Economic Indicators

Economic Indicators is a newsletter prepared by the Innovation Center at Rogers State University under the direction of Dr. Ray Brown, editor.

The Innovation Center is charged with fostering economic development and addressing the educational needs of area business and industry. The Center provides business counseling services and training for area entrepreneurs and expanding businesses in northeastern Oklahoma.

Established in 2002, the Center provides (1) small business counseling services, (2) entrepreneurial training, (3) a technology and business incubator, (4) business intelligence research, and (5) economic, demographic, and social research related to economic development.

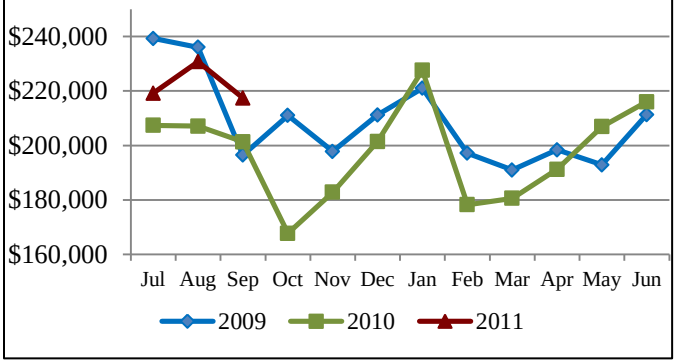
For the past six years, Rogers State University has provided a quarterly report containing demographic and economic data on the region. Several changes were made over the years to improve the quality and utility of the publication. Once again changes are being implemented to improve the publication. Future editions of Economic Indicators will be published monthly rather than quarterly thus providing readers with much more current data. The monthly reports will contain the latest data available on each topic. This means that publication will no longer be delayed until all data for the same month are available. For example, the release of monthly unemployment data usually lags behind other data by a month or more. Future editions will be published with the latest data even if some data such as the unemployment data come from an earlier period of time. In order to provide more timely data, Economic Indicators will contain less narrative. The Innovation Center will continue to provide explanations of the data when requested. Please direct questions to innovation@rsu.edu.

Sales Tax Collection

Retail sales, as approximated by retail sales tax collections, are a broad measure of consumer spending. Sales tax data are not seasonally adjusted or adjusted for price changes. Care should be taken when interpreting sales tax collection data because the figure for a particular month represents the net revenue collected by the Oklahoma Tax Commission (OTC) for retail purchases in various prior periods. Larger retailers submit payments for sales taxes collected during the last half of the prior month and the first half of the current month. Smaller retailers submit payments for sales taxes collected over the previous calendar month only. All sales tax payments are due by the twentieth of the month. Thus sales taxes paid at the time of the purchase may be reported by the merchant and

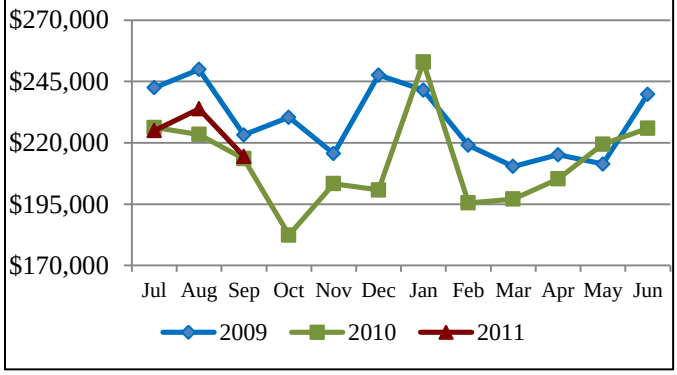
collected by the OTC for sales occurring some six weeks earlier or as recently as five days prior. In addition, some retailers make estimated payments which may understate or overstate the correct amount for a particular month which is corrected sometime in future months. In any event, reported sales tax revenue always lags behind purchases.

Figure 1: Craig County Sales Tax Collections by Month, 2009-2011 Fiscal Years



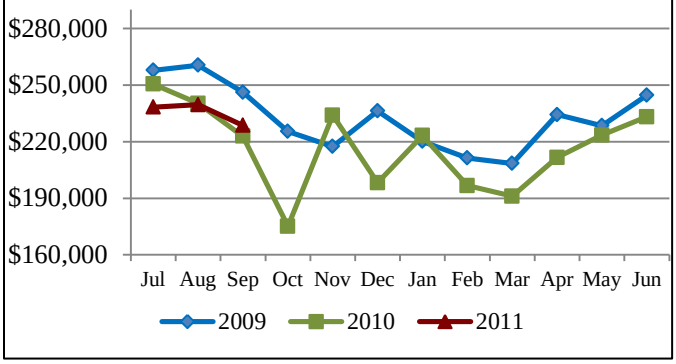
Source: Oklahoma Tax Commission

Figure 2: Vinita Sales Tax Collections by Month, 2009-2011 Fiscal Years



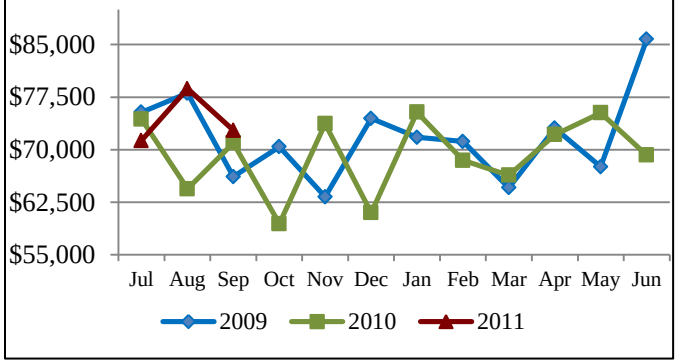
Source: Oklahoma Tax Commission

Figure 3: Delaware County Sales Tax Collections by Month, 2009-2011 Fiscal Years



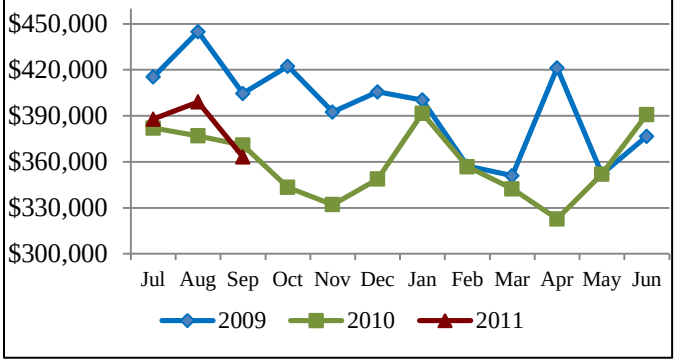
Source: Oklahoma Tax Commission

Figure 4: Jay Sales Tax Collections by Month, 2009-2011 Fiscal Years



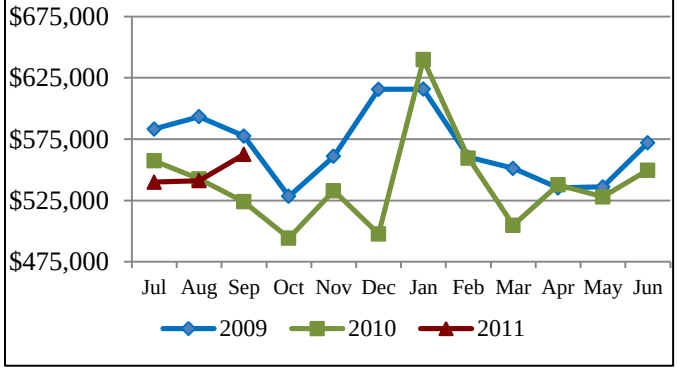
Source: Oklahoma Tax Commission

Figure 5: Mayes County Sales Tax Collections by Month, 2009 - 2011 Fiscal Years



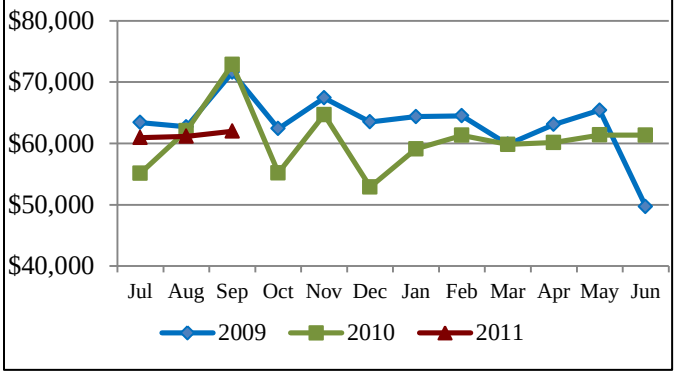
Source: Oklahoma Tax Commission

Figure 6: Pryor Sales Tax Collections by Month, 2009 - 2011 Fiscal Years



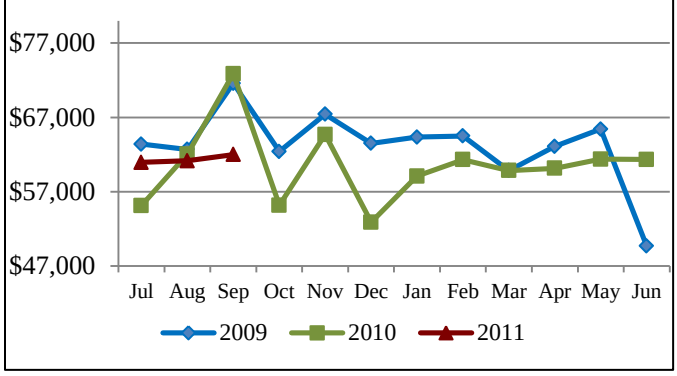
Source: Oklahoma Tax Commission

Figure 7: Nowata County Sales Tax Collections by Month, 2009 - 2011 Fiscal Years



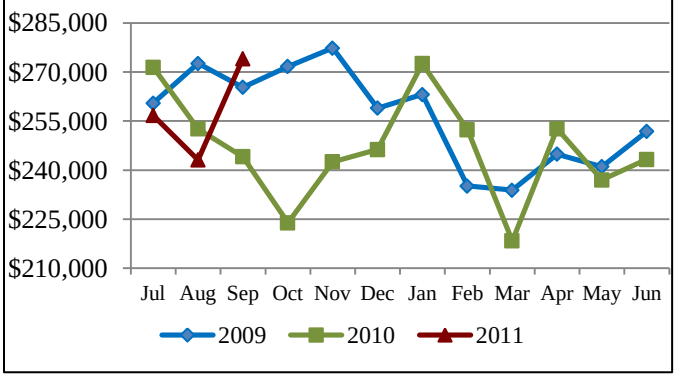
Source: Oklahoma Tax Commission

Figure 8: Nowata Sales Tax Collections by Month, 2009 - 2011 Fiscal Years



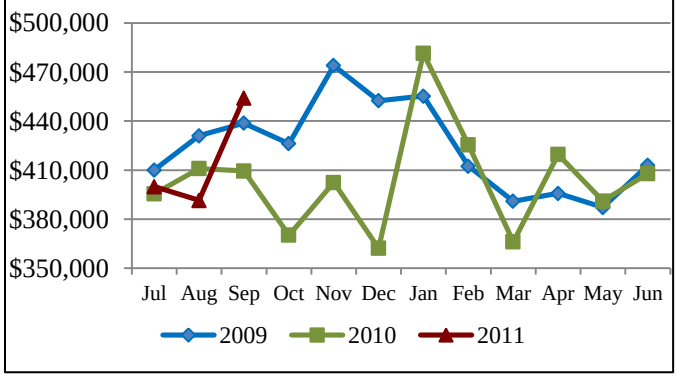
Source: Oklahoma Tax Commission

Figure 9: Ottawa County Sales Tax Collections by Month, 2009-2011 Fiscal Years



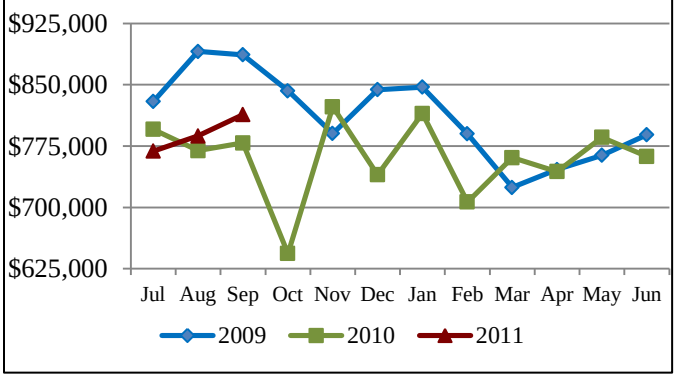
Source: Oklahoma Tax Commission

Figure 10: Miami Sales Tax Collections by Month, 2009-2011 Fiscal Years



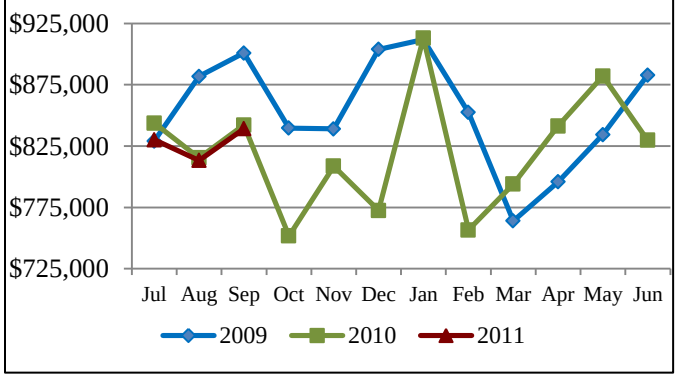
Source: Oklahoma Tax Commission

Figure 11: Rogers County Sales Tax Collections by Month, 2009-2011 Fiscal Years



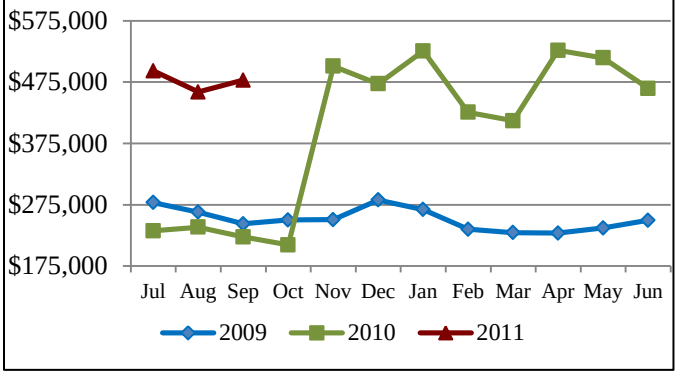
Source: Oklahoma Tax Commission

Figure 12: Claremore Sales Tax Collections by Month, 2009-2011 Fiscal Years



Source: Oklahoma Tax Commission

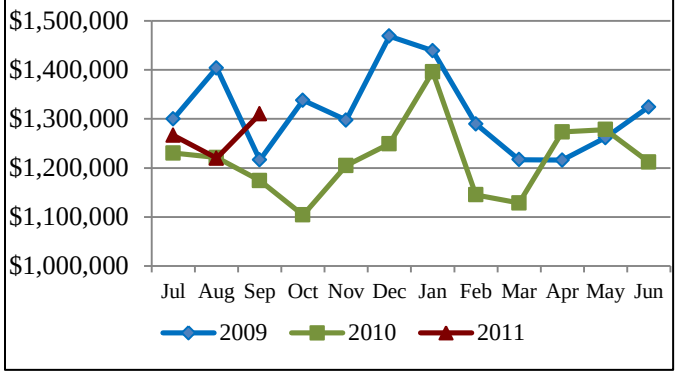
Figure 13: Washington County Sales Tax Collections by Month, 2009-2011 Fiscal Years



Source: Oklahoma Tax Commission

*Washington County's sales tax rate increased from 0.5% to 1.0% in Nov 09

Figure 14: Bartlesville Sales Tax Collections by Month, 2009-2011 Fiscal Years



Source: Oklahoma Tax Commission

NE Oklahoma Sales Tax Collections

Table 1: Sales Tax Collections for Northeastern Oklahoma, Fiscal-Year-To-Date

City/County	State Tax Rate (percent)	County Tax Rate (percent)	City Tax Rate (percent)	Total Tax Rate (percent)	2009/2010 Fiscal Year-to-Date	2010/2011 Fiscal Year-to-Date	Percent Change
Bartlesville	4.5	1.000	3.00	8.50	$3,626,035	$3,796,771	4.7%
Bixby	4.5	1.017	3.50	9.02	$1,772,857	$1,826,255	3.0%
Broken Arrow	4.5	1.017	3.00	8.52	$7,465,157	$8,078,914	8.2%
Catoosa	4.5	1.500	3.25	9.25	$729,626	$743,135	1.9%
Claremore	4.5	1.500	3.00	9.00	$2,501,374	$2,482,706	-0.7%
Craig County	4.5	2.000	N/A	N/A	$615,804	$667,363	8.4%
Delaware County	4.5	0.900	N/A	N/A	$713,583	$706,411	-1.0%
Grove	4.5	0.900	3.40	8.80	$1,573,299	$1,497,777	-4.8%
Jenks	4.5	1.017	3.00	8.52	$1,154,033	$1,142,742	-1.0%
Mayes County	4.5	1.375	N/A	N/A	$1,129,842	$1,150,222	1.8%
Miami	4.5	1.350	3.00	8.85	$1,216,083	$1,245,512	2.4%
Muskogee (City of)	4.5	0.650	4.00	9.15	$4,837,137	$5,815,700	20.2%
Nowata County	4.5	2.000	N/A	N/A	$227,120	$219,728	-3.3%
Nowata (City of)	4.5	2.000	3.00	9.50	$190,089	$190,089	0.0%
Okmulgee	4.5	1.000	4.00	9.50	$1,462,407	$1,492,039	2.0%
Ottawa County	4.5	1.350	N/A	N/A	$768,168	$773,935	0.8%
Owasso	4.5	1.017	3.00	8.52	$4,228,049	$4,310,363	1.9%
Pryor	4.5	1.375	3.75	9.63	$1,623,893	$1,643,743	1.2%
Rogers County	4.5	1.500	N/A	N/A	$2,343,776	$2,369,976	1.1%
Sand Springs	4.5	1.017	3.50	9.02	$2,314,437	$2,269,077	-2.0%
Sapulpa	4.5	1.000	4.00	9.50	$2,794,408	$2,828,975	1.2%
Tahlequah	4.5	2.000	2.50	9.00	$1,298,814	$1,704,381	31.2%
Tulsa (City of)	4.5	1.017	3.00	8.52	$49,762,496	$50,542,743	1.6%
Vinita	4.5	2.000	3.00	9.50	$663,160	$673,360	1.5%
Washington County	4.5	*1.000	N/A	N/A	$693,745	$1,430,400	106.2%

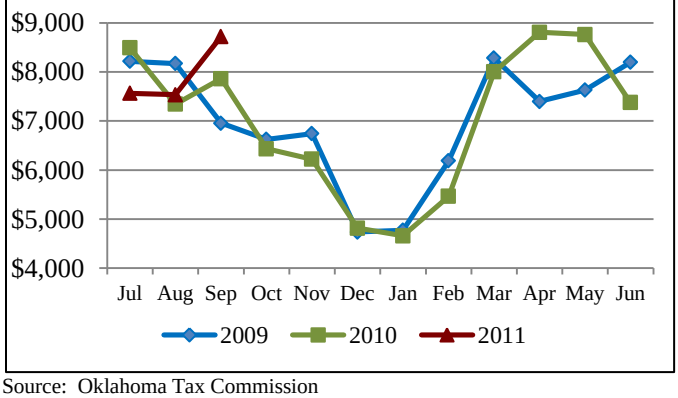
Source: Oklahoma Tax Commission

*Washington County's sales tax rate increased from 0.5% to 1.0% in Nov 2009

Lodging Tax Collections

Lodging tax collections reflect the level of expenditures from tourism and travel. Visitors attracted to local activities spend money within the local area. Merchants use these monies to pay salaries of their employees and purchase goods and services used in their businesses. In turn the employees spend their income for goods and services. This cycle repeats several times. The total economic impact of the initial tourist expenditure increases as each newly spent dollar circulates through the local economy. If a fraction of each dollar is saved or is spent outside the local economy, the total economic impact is reduced. The figure shown illustrates the amounts of lodging tax collections distributed to the Claremore Convention Visitors Bureau.

Figure 15: Lodging Tax Collections, Claremore, 2009-2011 Fiscal Years

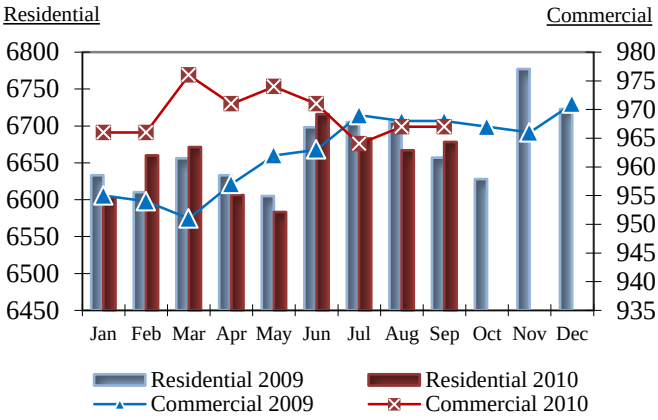


Source: Oklahoma Tax Commission

Electric and Water Meters

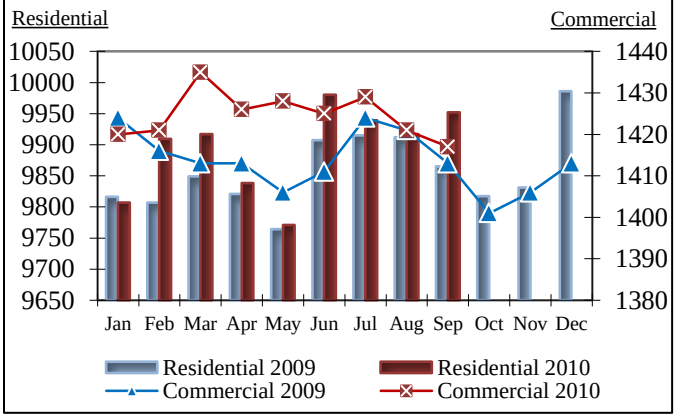
A good indicator of Claremore's rate of growth can be obtained by comparing the change in the number of residential and commercial electric and water meters. Changes in the number of electric and water meters within a given area are indicators of new or waning demand for services. Frequently, an increase in meters may be attributed to new construction although meters may also increase due to an expansion of services to existing buildings.

Figure 16: Water Meters, Claremore, 2009-2010



Source: City of Claremore

Figure 17: Electric Meters, Claremore, 2009-2010



Source: City of Claremore

Building Permits

Residential building permits are a good indicator of housing demand and of construction industry health. They represent the number of new, single-family buildings or homes where construction will soon begin. Although residential buildings are classified as investments, it is new commercial and industrial building permits that represent additions to the economy's productive capacity and capital stock. New commercial and industrial buildings create not only an increase in initial construction jobs, but also create employment demand within the expanding industries. Moreover, they increase the demand for related jobs, such as those in education, sales, real estate, medical, and other public services

within the surrounding community. While residential building permits represent the current state of the housing and construction industry health, new commercial and industrial building permits predict the future of economic health of the community and entire economic region.

Table 3: Total Number of Permits, Calendar Year-to-Date

Type/Date		Rogers County		Claremore		Catoosa	
		Sept	YTD	Sept	YTD	Sept	YTD
Resi-dential	2010	23	183	2	29	6	89
	2009	18	198	1	34	4	35
Com-mercial	2010	1	13	0	14	4	25
	2009	3	19	4	22	1	31
Indus-trial	2010	N/A	N/A	1	1	N/A	N/A
	2009	N/A	N/A	0	1	N/A	N/A

Source: Catoosa, Claremore, and Rogers County Planning Commissions
*Industrial figures for Rogers County and Catoosa are combined with commercial figures

Table 4: Total Monetary Value of Permits, Calendar Year-To-Date **

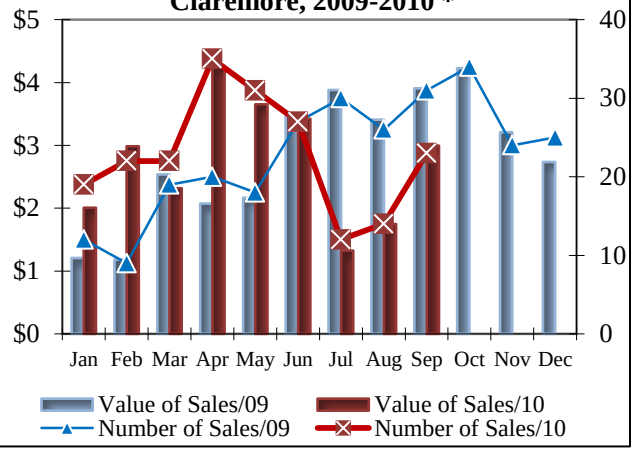
Type/Date		Rogers County		Claremore		Catoosa	
		Sept	YTD	Sept	YTD	Sept	YTD
Resi-dential	2010	3,493	27,382	100	2,456	24	883
	2009	1,901	27,147	630	4,020	93	1049
Com-mercial	2010	100	1,083	0	15,196	1002	1,185
	2009	4,175	9,157	60	5,258	10	9,230
Indus-trial	2010	N/A	N/A	229	229	N/A	N/A
	2009	N/A	N/A	0	250	N/A	N/A

Source: Catoosa, Claremore, and Rogers County Planning Commissions
*Industrial figures for Rogers County and Catoosa are combined with commercial figures
**Figures are rounded and in thousands of dollars

Real Estate

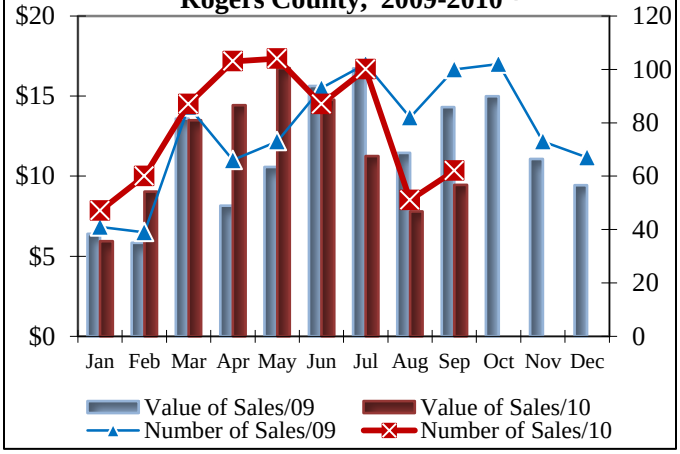
The main determinants of the demand for housing are demographic. However other factors like income, price of housing, cost and availability of credit, consumer preferences, investor preferences, price of substitutes, and price of complements all play a role. The core demographic variables are population size and population growth: the more people in the economy, the greater the demand for housing. But this is an oversimplification. It is necessary to consider family size, the age composition of the family, the number of first and second children, net migration (immigration minus emigration), non-family household formation, the number of double family households, death rates, divorce rates, and marriages. In housing economics, the elemental unit of analysis is not the individual but the household.

Figure 18: Real Estate Sales Claremore, 2009-2010 *



Source: Northeast Oklahoma Real Estate Services
*Value of Sales shown in millions

Figure 19: Real Estate Sales Rogers County, 2009-2010 *



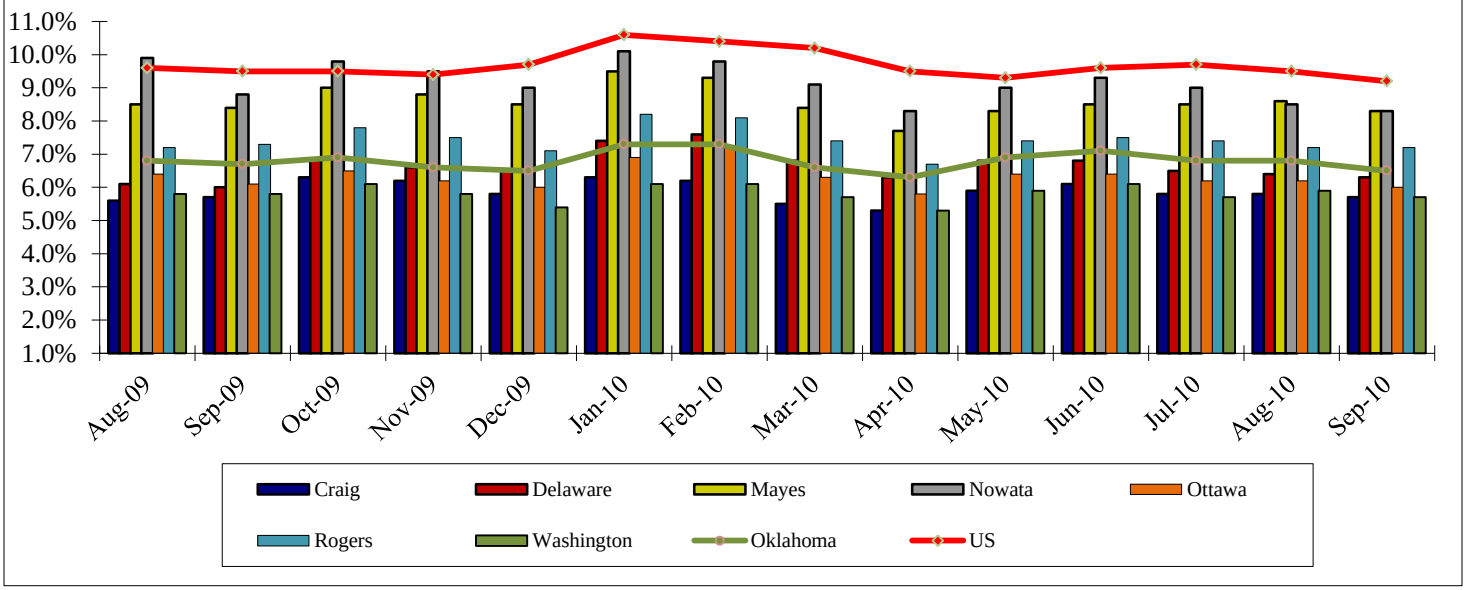
Source: Northeast Oklahoma Real Estate Services
*Value of Sales shown in millions

Labor Market Information

Labor market information consists of the local number of labor force participants, the total number employed, and the percentage of labor force participants unemployed. The change in number of jobs on the payrolls of business, government, and non-profit establishments each month is a more accurate indicator of labor market health than the

unemployment rate. The labor force includes all employed persons plus those who are seeking work. The unemployment rate (the percentage of labor force participants without a job and actively seeking work) is based on a monthly survey. The unemployment rate is sensitive to changes in the size of the labor force. For example when unemployed workers become discouraged because they cannot find work and stop looking for work, they are no longer in the labor force. This causes a decline in the unemployment rate. If these discouraged workers later enter the workforce by seeking a job, the unemployment rates increases. Likewise the influx of new people entering the labor market for the first time may cause an increase in unemployment rates. Consequently unemployment rates can increase even though total employment has increased. Changes in the unemployment can also result from seasonal changes such as the influx of new high school and college graduates who seek employment. A county's unemployment rate is not necessarily a worrisome event if the number employed increased at the same time. Low unemployment rates are good for job seekers, retail merchants, and taxing entities; however, the increase in purchasing power tends to cause the price of land and real estate to rise within a county. Consequently, like many other economic factors, there are both positive and negative aspects to low unemployment. A few positive results are that low unemployment rates are typically accompanied by a drop in the crime rate, a reduction in welfare recipients, and an increase in concern and care for the elderly, children, and the mentally challenged.

Figure 20: Unemployment Rates



Source: Bureau of Labor Statistics
*Data is not seasonally adjusted