



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.

Sales Tax Collections

Retail sales, as approximated by retail sales tax collections, are a broad measure of consumer spending trends. Table 1 indicates a 5.3% increase in Claremore sales tax collections for the 2004 fiscal year over 2003. Sales tax collections for Rogers County are even better at 10.1% over 2003 collections.

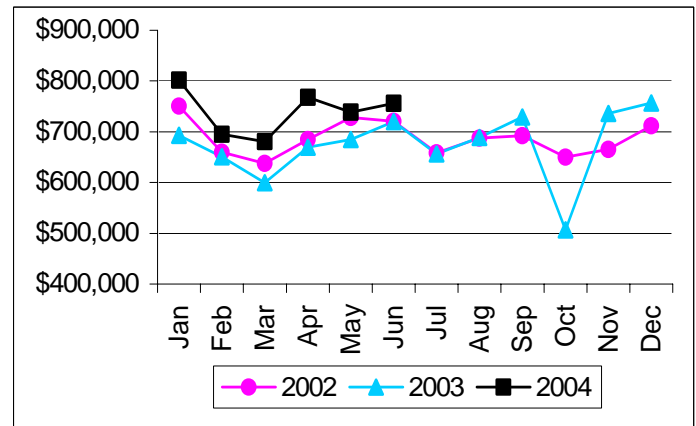
Table 1: Sales Tax Collections for Claremore & Rogers County

Fiscal YTD*	2003	2004	% Change
Claremore	\$8,081,004	\$8,511,696	5.3%
Rogers County	\$6,579,080	\$7,246,772	10.1%

Source: City of Claremore & Oklahoma Tax Commission
Fiscal Year is from July 1st to June 30th

Figure 1 includes sales tax collections for 2002, 2003, and 2004 through June. The data are not seasonally adjusted or adjusted for price changes. For the last 3 years, sales tax collections declined in the first quarter and recovered in the second quarter.

Figure 1: Sales Tax Collections – Claremore

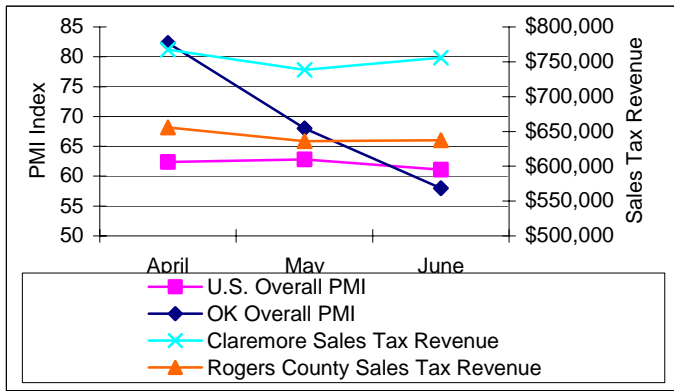


Source: City of Claremore

An analysis of sales tax collections for the fiscal year beginning July 1, 2003 and ending June 30, 2004, shows a significant improvement in the local economy when compared with the two previous years. Collections for the first part of the 2004 fiscal year are similar to those in the prior year, but collections for the remainder of the year are generally higher than the preceding year. Only October collections are lower than those of the previous year. While the economy in Claremore is improving noticeably, the economy in the remainder of Rogers County is recovering even more rapidly.

Figure 2 shows the Oklahoma Overall Business Conditions Index for the 2004 second quarter. After experiencing a large increase in the first quarter, the index shows a major decline during the second quarter. Data for Oklahoma's Business Condition Index are derived from Creighton University Professor Ernie Goss's monthly report on economic conditions in the Midwest. 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 gathered for the state of Oklahoma are presented in Figure 2. A PMI above 50 indicates business expansion. Data from the second quarter suggest that the outlook for business expansion has declined markedly, but the outlook is still somewhat positive with a PMI of 58.

Figure 2: Overall PMI Index



Source: Creighton University

Table 2 shows the various components of the overall PMI Index. All three components show a large drop from April through June. The employment index drops from 86.4 in April to 43.8 in June. Since an index of less than 50 indicates contraction, a further decline in employment is projected.

Table 2: PMI Index

Oklahoma	April	May	June
Overall	82.3	68	58
New Orders	86.4	78.1	62.5
Employment	86.4	56.3	43.8
Confidence	77.3	65.6	53.1

Source: Creighton University

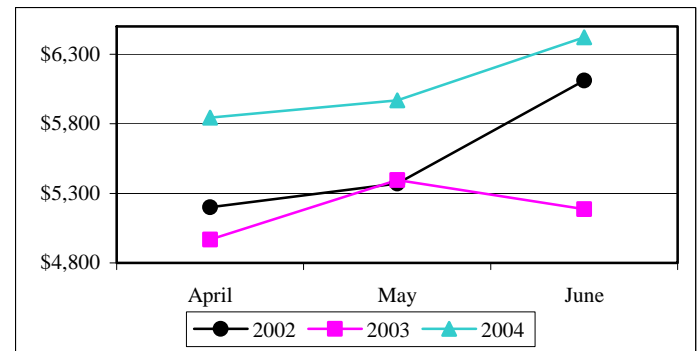
In contrast to the bright employment forecast for the first quarter of the year, the PMI Outlook for the next few months predicts only slightly improving conditions in Oklahoma and possibly a small decline in employment. The demand side of the economy, as measured by the Claremore sales tax collections, remains strong during the second quarter as expected. Since the PMI index represents the supply side of Oklahoma's economy, employment and income are unlikely to change much over the next few months. Consequently, consumer expenditures are expected to remain relatively steady over the next few months.

Lodging Tax Collections

Lodging tax collections reflect the level of expenditures from tourism and travel. Visitors attracted to local activities generate a significant proportion of these expenditures. The money spent by visitors within the local area is used by merchants to pay expenses in operating their businesses including salaries of their employees and goods and services used in the businesses. In turn the employees

spend their income for goods and services. This cycle repeats several times. The level of expenditures reflected in lodging tax collections represents an injection of new dollars into the local economy. The total economic impact of the initial injection 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. For every \$1 originally spent by a tourist, an additional \$1.80 may be generated as the spent dollar circulates through the local economy. Figure 3 indicates that lodging tax collections for the second quarter of 2004 are greater than in the same quarter of the previous two years. The data are not adjusted for inflation. The data suggest that tourism is recovering after a lackluster performance in 2003.

Figure 3: Lodging Tax Collections

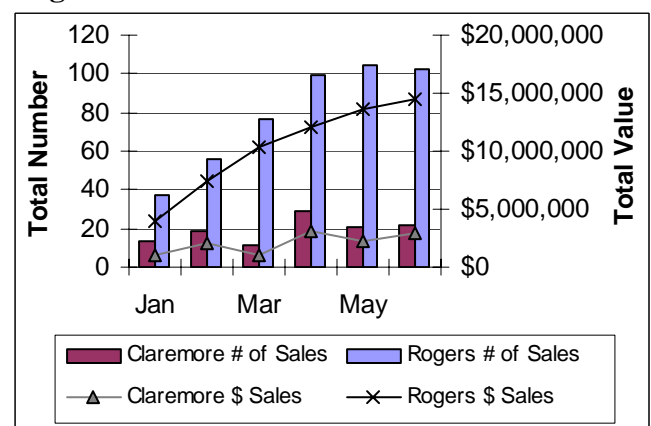


Source: City of Claremore

Real Estate Sales

The number and total dollar value of real estate sales are displayed in Figure 4. The data show the increase in sales generally associated with the second quarter of the year. Sales peaked in April in Claremore and in May in Rogers County.

Figure 4: 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 a 7.7% decline in the dollar value of sales in 2004 when compared with the first half of last year. Values for Rogers County increased 45.7%.

Table 3: YTD Residential Real Estate Sales (Dollars)

Area	2003	2004	% Change
Claremore	\$13,520,281	\$12,484,856	-7.7%
Rogers Co.*	\$42,482,068	\$61,886,779	45.7%

Source: Rogers County Real Estate Association

*Rogers County includes Claremore

Sales are based on calendar year January through December

Table 4 compares the number of sales during the first two quarters of this year with the previous year. The number of real estate sales in Claremore is down 9.4%, however, the number in Rogers County is up 31.9%. Thus real estate sales in Rogers County continue to be brisk while those in Claremore decline.

Table 4: YTD Residential Real Estate Sales (Number)

Area	2003	2004	% Change
Claremore	127	115	-9.4%
Rogers Co.*	360	475	31.9%

Source: Rogers County Real Estate Association

*Rogers County includes Claremore

Sales are based on calendar year January through December

Electric & Water Meters

Claremore electric and water meter data for the second quarters of 2003 and 2004 are provided in Table 5.

Table 5: Average Number of Residential & Commercial Electric & Water Meters

Quarter 2 Average								
City Limits	Electric Meters				Water Meters			
	2003		2004		2003		2004	
	Res.	Com.	Res.	Com.	Res.	Com.	Res.	Com.
Inside	7,277	1,124	7,377	1,200	6,137	880	6,304	941
Outside	1,986	159	2,069	177	121	22	126	25

Source: City of Claremore

In 2004, the average number of electric and water meters for all categories of residential and commercial service increases over the same quarter of 2003. The small increase in the average number of

meters is consistent with a slight growth in the population and in the economy.

Building Permits

Continuing the pattern observed in the first quarter, the number and dollar value of permits increases substantially for Rogers County as shown in Tables 6 and 7.

Table 6: Total Value of Permits

Type	2003 - Quarter 2		2004 - Quarter 2	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	\$1,782,790	\$11,299,405	\$2,498,965	\$15,343,357
Commercial	\$5,336,000	\$468,014	\$1,191,000	\$3,285,450
Industrial	\$355,000	\$520,000	\$0	\$854,000

Source: Claremore & Rogers County Planning Commissions

For Claremore, however, the observations were mixed. While the number and total dollar value of residential permits improves when compared to the same period last year, the value of commercial permits drops significantly and no industrial permits are issued. Rogers County continues to show strong growth in all areas while Claremore shows a modest growth in residential construction only.

Table 7: Total Number of Permits

Type	2003 - Quarter 2		2004 - Quarter 2	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	33	148	34	180
Commercial	6	6	14	7
Industrial	3	1	0	4

Source: Claremore & Rogers County Planning Commissions

Residential construction represents the current level of economic activity in the housing industry. In this sector of the economy, Claremore and Rogers County experience continued growth. An increase in the value of commercial or industrial construction permits represents 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. Following the pattern observed in the first quarter, investment in productive capacity increases during the second quarter in Rogers County but not in Claremore.

Labor Market

Generally employment at the national, state, and local level continues to show some improvement through the second quarter of 2004. In March, there were 130,548,000 employed persons in the United States. Table 8 shows an increase to 130,902,000 employed persons in April 2004 followed by improvements in May and June with an estimated 338,000 jobs created during the second quarter at the national level. Likewise, employment in Rogers, Nowata, Washington, and Mayes Counties increased during the second quarter. Figure 5 presents the monthly unemployment rates from January 2002 through June 2004. The unemployment rate for Oklahoma continues to be lower than that of the United States. Overall the unemployment rates on the national, state, and local level drops in April and May and increases in June. Washington and Rogers Counties are exceptions with stable rates during June.

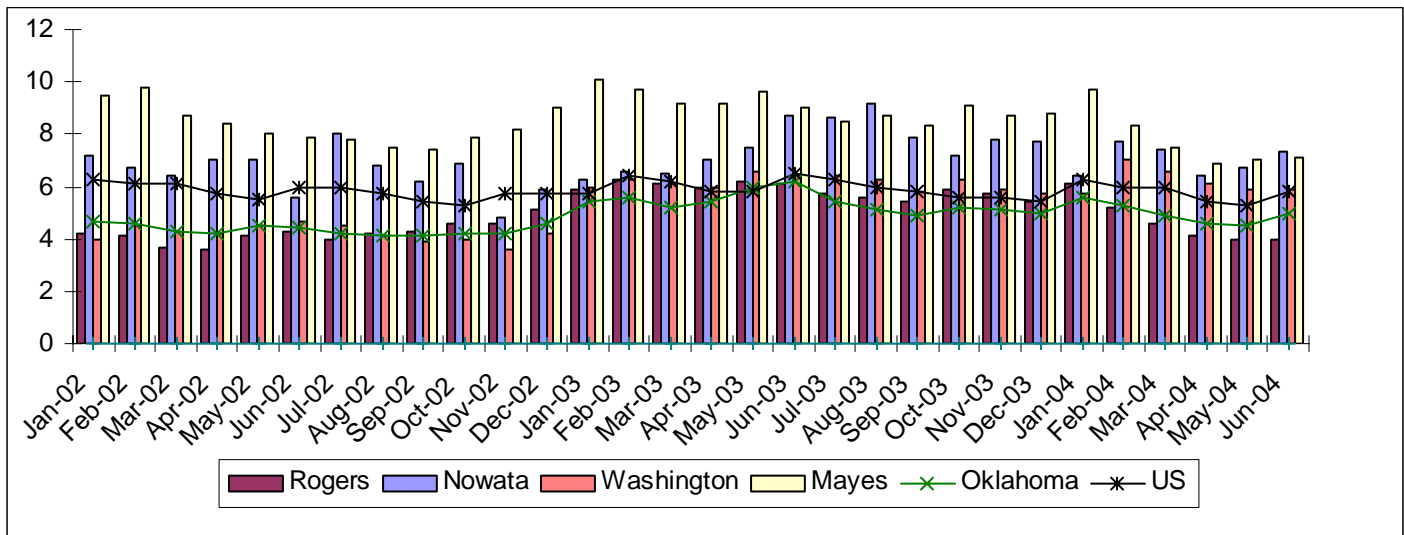
Mayes County shows the most employment growth of all four counties. Although Mayes County added over 500 jobs, the unemployment rate rose each month. This may indicate that discouraged workers are returning to the labor force or new workers are entering the labor force. Table 8 shows that the national unemployment rate fluctuates around 5.5 percent during the second quarter compared to 5 percent in Oklahoma and 4 percent in Rogers County. The unemployment rate for Rogers County drops below the Oklahoma rate in February 2004 and continues that pattern in the second quarter. While the economy seems to be improving marginally, it does not appear to be growing sufficiently to absorb the incoming workers in the labor force.

Table 8: Labor Market Information

Area	April		May		June	
	Unemployment Rate	Employed	Unemployment Rate	Employed	Unemployment Rate	Employed
Mayes	6.9	13,230	7.0	13,450	7.1	13,760
Nowata	6.4	3,880	6.7	3,860	7.3	3,920
Rogers	4.1	36,050	4.0	36,150	4.0	36,520
Washington	6.1	19,400	5.9	19,310	5.9	19,590
Oklahoma	4.6	1,618,700	4.5	1,621,700	5.0	1,641,700
USA*	5.6	130,902,000	5.6	131,162,000	5.6	131,240,000

Source: Oklahoma Employment Security Commission and Bureau of Labor Statistics
 * National Labor Market Information is non-farm, seasonally adjusted figures

Figure 5: Unemployment Rates



Source: Oklahoma Employment Security Commission



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 and interpretation of the data.

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