

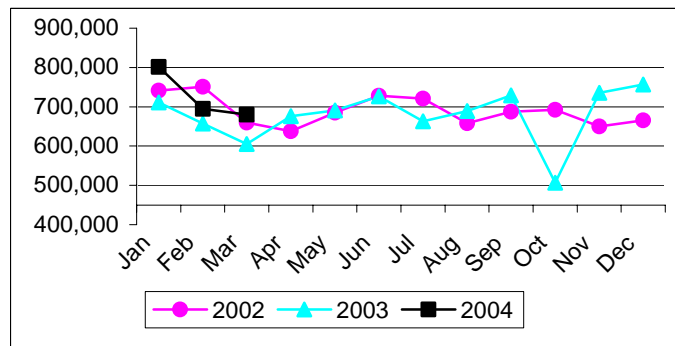


Center for Economic & Community Development

The Center for Economic and Community Development at Rogers State University publishes quarterly reports of economic indicators for Claremore and the surrounding region. The Center is an affiliate agency with the Oklahoma Department of Commerce's State Data Center Program and provides economic and demographic data. Resources available to the public include a computer center with high-speed Internet access, a library of electronic and printed materials, and on-site professional staff. The Center was established in 2002 to promote the region's economic development by utilizing the University's resources in partnership with local business, industry, and entrepreneurs. The professional staff at the Center provides assistance with business plans, financial planning, management, marketing, production, and workforce training. Most services are provided free of charge. For more information, call (918) 343-7533.

reflects the downward trend observed during the first quarter of the last two years.

Figure 1: Sales Tax Collections - Claremore



Source: City of Claremore

Although Claremore's first quarter sales tax collections exhibit a downward trend, the higher fiscal year-to-date level corresponds to the upward trend in Oklahoma's Overall Business Conditions Index for the same period. Oklahoma's Overall Business Condition Index continues to increase from its low point in December 2003. Data for Oklahoma's Business Condition Index are derived from Creighton University Professor Ernie Goss's monthly report on economic conditions in the Midwest. The data and indices for employment, business confidence, and the overall purchasing managers index (PMI) are calculated from surveys of purchasing managers in the Mid-American and Mountain regions. Survey data are gathered for the state of Oklahoma and presented in Figure 2. A PMI above 50 indicates business expansion.

Sales Tax Collections

Retail sales, as approximated by retail sales tax collections, are a broad measure of consumer spending trends. Table 1 indicates that Claremore sales tax collections for the current year are 4.0% greater than the corresponding fiscal year-to-date collections in 2003.

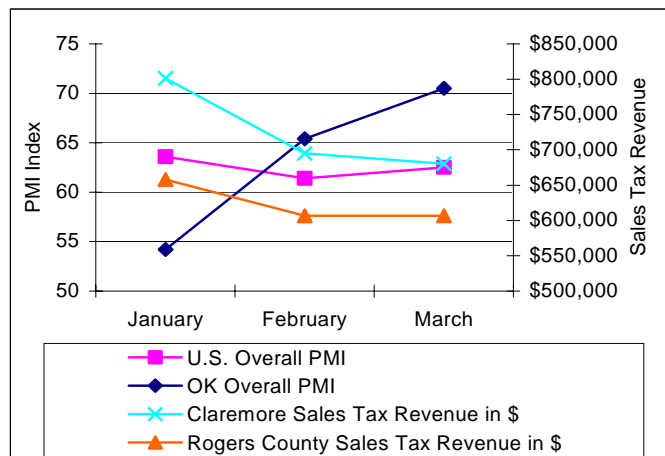
Table 1: Sales Tax Collections for Claremore & Rogers County

Fiscal YTD	2003	2004	% Change
Claremore	\$6,007,818	\$6,249,700	4.0%
Rogers County	\$4,872,772	\$5,317,657	9.1%

Source: City of Claremore & Oklahoma Tax Commission

Figure 1 includes sales tax collections for 2002, 2003, and through March 2004. The data are not seasonally adjusted and are not adjusted for price changes. This quarter's trend of sales tax collections

Figure 2: Overall PMI Index



Source: Creighton University & City of Claremore

Table 2 shows that Oklahoma's PMI moved from 54.2 in January to 65.4 in February and to 70.5 in March. During this period, demand for production increased as the index for new orders rose from 55.6 in January to 76.3 in March. Not surprisingly, the survey of business and production manager confidence index improved from a negative reading of 44.4 in January to 86.8 in March. A rising demand for output leads to greater demand for labor as the employment index increased from 50.0 in January and to 73.7 in March.

Table 2: Purchasing Managers Index

Oklahoma	January	February	March
Overall	54.2	65.4	70.5
New Orders	55.6	72.5	76.3
Employment	50	65	73.7
Confidence	44.4	80	86.8

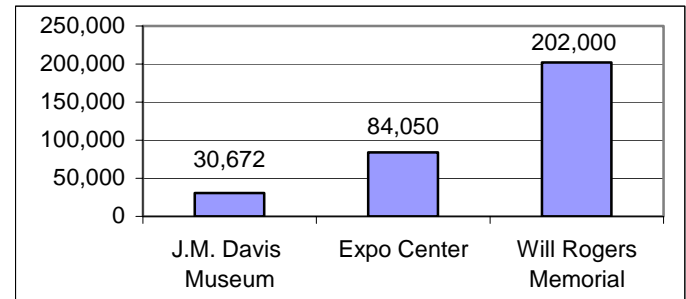
Source: Creighton University and City of Claremore

During February and March, Oklahoma was reported to have had the highest employment index in the nine-state Mid-American Region. The PMI Outlook forecasts improved employment in Oklahoma for the next few months. Since the business conditions PMI index represents the supply or production side of Oklahoma's economy, it is likely that employment and income will increase. With an increase in employment, consumer expenditures, as measured by Claremore sales tax collections, are expected to rise over the next few months.

Tourism

Tourism impacts the local economy in Rogers County. Area attractions and events bring visitors from surrounding communities and the nation. The money spent by visitors within the local area becomes sales for businesses that sell products or services to visitors. Sales and lodging tax collections are directly related to visitor spending. A recent survey by the Economic and Community Development Center at Rogers State University shows that the average visitor to the university staying one night spent \$130. Figure 3 shows attendance figures during 2003 for major attractions in Rogers County.

Figure 3: 2003 Attendance Figures



Source: J.M. Davis Gun Museum, Expo Center, Will Rogers Memorial

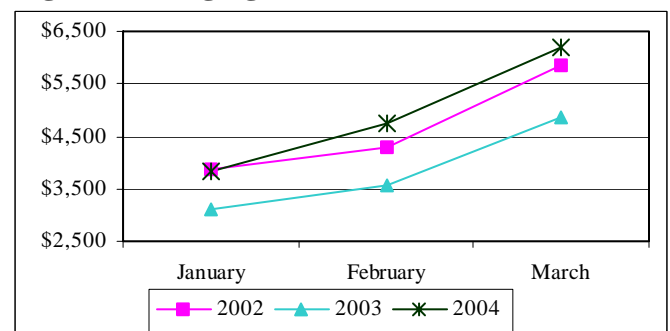
J.M Davis Gun Museum had a total attendance of 30,672 people. Throughout the year, 84,050 people attended events hosted by the Claremore Expo Center. Will Rogers Memorial Museum had an estimated 202,000 visitors during 2003 including visitors to the museum and to the Will Rogers Birthplace Ranch. A significant portion of attendance figures to the Will Rogers Museum can be attributed to a large number of visitors aboard tour buses and to students from northeastern Oklahoma schools that frequent the facility.

In March 2004, the Cherokee Nation announced their purchase of the Will Rogers Downs horse racing facility. The facility has been closed for approximately three years and although exact attendance figures prior to closing are not available, the re-opening of the facility will be another main attraction that will bring more visitors to the area.

Lodging Tax Collections

Figure 4 indicates that lodging tax collections for the first quarter of 2004 are slightly greater than in the first quarter of the previous two years. The data are not adjusted for inflation.

Figure 4: Lodging Tax Collections



Source: City of Claremore

Lodging tax collections reflect the level of expenditures for tourism and travel. A significant proportion of these expenditures are generated by the level of local event activity. The level of expenditures reflected by lodging tax collections represents an injection of new dollars into the local economy. The total economic impact of the initial injection occurs after each newly spent dollar circulates throughout the local economy. The relationship between the initial level of expenditures and the total economic impact is given by a multiplier of approximately 1.8. For every \$1 originally spent by a tourist, an additional \$1.80 is generated as the spent dollar circulates through the local economy. If a fraction of each dollar is saved or spent outside the local economy, the size of the expenditure multiplier and the total economic impact is reduced.

Table 3: Year-To-Date Residential Real Estate Sales (Dollars)*

Area	2003	2004	% Change
Claremore	\$5,912,450	\$4,104,358	-30.6%
Rogers Co.*	\$17,004,021	\$21,783,020	28.1%

Source: Rogers County Real Estate Association

*Rogers County includes Claremore

Table 4: Year-To-Date Residential Real Estate Sales (Number)*

Area	2003	2004	% Change
Claremore	63	43	-31.7%
Rogers Co.*	150	170	13.3%

Source: Rogers County Real Estate Association

*Rogers County includes Claremore

Electric & Water Meters

Electric and water meter data for the first quarters of 2003 and 2004 are provided in Table 5. The number of electric and water meters for all categories of residential and commercial service increased since the first quarter of 2003. Increases in the numbers of electric and water meters inside the city limits are greater than outside the city limits.

Table 5: Electric & Water Meters in Claremore

		Quarter 1							
		Electric Meters				Water Meters			
		2003		2004		2003		2004	
City Limits	Res.	Com.	Res.	Com.	Res.	Com.	Res.	Com.	
Inside	7,256	1,110	7,530	1,198	6,107	868	6,362	941	
Outside	1,965	155	2,068	173	122	23	127	24	

Source: City of Claremore

Building Permits

Tables 6 and 7 show an increase in the number and total value of residential building permits in Claremore but not in Rogers County. The value of commercial building permits decreased in Claremore, but the number of commercial building permits increased. For Rogers County, the value of commercial building permits increased. An increase in the value of commercial or industrial construction

Table 6: Total Number of Permits*

Type	2003 - Quarter 1		2004 - Quarter 1	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	25	134	33	131
Commercial	9	5	15	4
Industrial	3	4	0	3

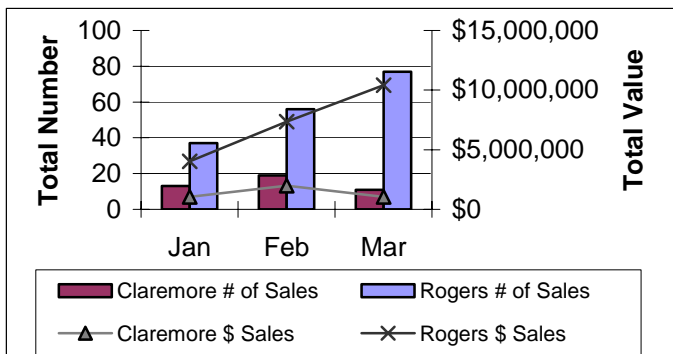
Source: Claremore & Rogers County Planning Commissions

*Rogers County does not include Claremore

Real Estate Sales

The number and total dollar value of real estate sales are displayed in Figure 5. The number and dollar value increased substantially for Rogers County. For Claremore, the number and total dollar value were about the same for January and March 2004 but were slightly greater during February 2004.

Figure 5: Year-To-Date Real Estate Sales



Source: Rogers County Real Estate Association

Year-to-date comparisons between 2004 and 2003 are provided in Tables 3 and 4. For Claremore, Table 3 shows there is a 30.6% decline in the dollar value of sales in 2004 when compared with the first quarter of last year. Rogers County has had a 28.1% increase. Table 4 compares the number of sales during the first quarters of this year and the previous year. The numbers of real estate sales in Claremore declined by 31.7% but increased for Rogers County by 13.3%. Thus real estate sales in Rogers County are brisk while those in Claremore are declining.

permits represent increased productive capacity in the form of investment in plant and equipment. Increased investment leads to increased employment and economic growth in the long term. During the first quarter of 2004, investment in plant and equipment exhibited no clear pattern. Investment in the commercial sector increased in Rogers County but not Claremore. Investment in the industrial sector declined in both Rogers County and Claremore. Residential construction represents the current level of economic activity in the housing industry. The increase in residential building permits in Claremore

markets accompanied by a decrease in real estate sales is not consistent with industrial growth and an expanding labor market. Changes in long-term interest rates for mortgages may be a compounding factor.

Table 7: Total Value of Permits In Dollars*

Type	2003 - Quarter 1		2004 - Quarter 1	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	\$1,283,080	\$13,079,627	\$2,555,241	\$12,997,741
Commercial	\$2,597,100	\$1,255,000	\$1,737,517	\$2,388,906
Industrial	\$464,300	\$4,165,357	\$0	\$1,075,000

Source: Claremore & Rogers County Planning Commissions

*Rogers County does not include Claremore

County Population

According to the Census Bureau, Rogers County is the fastest growing county in Oklahoma. Table 8 shows that Rogers County population increased by 9.3% between the 2000 Census and July of 2003. Other counties with rapidly increasing populations include Wagoner, Canadian, Cleveland, Logan, and Delaware. Census Bureau estimates show that the most rapid growth occurred in counties that join metropolitan areas but not the primary metropolitan county itself. Oklahoma County ranked 16th and grew at 2.4 percent while Tulsa County ranked 26th and grew at 1.2 percent. Rogers, Wagoner, Delaware, Nowata and Osage Counties grew at or above the average rate for the state, but the remaining counties in northeastern Oklahoma grew at a slower

rate than the state average. Ottawa actually lost 1.3 percent of its population according to Census Bureau estimates. In addition to being the county with the greatest rate of increase, Rogers County was fourth only to Oklahoma, Cleveland, and Tulsa Counties in the number of new residents in the county. The population in Rogers County increased by an estimated 6,561 persons compared to 15,652 in Oklahoma County, 11,984 in Cleveland County, and 7,001 in Tulsa County. Thus Rogers County is experiencing rapid growth which creates demand for additional retail opportunities.

Table 8: County Population Change, 2000 - 2003

County	April 2000 Census	July 2003 Estimate	Population Change	Percent Change	Rank
Rogers	70,639	77,200	6,561	9.3%	1
Wagoner	57,491	61,800	4,309	7.5%	2
Canadian	87,697	92,900	5,203	5.9%	3
Cleveland	208,016	220,000	11,984	5.7%	4
Logan	33,924	35,400	1,476	4.4%	5
Delaware	37,077	38,700	1,623	4.4%	6
Nowata	10,569	10,800	231	2.5%	15
Oklahoma County	660,448	676,100	15,652	2.4%	16
Osage	44,437	45,200	763	1.8%	21
Mayes	38,369	38,900	531	1.3%	25
Tulsa	563,299	570,300	7,001	1.2%	26
Pawnee	16,612	16,800	188	1.1%	28
Washington	48,996	49,100	104	0.3%	37
Ottawa	33,194	32,800	-394	-1.3%	52
Oklahoma*	3,450,654	3,511,500	60,855	1.8	30
United States	281,421,906	290,809,777	9,387,871	3.3	N/A

Source: Oklahoma Department of Commerce, & Population Division, U.S. Census Bureau

*Based on national ranking of all states in the U.S.

Cost of Living

The cost-of-living-index for selected areas is presented below. The cost-of-living index is a price index based on a given array of consumer expenditures with 100 being the average cost of living in the United States. The overall or composite cost of living in Tulsa is 93.0 compared to 102.4 for Albuquerque. Table 9 shows that the cost of living in Tulsa is less than the national average. Of the cities reported below, only Houston and Oklahoma City have cost-of-living indices less than Tulsa. The price index captures the pattern of consumption for the average individual. A retired individual spending a much larger proportion of his income for medical and

pharmaceutical purchases would have a cost-of-living index greater than 100, regardless of where he lives. Two factors affecting the quality-of-living are income level and cost of living. Some information on income is presented in a following section. Other factors such as quantity and quality of surrounding amenities as well as problems such as pollution and crime are not considered.

Table 9: Cost of Living Index

Community	Composite	Grocery	Housing	Utilities	Transportation	Health Care	Misc.
Tulsa	93.0	91.7	81.5	94.4	104.9	89.5	100.2
Albuquerque	102.4	99.5	106.9	112.4	106.9	110.7	94.4
Dallas	96.8	90.6	91.3	94.0	100.5	99.4	103.6
Denver	104.8	105.1	110.6	90.6	106.9	118.4	101.6
Houston	91.6	87.1	79.2	104.3	102.9	103.3	95.8
Okla. City	92.1	87.0	87.0	100.2	96.6	96.3	94.3
St. Louis	101.3	105.5	99.1	90.9	97.8	96.7	106.2

Source: ACCRA Feb. 2004, Tulsa Metro Chamber

Median Hourly Rate by Occupation, 2002

Table 10 shows the wage rate for 31 selected occupations in the Claremore-Pryor area as classified by the Standard Occupation Code. The local median wages are also compared with the median wages for these occupations in Oklahoma and in the United States. For example, the median hourly wage for General and Operations Managers in the Claremore-Pryor area is \$24.99. This compares with \$25.55 for the median hourly wage for these workers in the state of Oklahoma and \$32.80 for the United States. The last column shows the real wage rates adjusted for the cost of living. Real wages were calculated by dividing the nominal wage by .93, which is the cost of living in Tulsa metropolitan area.

The cost of living in the Claremore-Pryor area is less than the national average assuming the Tulsa metropolitan area does not differ significantly from the Claremore-Pryor area. Thus, the real wages in Claremore-Pryor are higher than the wages that were not adjusted for cost of living. Using the example of General and Operations Managers stated above, the median wage of \$24.99 is the equivalent of \$26.87 when compared to the national wage rate for that occupation after adjusting for the cost of living. The lower cost of living in Claremore-Pryor raises the spending power of \$24.99 to \$26.87.

Table 10: Median Hourly Rate by Occupation

Occupation	Code	U.S.	Oklahoma	Claremore-Pryor	
		Median Wage	Median Wage	Median Wage	Real Wage
General & Operations Manager	11-1021	\$32.80	\$25.55	\$24.99	\$26.87
Accountants/Auditors	13-2011	\$22.60	\$19.42	\$16.68	\$17.94
Loan Officers	13-2072	\$21.15	\$19.80	\$22.09	\$23.75
Computer Programmers	15-1021	\$28.98	\$24.83	\$20.49	\$22.03
Network/Computer Systems Administrator	15-1071	\$26.35	\$23.10	\$20.74	\$22.30
Electrical Engineers	17-2071	\$32.78	\$28.76	\$23.51	\$25.28
Mechanical Engineers	17-2141	\$30.23	\$27.94	\$28.16	\$30.28
Social & Human Services Assistant	21-1093	\$11.24	\$8.60	\$8.72	\$9.38
Public Relations Specialist	27-3031	\$20.05	\$15.77	\$12.56	\$13.51
Pharmacists	29-1051	\$37.04	\$33.48	\$32.56	\$35.01
Registered Nurses	29-1111	\$23.12	\$20.03	\$20.02	\$21.53
Home Health Aides	31-1011	\$8.70	\$7.86	\$8.87	\$9.54
Police & Sheriff's Patrol Officers	33-3051	\$20.32	\$15.13	\$13.41	\$14.42
Waiters/Waitresses	35-3031	\$6.80	\$6.47	\$6.46	\$6.95
Janitors/Cleaners	37-2011	\$8.77	\$7.57	\$7.79	\$8.38
Child Care Workers	39-9011	\$7.86	\$6.71	\$6.45	\$6.94
Retail Salespersons	41-2031	\$8.51	\$7.96	\$8.06	\$8.67
Tellers	43-3071	\$9.81	\$8.93	\$8.65	\$9.30
Office Clerk/Receptionist	43-4171	\$10.17	\$9.12	\$8.44	\$9.08
Carpenters	47-2031	\$16.44	\$12.55	\$16.44	\$17.68
Construction Laborers	47-2061	\$11.90	\$10.77	\$10.30	\$11.08
Electricians	47-2111	\$19.90	\$17.36	\$17.88	\$19.23
Plumbers/Pipefitters/Steamfitters	47-2152	\$19.31	\$16.08	\$14.20	\$15.27
Auto Technicians/Mechanics	49-3023	\$14.71	\$11.97	\$10.49	\$11.28
Maintenance Repair Workers	49-9042	\$14.12	\$11.59	\$12.44	\$13.38
First-Line Supervisors of Production/Operating	51-1011	\$20.64	\$18.85	\$19.92	\$21.42
Team Assemblers	51-2092	\$10.90	\$10.51	\$11.23	\$12.08
Machinists	51-4041	\$15.66	\$14.67	\$14.85	\$15.97
Welders/Cutters/Solderers/Brazers	51-4121	\$14.02	\$13.40	\$13.93	\$14.98
Industrial Truck & Tractor Operators	53-7051	\$12.54	\$11.21	\$11.26	\$12.11
Elementary Teachers* (Average Annual Salary)	25-2021	\$44,080.00	\$32,360.00	\$33,188.00	\$35,686.02

* Excludes Special Education & Kindergarten

Source: Oklahoma Wage Network and U.S. Dept. of Labor

Labor Market

Generally the first quarter of 2004 shows some improvement in employment at the national, state, and local level. In December there were 138,556,000 employed persons in the United States. Table 11 shows a drop to 136,924,000 employed persons in January 2004 followed by a slight improvement in February and March with an estimated 460,000 and 307,000 jobs created respectively at the national level. A similar pattern exists for the State of Oklahoma.

Employment in Rogers, Nowata, Washington, and Mayes Counties was up slightly in January compared to 2003. However, only Rogers and Mayes counties continued to have employment growth during February and March. Figure 6 shows that the national unemployment rate is relatively unchanged during the first quarter. However, Oklahoma's unemployment rate dropped from 5.6 percent in January to 4.8 percent in March.

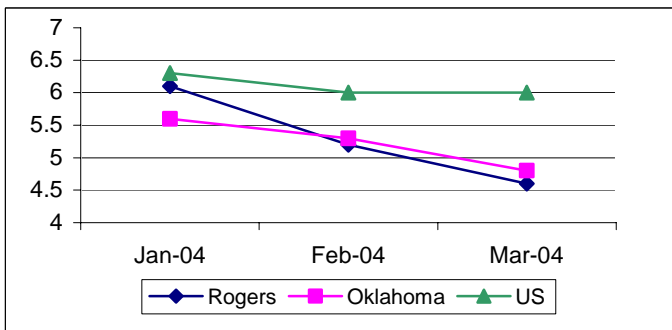
Table 11: Employment by County

Area	Number Employed					
	Oct 2003	Nov 2003	Dec 2003	Jan. 2004	Feb. 2004	Mar. 2004
Rogers	36,120	35,510	35,240	35,390	35,530	36,120
Nowata	3,480	3,450	3,420	3,800	3,800	3,800
Washington	17,570	17,420	17,260	19,000	18,990	19,000
Mayes	13,100	12,830	12,370	12,990	13,120	13,180
Oklahoma	1,629,500	1,615,800	1,595,400	1,583,400	1,595,900	1,612,600
USA	138,619,000	138,700,000	138,556,000	136,924,000	137,384,000	137,691,000

Source: Oklahoma Employment Security Commission

Figure 6 shows the unemployment rate for Oklahoma has been consistently lower than that of the United States since January 2002.

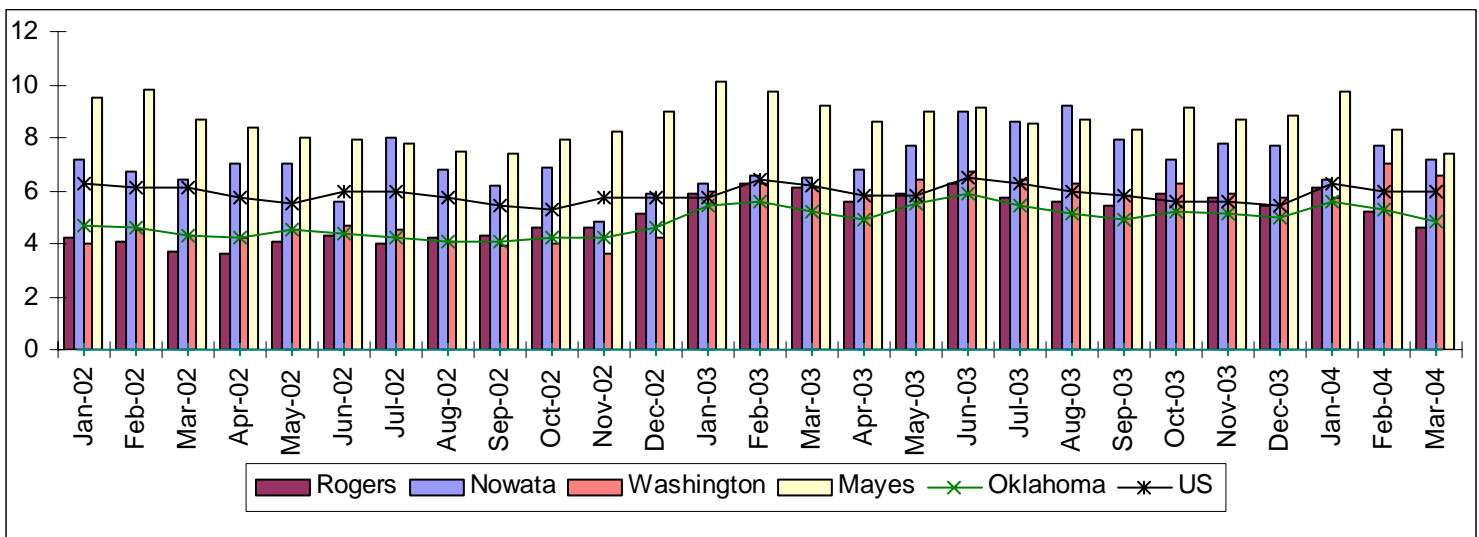
Figure 6: Unemployment Rates



Source: Oklahoma Employment Security Commission

Monthly unemployment rates from January 2002 through March 2004 are presented in Figure 7. Beginning in February 2004, the unemployment rate for Rogers County dropped below the Oklahoma unemployment rate for the first time since July 2002.

Figure 7: Unemployment Rates



Source: Oklahoma Employment Security Commission

There are also signs of improvement in the economy as shown in the drop in unemployment rates for all four counties during the last two months of the quarter. Overall, the unemployment rate went down in all four counties, corresponding to a growth in employment especially since January. Rogers and Mayes Counties continued to experience a growth in employment through March. With regard to Nowata, Washington, and Mayes Counties, the unemployment rate generally increased in January or February and declined in March. Currently only Rogers County has an unemployment rate lower than either the state or federal rate. Preliminary figures show that unemployment dropped in Rogers County when 880 new jobs were created over the quarter. Similarly, new jobs were added in Nowata, Washington, and Mayes Counties since December 2003. The drop in unemployment indicates that there was an improvement in the economy and that additional jobs were created in all four counties. However, decline in the growth of employment or unemployment rate could also be attributed to persons moving out of the area or leaving the labor force.



Center for Economic & Community Development

Rogers State University established the Center for Economic & Community Development to foster economic development and address the educational needs of business and industry in Northeastern Oklahoma. One of the primary functions of the Center is to assist entrepreneurs who wish to start or expand their business. The professional staff at the Center provides assistance with business plans, financial planning, management, marketing, production, and workforce training. Most services are provided free of charge.

Economic Indicators is a quarterly newsletter published by the Center for Economic & Community Development at Rogers State University under the direction of Dr. Ray Brown, editor. A special thanks goes to Dr. Gary Marché for his analysis

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