



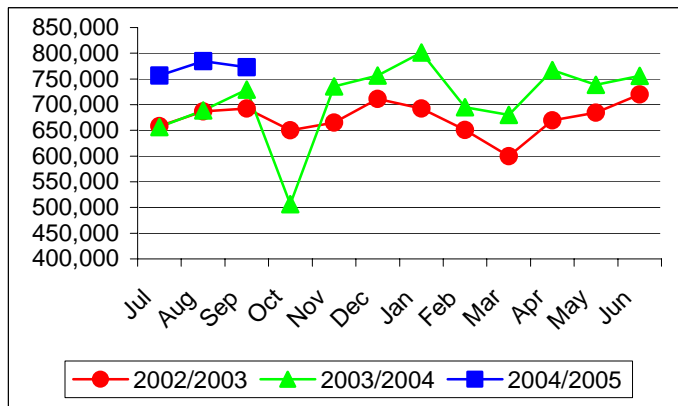
**Center for Economic & Community Development**

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. 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 in the local economy. Figure 1 presents sales tax collections from July 2002 through September 2004. Consumer spending in the 2004 and 2005 fiscal years has increased.

**Figure 1: Claremore Sales Tax Collections**



Source: City of Claremore

The data are not seasonally adjusted or adjusted for price changes. Table 1 indicates an increase in sales tax collections for the 2004 fiscal year-to-date when compared to the same period in the previous two years. Sales tax collections in Claremore for the first quarter of the 2004 fiscal year, was 11.5% greater than the first quarter of 2003. A comparison for the same period shows an even larger increase of 23.2% for Rogers County.

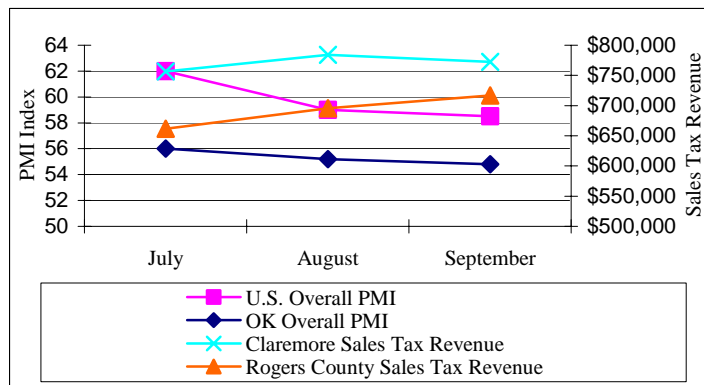
**Table 1: Sales Tax Collections for Claremore & Rogers County Fiscal Year to Date**

Fiscal YTD	2002	2003	2004	% Change 2003-2004
Claremore	\$2,037,867	\$2,074,678	\$2,313,620	11.5%
Rogers	\$1,718,470	\$1,683,064	\$2,073,579	23.2%

Source: City of Claremore & Oklahoma Tax Commission

Figure 2 compares Claremore and Rogers County sales tax collections with data from Oklahoma's Business Conditions Index published by Ernie Goss at Creighton University. The data and indices for employment, business confidence, and the overall purchasing managers index 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. The overall PMI Index for the United States and Oklahoma declined somewhat further in the third quarter with Oklahoma barely staying in the expansion mode.

**Figure 2: Overall Business Conditions Index**



Source: Creighton University & City of Claremore

Table 2 shows the various components of the overall PMI index for the state. Oklahoma's PMI moved downward slightly from 56.0 in July to 55.2 in August, and to 54.8 in September. The data suggest that the local economy is still driven by consumer sales as indicated by improved sales tax data. There was some improvement projected for new orders and employment but not in consumer confidence. The Oklahoma confidence index was below 50 in September indicating a possible slow down in consumer spending

**Table 2: PMI Index**

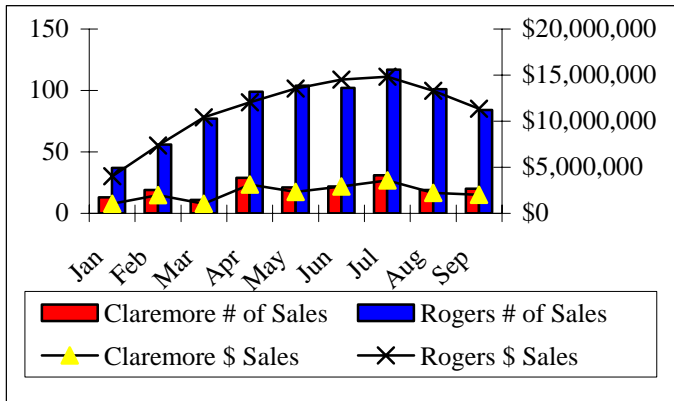
Oklahoma	July	August	September
Overall	56.0	55.2	54.8
New Orders	50.0	50.0	55.0
Employment	50.0	45.8	54.2
Confidence	52.9	54.2	43.8

Source: Creighton University

### Real Estate Sales

Figure 3 shows the volume and value of real estate sales by month for the year through the third quarter of the 2004 calendar year for Claremore and Rogers County.

**Figure 3: Real Estate Sales**



Source: Rogers County Real Estate Association

Real estate sales significantly increased in Rogers County during the first two quarters of the year. During the third quarter, sales peaked in July and declined over the next two months. When compared to the year-to-date figures for 2003, Table 3 shows real estate sales in Rogers County in 2004 increased by almost \$30 million and 181 units. Real estate sales, as measured in dollars, increased by 40.8%.

**Table 3: YTD Real Estate Sales (Dollars x 1,000)**

Area	2003		2004		% Change	
	\$	#	\$	#	\$	#
Claremore	\$20,492	192	\$20,309	185	-0.9%	-3.6%
Rogers Co.	\$71,987	596	\$101,346	777	40.8%	30.4%

Source: Rogers County Real Estate Association

In comparison, the value of sales in Claremore declined 1% and the number of sales dropped 3.6%. Sales in Claremore rose in July but declined in August and September. Thus, sales in Claremore remained low while sales in the county were brisk reflecting the fact that Rogers County ranked as the fastest growing county in Oklahoma between 2000 and 2003.

### Building Permits

Table 4 indicates that the total value of building permits increased for both the residential and commercial sectors of Claremore during the third quarter of 2004 compared to 2003. There was a significant increase of over \$12 million in the value of commercial permits issued during the quarter. This can be attributed to the \$15 million building permit obtained for the new performing arts center at the Claremore Public Schools. No industrial permits were issued for the city of Claremore during third quarter of 2004. In fact, the last building permit for

industrial facilities in Claremore was issued during the second quarter of 2003.

**Table 4: Total Value of Permits**

Type	2003 - Quarter 3		2004 - Quarter 3	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	\$2,607,375	\$14,451,472	\$3,175,525	\$16,873,162
Commercial	\$5,763,022	\$2,315,000	\$18,134,700	\$71,500
Industrial	\$0	\$4,973,200	\$0	\$441,500

Source: Claremore & Rogers County Planning Commission

Rogers County also experienced an increase in the value of residential permits while table 5 shows that the number of permits remained close to last year's figures. Of the 164 residential permits issued during the third quarter, 62% were for new home permits and 77% of those were issued to builders who were constructing spec homes. Commercial permits declined in both number and value for Rogers County. Only two commercial permits were issued. There was also a decline in the value of industrial permits although the number of permits increased from two to four. In the third quarter of 2003, one permit for a manufacturing plant at the Port of Catoosa accounted for \$4.6 million.

**Table 5: Total Number of Permits**

Type	2003 - Quarter 3		2004 - Quarter 3	
	Claremore	Rogers Co.	Claremore	Rogers Co.
Residential	38	161	44	164
Commercial	9	8	11	2
Industrial	0	2	0	4

Source: Claremore & Rogers County Planning Commissions

### Electric & Water Meters

Table 6 compares the average number of electric and water meters operated by the City of Claremore in the third quarter of 2004 with the same period in 2003.

**Table 6: Average Number of Residential & Commercial Electric & Water Meters - Claremore**

City Limits	Quarter 3 Monthly Average							
	Electric Meters				Water Meters			
	2003		2004		2003		2004	
Res.	Com.	Res.	Com.	Res.	Com.	Res.	Com.	
Inside	7,181	1,110	7,311	1,126	6,030	866	6,158	877
Outside	1,970	158	2,010	163	119	22	116	25

Source: City of Claremore

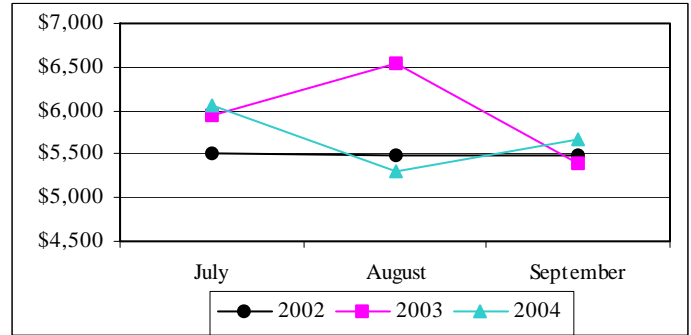
The average number of residential meters within the city limits increased from 7,181 in 2003 to 7,311 in 2004 or an increase of approximately two percent. Similar increases were observed in most categories. Generally, the data suggest a small increase in the number of residents and businesses over the last year, although there was a small decline in the number of residential water meters located outside the city. The City of Claremore revised the monthly meter data for the past 12 months. The current report uses the revised data and may not be consistent with data contained in prior issues of *Economic Indicators*.

**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 the 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. Figure 4 indicates that lodging tax collections for the third quarter of 2004 were lower than those in the same quarter of 2003. Although July and September collections in 2004 were slightly above collections in 2003, August collections were dramatically less (19%). For the quarter, collections for the

fiscal year were down almost five percent compared to last year primarily because of the lower August collections.

**Figure 4: Lodging Tax Collections**



Source: City of Claremore

Although August was not a good month for tourism in 2004, collections for eight of the first nine months of 2004 were greater than those for the same months one year earlier.

**Labor Market**

Employment indicators during the third quarter were mixed as indicated in Table 8. At the national and state level, the number of employed persons declined during the third quarter. Rogers County followed the broad pattern, but other counties reported the same or somewhat higher employment levels led by Mayes County where more than 500 additional workers found employment. With regard to the unemployment rate, the percentage of unemployed persons generally dropped in August and increased in September ending the quarter somewhat lower than it started. Although the unemployment rate in Nowata County dropped over the quarter, it still had the highest unemployment rate at 6.2 percent. The lowest unemployment rate was in Rogers County. During the quarter, Rogers County unemployment rate dropped slightly from 4.2 percent to 4.0 percent while the number of employed workers fell from 37,640 to 36,170.

This suggests that some workers dropped out of the labor force or moved out of Rogers County. Similar patterns were observed for Oklahoma and for the United States.

**Table 8: Labor Market Information**

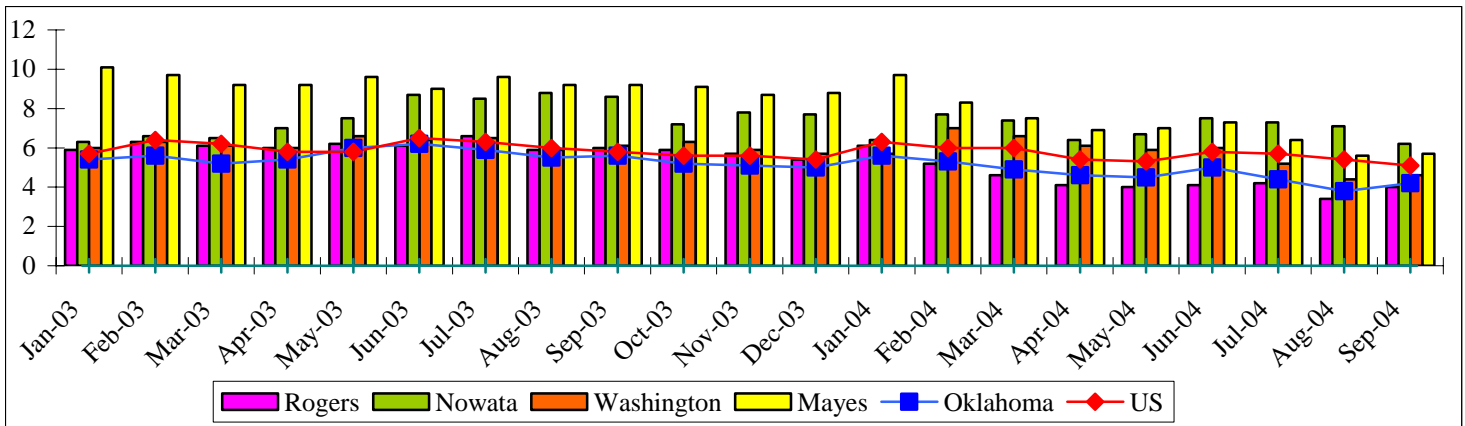
Area	July		August		September	
	UR*	Employed	UR*	Employed	UR*	Employed
Mayes	6.4	13,400	5.6	13,160	5.7	13,930
Nowata	7.3	3,880	7.1	3,840	6.2	3,880
Rogers	4.2	37,640	3.4	36,630	4.0	36,170
Washington	5.2	19,340	4.4	19,240	4.6	19,400
Oklahoma	4.4	1,653,000	3.8	1,636,100	4.2	1,633,300
USA	5.7	140,700,000	5.4	140,226,000	5.1	139,641,000

Source: Oklahoma Employment Security Commission

\* Unemployment Rate

Figure 5 shows that the unemployment rates since January 2003 have fluctuated but generally moved lower especially in Mayes County.

**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 Marche for his analysis and interpretation of the data

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