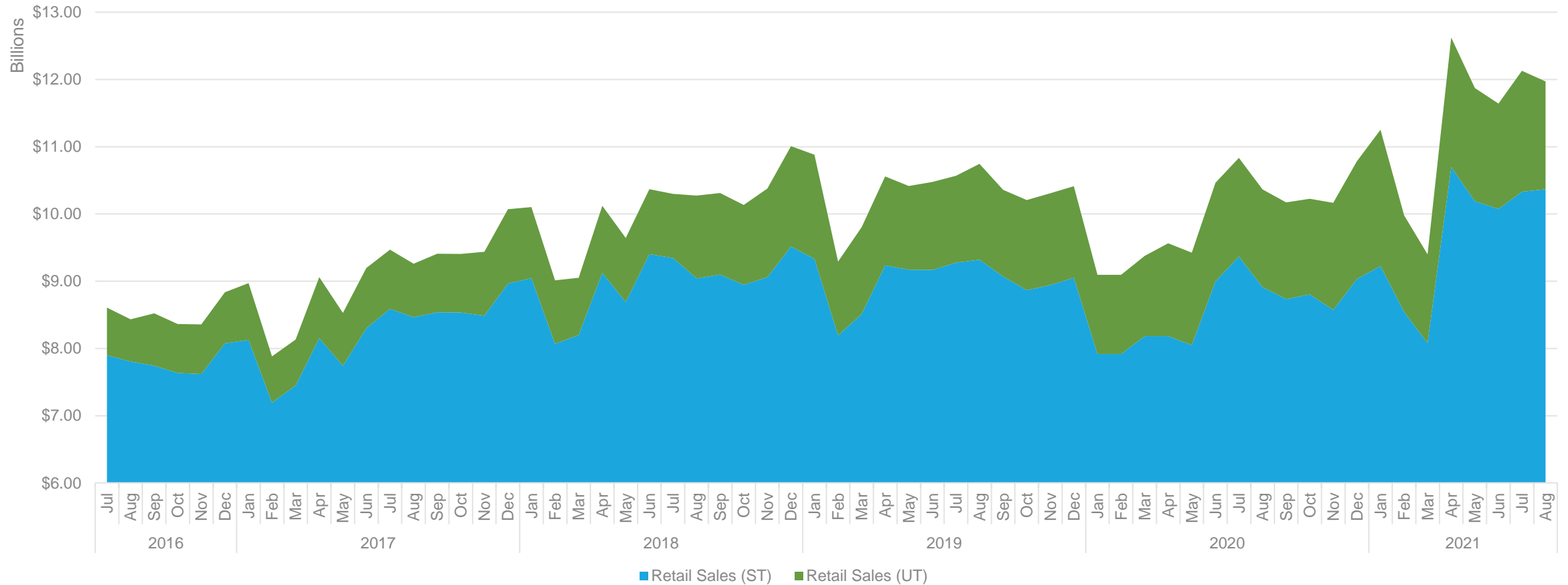
During the weeks after COVID, 45.8% of adults in Oklahoma experienced a loss in income. As of first quarter 2021, income levels were 16.4% higher than pre-pandemic levels. However, if all transfer receipts are removed from the calculation of per capita income, Oklahoma's 1Q2021 per capita income would essentially have remained the same from pre-pandemic periods.

PCI + PCI Less Transfer Payments



# Industry-Specific Impacts: Retail Sales

➤ In the 12 months pre-COVID, Oklahoma's retail sales subject to sales and use tax totaled \$121.6 billion. In the 12 months post-COVID, Oklahoma's retail sales increased slightly to \$122.6 billion – a 0.8% increase. However...





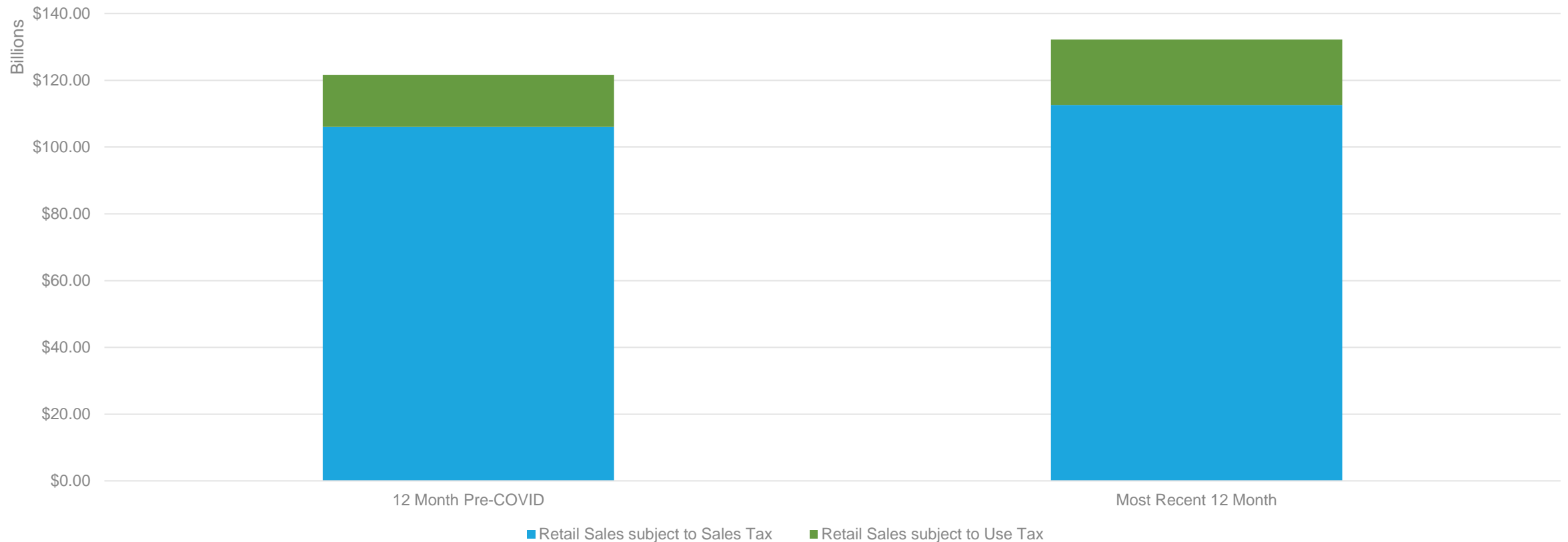
# Industry-Specific Impacts: Retail Sales



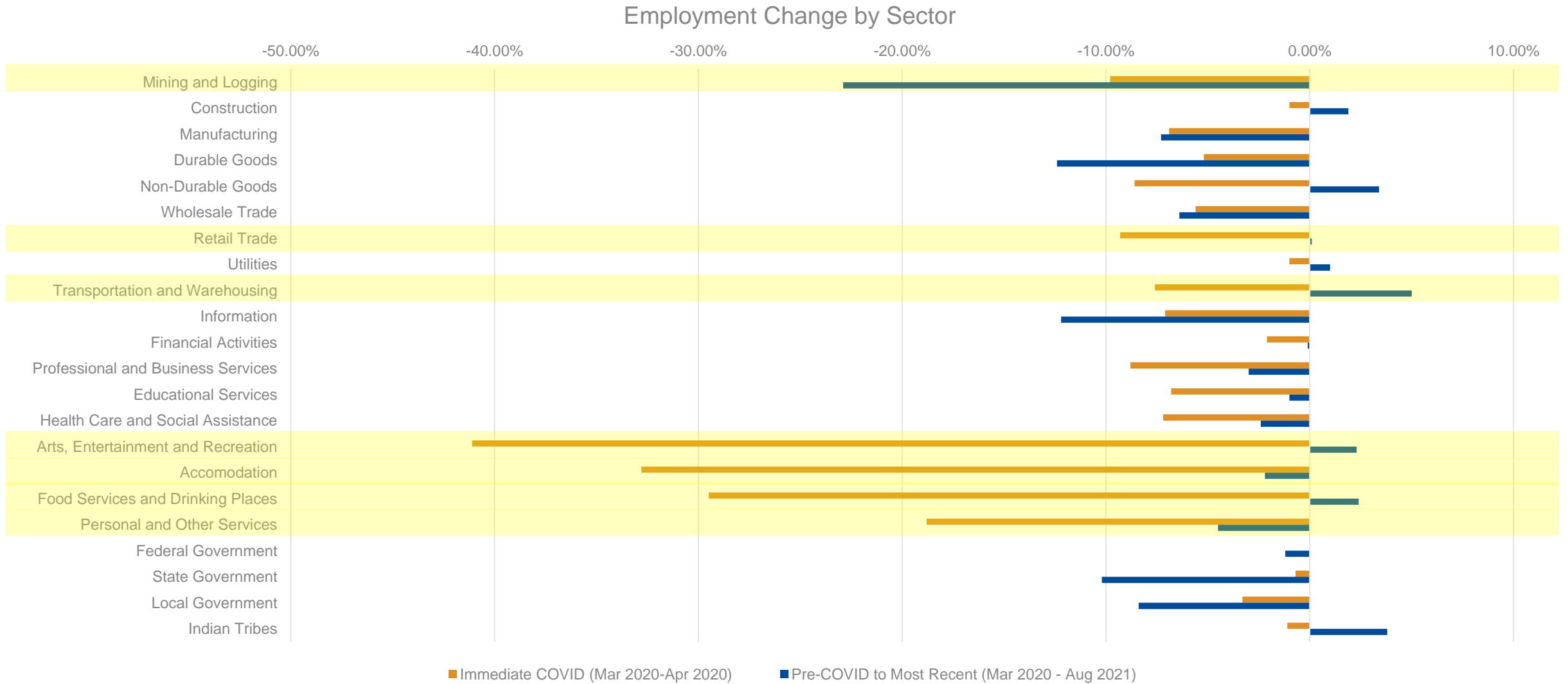
Buying patterns have shifted. Online sales previously accounted for 12.7% of total retail sales. Now they account for 14.8% of total retail sales.

This difference means \$2.5B more in retail sales online compared to pre-pandemic periods.

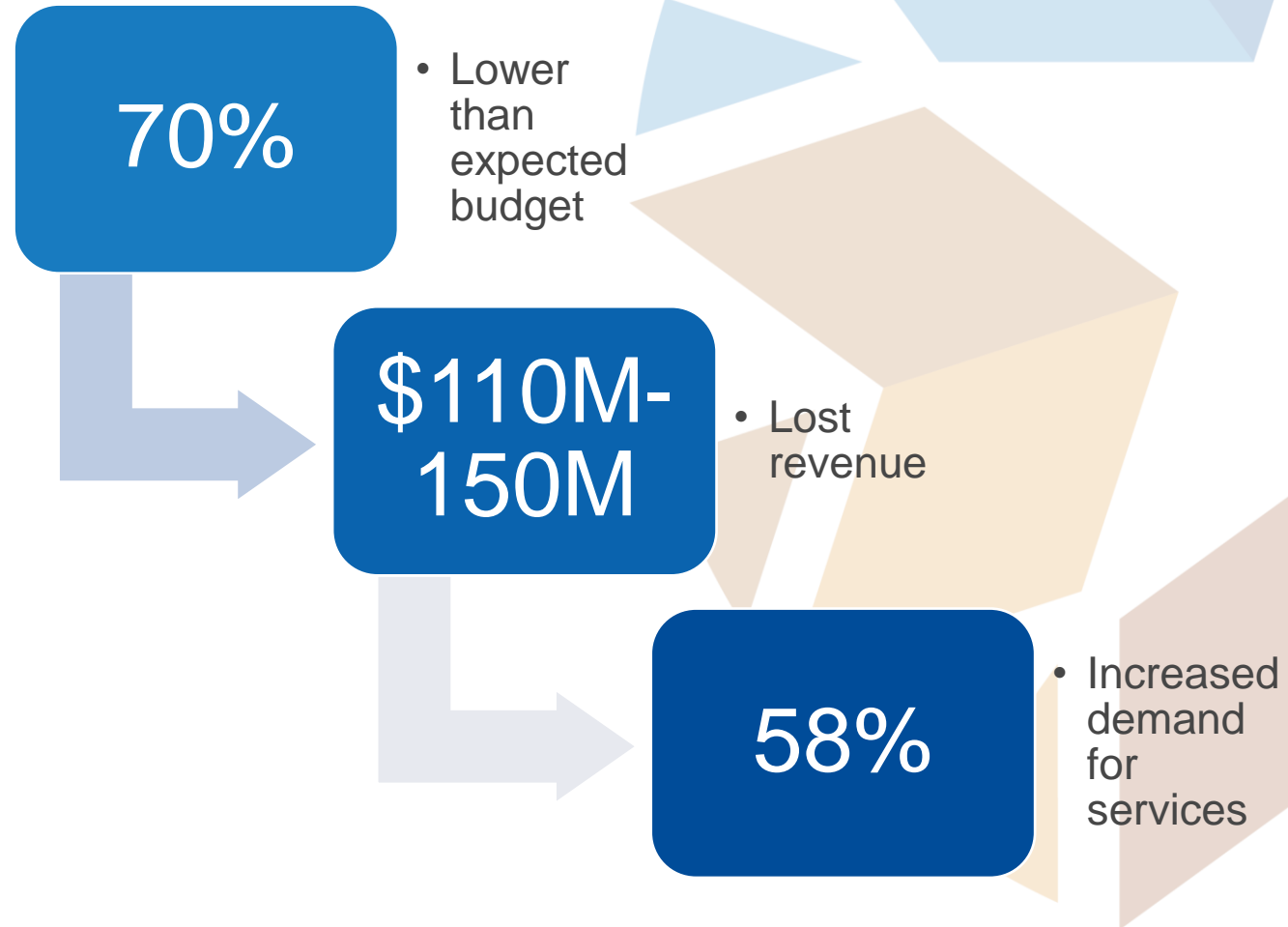
12 Month Retail Sales



# Industry-Specific Impacts: Employment by Sector



# Industry-Specific Impacts: Nonprofits



# Local Main Street Impacts

- In a survey of Oklahoma Main Street businesses, respondents reported a significant loss in sales from a year ago with restaurants reporting a 66% decrease in sales, while retail reported a decrease of 70%.
- The total of restaurants and retail that have e-commerce suffered a 49% decrease in sales, while those without e-commerce suffered a 67% loss.
- Main Street is working with businesses to develop social media and e-commerce programs to mitigate the impact should our economy take another hit. This will widen the audience from in-store traffic only, to potentially worldwide.

# Current Commerce Projects

- The ODOC pipeline currently has over 95 active projects that aggregately depict over 37,600 jobs and \$32.99B in economic opportunity.
- Current forecasting indicates that Oklahoma will need 130,000 workers over the next ten years to support and grow Oklahoma's economy.
- ODOC recently modernized most of our incentive programs to attract new companies to the state and help existing companies prosper.
- ODOC's workforce development programs are actively helping Oklahomans improve their skills and grow their job opportunities.
- Companies are choosing to locate in rural areas more than ever, where infrastructure is limited. 17 of the 37 wins (46%) this year have been in rural counties; the average is 33%. More rural communities are also competing for projects after the launch of the Commerce Economic Development Project Portal.
- The historic incubation period for Commerce-related projects is 7.7 months. Today, they incubate in less than six months.

# Key Findings

- GDP: Oklahoma's GDP is 95.6% of the pre-pandemic high (3Q 2019).
- Labor Force Participation Rate has had a near full recovery from COVID but is still behind the national average.
- Unemployment remains solid at 3.2%; Oklahoma has been in the Top Ten for three months.
- The accommodation, personal and other services, educational services, nonprofit, and mining/logging sectors are struggling to recover to pre-pandemic employment levels.
- Per Capita Income recovery has been strong, but significant increases compared to pre-pandemic levels are largely due to transfer payments such as unemployment and stimulus dollars.
- Retail sales are dramatically shifting online.
- Commerce-related projects are moving more rapidly than they have in the past.

# Thank you

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