

# Economic Indicators

*Economic Indicators* is a quarterly 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) a technology and business incubator, (2) entrepreneurial training, (3) small business counseling services, and (4) economic, demographic, and social research related to economic development.

## Sales Tax Collections

Table 1 shows the sales tax revenue collected in Claremore and in Rogers County for the first nine months of the fiscal year ending June 30, 2009.

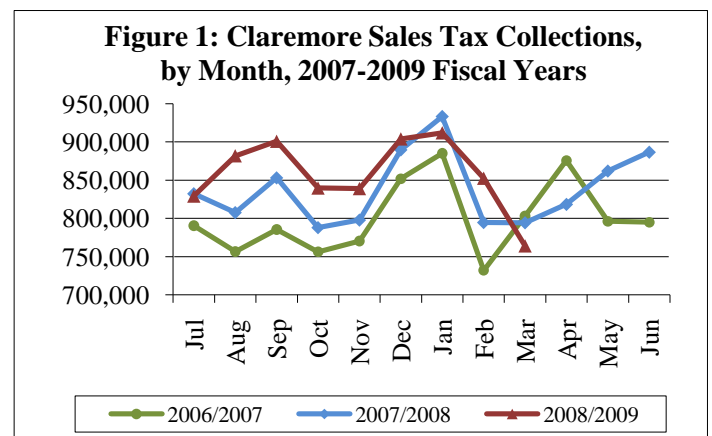
**Table 1: Sales Tax Collections for Claremore & Rogers County, Fiscal Year-To-Date**

Fiscal YTD	2007/2008	2008/2009	% Change
Claremore	\$7,490,678	\$7,722,893	3.10%
Rogers County	\$8,291,206	\$7,445,463	-10.20%

Source: Oklahoma Tax Commission

Sales tax collections for Claremore have increased 3.1% while those for Rogers County declined 10.2% when compared to the same three quarters one year ago. The decline in sales tax revenue for Rogers County is attributed to a large payment for back taxes paid by one business at the Port in July of 2007. The single payment for back taxes distorts the revenue comparison somewhat for Rogers County, however, monthly tax revenue increased during only five of the nine months. Monthly collections in Claremore increased during six of the first nine months of the fiscal year as illustrated in

Figure 1. However sales tax revenue was down two of the months in the third quarter, January and March. The local economy is slowing down when measured by the sales tax collections. Sales tax revenues are not adjusted for seasonal changes or inflation. Monthly collections are reported during the month the revenue is received by the Oklahoma Tax Commission. The sales taxes are from consumer purchases reported by the merchants during the previous month.



Source: Oklahoma Tax Commission

## NE Oklahoma Sales Tax Collections

Table 2 presents the sales tax collections for 18 cities in northeastern Oklahoma from July 1, 2008 through March 31, 2009. Catoosa had the largest percentage increase in revenue (16.6%) and Muskogee had the largest decrease in sales tax revenue (-10.8%). New retail developments in Catoosa have contributed to the growth there while the decrease in Muskogee is largely due to a reduction in the city tax rate. Revenue from the 18 cities increased by 2.3% during the first three

quarters of the fiscal year compared to one year ago. The largest increase in collections was in Tulsa where revenue increased by \$5.9 million followed by Broken Arrow where revenue increased by \$0.9 million. Owasso was third with \$0.6 million, Catoosa was 4<sup>th</sup> with \$0.3 million, Claremore was 5<sup>th</sup> with \$0.2 million. Sales tax revenue for Muskogee declined \$1.9 million over the first nine months of the current fiscal year.

**Table 2: Sales Tax Collections for Northeastern Oklahoma Cities, Fiscal-Year-To-Date**

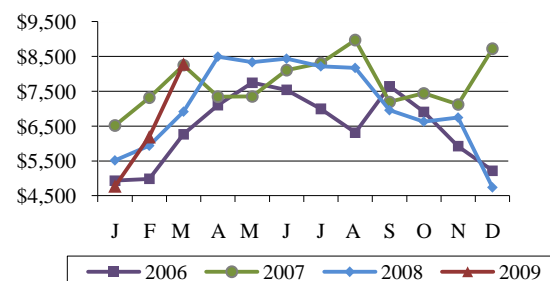
City	State Tax Rate (percent)	County Tax Rate (percent)	City Tax Rate (percent)	Total Tax Rate (percent)	2007/2008 Fiscal Year-to-Date	2008/2009 Fiscal Year-to-Date	Percent Change
Bartlesville	4.5	0.500	3.00	8.00	\$11,842,028	\$11,970,192	1.1%
Bixby	4.5	1.017	3.50	9.02	\$5,279,536	\$5,401,243	2.3%
Broken Arrow	4.5	1.017	3.00	8.52	\$22,031,329	\$22,958,772	4.2%
Catoosa	4.5	1.500	3.25	9.25	\$1,933,982	\$2,255,646	16.6%
Claremore	4.5	1.500	3.00	9.00	\$7,490,678	\$7,722,893	3.1%
Grove	4.5	0.900	3.40	8.80	\$4,300,902	\$4,427,115	2.9%
Jenks	4.5	1.017	3.00	8.52	\$3,119,047	\$3,151,908	1.1%
Miami	4.5	1.350	3.00	8.85	\$3,858,264	\$3,891,239	0.9%
Muskogee	4.5	0.650	3.50	8.65	\$17,639,096	\$15,733,493	-10.8%
Nowata	4.5	2.000	3.00	9.50	\$623,091	\$579,792	-6.9%
Okmulgee	4.5	1.000	4.00	9.50	\$4,677,009	\$4,770,795	2.0%
Owasso	4.5	1.017	3.00	8.52	\$12,457,639	\$13,057,115	4.8%
Pryor	4.5	1.375	3.75	9.63	\$5,296,151	\$5,186,511	-2.1%
Sand Springs	4.5	1.017	3.50	9.02	\$7,387,657	\$7,476,185	1.2%
Sapulpa	4.5	1.000	4.00	9.50	\$8,894,052	\$8,771,179	-1.4%
Tahlequah	4.5	2.000	2.50	9.00	\$4,906,736	\$5,005,648	2.0%
Tulsa	4.5	1.017	3.00	8.52	\$157,393,604	\$163,314,066	3.8%
Vinita	4.5	2.000	3.00	9.50	\$2,094,627	\$2,080,177	-0.7%

Source: Oklahoma Tax Commission

## Lodging Tax Collections

Lodging taxes collected in Claremore declined from July of 2008 until February of 2009 as illustrated in Figure 2. In February and March, collections exceeded revenue from the same period in 2008. After several years of increasing revenue, collections in 2008 were down 8.1%. The collections for the first quarter of 2009 are up almost 5% over the first quarter of 2008. In fact, the March collections were the highest for the month of March since the tax collection started some 8 years ago.

**Figure 2: Lodging Tax Collections for Claremore, 2006-2009**



Source: Oklahoma Tax Commission

Claremore hosted several events in March that attracted out of town visitors including the Women’s Expo and Taste of Home Cooking, the Dog Iron Classic Dog Show, the RSU Centennial Celebration, and the Elks Lodge Chili Cook-off. In addition, some visiting athletic teams playing RSU stayed overnight in Claremore. In February, several events including the Hunting, Fishing, and Tackle Show and a wrestling tournament contributed to an increase in the monthly lodging tax collection. If any of the motels increased its room rates, the taxes would tend to rise as well since lodging taxes are a percentage of the room rate. Given the overall slowdown in the economy, the increase in lodging revenue is positive news.

**Electric and Water Meters**

Table 3 lists Claremore’s average number of residential and commercial electric meters for the first quarter of 2009 along with the percentage change relative to the same period of 2008 (Inside and Outside refers to the location of a customer’s meter, i.e. inside or outside Claremore’s city limits).

**Table 3: Average Number of Electric Meters, Serviced by the City of Claremore, 2008-2009**

First Quarter				
City Limits	Commercial		Residential	
	2009	Change 2008/09	2009	Change 2008/09
Inside	7,607	0.8%	1,210	1.5%
Outside	2,217	1.4%	207	2.5%

Source: City of Claremore

According to the data provided by the City of Claremore, there was an average of 7,607 meters connected to residences within the city limits during the first quarter of 2009. The number of residences within the city limits served by Claremore Electric increased 0.8% since the first quarter of 2008. The number of residences served outside the city limits increased by 1.4%. The increase in electrical meters suggests that the number of residences is increasing more rapidly outside the city limits than within the city limits. Data for commercial establishments suggests the same pattern; meters connected to commercial establishments located outside the city limits increased by 2.5% compared

with 1.5% increase for commercial establishments within the city limits. Changes in the number of active electric meters suggest that both the number of residences and commercial establishments grew more rapidly outside the city limits compared to the growth within the city limits.

Data on the number of active water meters in Claremore for the first quarter of 2009 relative to the first quarter of 2008 are presented in Table 4. The average number of residential water meters within the city limits had a minimal increase of 0.2%. In contrast, the number of water meters for residences outside the city limits actually decreased by 3.4%.

**Table 4: Average Number of Water Meters, Serviced by the City of Claremore, 2008-2009**

City Limits	First Quarter			
	Residential		Commercial	
	2009	Change 2008/09	2008	Change 2008/09
Inside	6,518.7	0.2%	928.3	-0.2%
Outside	114.3	-3.4%	25.0	-2.3%

Source: City of Claremore

Likewise the number of meters for commercial establishments decreased regardless of location. In summary, the changes in the number of electrical meters suggest some growth outside the city limits whereas the data for water meters suggest the opposite, no growth or even declining numbers outside the city. Since the change in the number of meters is very small, the reader should use caution in interpreting the data. For example, the number of commercial meters within the city limits declined from an average of 930 meters in 2008 to 928 in 2009 or a change of only 2 meters. Because rural water districts serve many areas outside the city limits, the same customer may not receive water from the city although he receives electrical service from the city.

**Building Permits**

The number of building permits issued by the City of Catoosa, the City of Claremore, and Rogers County are reported in Table 5. The values of the permits are reported in Table 6. The number of residential permits issued by the City of Catoosa

declined slightly during the first quarter of the 2009 calendar year, however, the value of permits fell dramatically from \$588K to only \$11K. In contrast, the number of commercial permits issued by Catoosa increased three fold, but the value only increased from \$376K to \$491K. Many of the commercial permits in Catoosa were related to signage at the Shops at the Gathering. Perhaps the most noteworthy change was in the commercial sector in Claremore where both the number and value of permits dropped radically from one year ago.

**Table 5: Total Number of Permits, First Quarter, 2009**

Area	Residential		Commercial		Industrial	
	2008	2009	2008	2009	2008	2009
Catoosa	9	7	6	18	0	0
Claremore	11	15	14	5	1	1
Rogers	102	51	2	7	5	0

Source: Catoosa, Claremore, and Rogers County Planning Commissions

The number of commercial permits dropped from 14 to 5 while the value declined from \$10.6 million to \$2.8 million. While the commercial sector in Claremore experienced a major decline in construction activity, the residential sector actually grew slightly.

**Table 6: Total Monetary Value of Permits, First Quarter, 2009**

Area	Residential		Commercial		Industrial	
	2008	2009	2008	2009	2008	2009
Catoosa	588	11	376	491	0	0
Claremore	1,366	1,430	10,601	2,809	200	250
Rogers	12,546	8,182	158	1,098	516	0

Source: Catoosa, Claremore, and Rogers County Planning Commissions

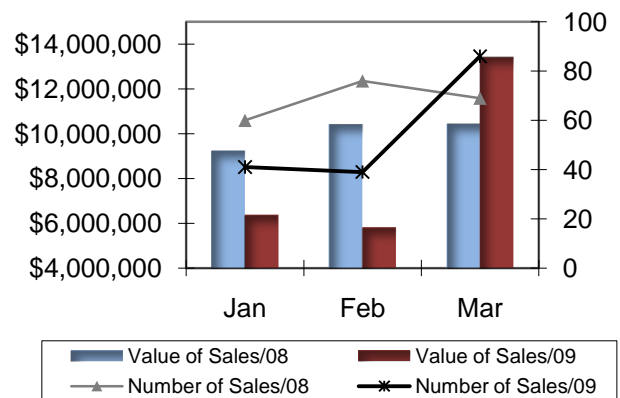
\*Figures are rounded and in thousands of dollars

Residential construction permits issued for areas outside of Claremore did not share in the increase. Residential construction permits in the smaller towns and rural areas of Rogers County dropped by 50% and the value of those permits dropped by 35%. In summary, residential construction outside of Claremore was very weak while residential construction in Claremore continued with modest growth. Commercial construction on the other hand dropped drastically during the first quarter of 2009 in Claremore.

**Real Estate**

The numbers of residential units sold monthly during the third quarter for Rogers County and the sales value of those units are illustrated in Figure 3. The first two months shows a decrease in both the number and total value of homes sold within the county. The largest decrease was in February where the number and total value fell around 50% compared to February of 2008. The number and value of home sales for March 2009 rebounded exceeding the sales figures for March 2008.

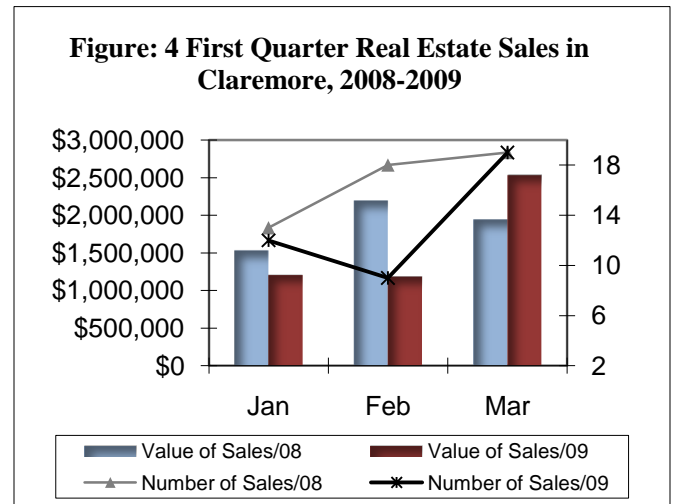
**Figure 3: Real Estate Sales in Rogers County, First Quarter 2008-2009**



Source Rogers County Real Estate Association

Figure 4 illustrates the real estate sales within Claremore. Real estate sales in Claremore followed the same basic pattern as the County. The number and value of sales declined in January and February. The number of homes sold in Claremore in March 2009 was the same as March 2008, however, the value of those sales rose from \$1,943,846 to \$2,533,650. Overall the number of single family residential units sold during the first quarter of 2009 declined by approximately 20% in Claremore and in Rogers County compared with the first quarter of 2008. Similarly, the total value of the residential units sold declined by approximately 14% in Claremore and in Rogers County. Although both the number of homes sold and the total value of the homes sold declined in the first quarter, the number of homes sold declined more rapidly. Hence, the median value of the homes sold in Claremore

increased in the first quarter of 2009 (\$113,500) compared to the first quarter of 2008 (\$106,000). The median price of homes sold in Rogers County (including Claremore) increased from \$122,900 in the first quarter of 2008 to \$131,000 for the same period in 2009. In summary the numbers of homes sold in Claremore and Rogers Country dropped significantly in the first quarter of 2009 relative to one year earlier but home prices have increased.



Source: Rogers County Real Estate Association

**Labor Market Information**

Table 7 shows the labor market conditions for seven counties in northeastern Oklahoma plus those of the state and nation. The unemployment rate for the United States was consistently higher than the rates for Oklahoma and the seven counties. This pattern has persisted over the past two years. For the first time in several years, however, the unemployment rates in northeastern Oklahoma counties were higher than the state average. Only Craig and Washington Counties had unemployment rates that were lower than the average for the State of Oklahoma. During the first quarter of 2009, unemployment rates increased for all counties

except Delaware County where the unemployment rate fell from 6.9% in January to 6.6% in March. The highest unemployment rate was found in Mayes and Nowata Counties where the rate reached 8.9% and 8.2% respectively in March 2009. In January there were 127,080 persons employed in the 7 counties and only 100 fewer persons were employed in March of 2009. The number of people entering the labor force increased while the number of jobs went down slightly causing a rise in the unemployment rate. The lowest unemployment rate was found in Washington County (5.1) followed by Craig (5.6).

**Table 7: Labor Market Conditions, by County First Quarter 2009**

Area	January-09		February-09		March-09	
	Unemployment Rate	Employed	Unemployment Rate	Employed	Unemployment Rate	Employed
Craig	5.4	7,030	5.6	6,940	5.6	6,960
Delaware	6.9	17,370	7.0	17,370	6.6	17,580
Mayes	8.5	16,970	8.9	16,980	8.9	17,130
Nowata	7.5	4,740	8.5	4,650	8.2	4,660
Ottawa	6.8	16,600	7.0	16,520	7.1	16,620
Rogers	5.6	38,240	6.3	37,830	6.4	38,050
Washington	4.4	26,130	5.1	25,920	5.1	25,980
Oklahoma	5.6	1,648,970	6.0	1,639,130	6.1	1,646,780
USA	8.5	140,436,000	8.9	140,105,000	9.0	139,833,000

Source: Oklahoma Employment Security Commission

## RSU Innovation Center Establishes New Business Intelligence Center

Rogers State University has established a Business Intelligence Center to provide competitive intelligence research through industry resources and databases. The Business Intelligence Center promotes economic development in northeastern Oklahoma by providing technical assistance to:

- Small Businesses
- Manufacturers
- Agricultural Producers
- Tourism Industry

### Why a Business Intelligence Center?

Small businesses in rural areas must find ways to add value to their services and products and to locate new markets for their goods and services. The Business Intelligence Center helps businesses in northeast Oklahoma capture more value and sell their products to new places. These businesses have a need for reliable answers to important questions they are facing such as:

- What is our market share and how can we increase it?
- How will our existing customers respond to a new product or service?
- How can we attract new customer segments?
- Where is our competition located?
- Where are our customers located?
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- Where are our customers located?

### What Can We Do For Your Business?

With the Innovation Center's databases, resources and expertise, businesses can receive help in the form of marketing research, competitive analysis, business plan review, marketing and strategic

planning, financial analysis and prospect lists, just to name a few. The services provided will vary from business to business, depending on the individual business needs. These services are possible through subscriptions to powerful databases and corporate research tools that most businesses don't normally use nor have access to. Utilization of these tools allows us to help your business:

- Increase sales
- Find new markets
- Identify competition
- Find new vendors
- Improve market share
- Add value
- Expand production
- Create and maintain jobs

### How Does it Work?

1. Contact the Innovation Center and let us know you are interested in utilizing the Business Intelligence Center
2. You will be asked to provide some information about your business such as a list of current customers and known competitors, company financials, and a business plan. These will help the Innovation Center staff with your business review.
3. The Center's staff will research areas of interest to help identify industry information, competition, customers, and prospects.
4. The Center will schedule a business review meeting to discuss results and recommend a strategy for implementation.

### Partners

The Business Intelligence Center has been made possible by a collaborative effort between RSU's Innovation Center, RCB Bank, FHL Bank, Claremore Industrial and Economic Development Authority (CIEDA) and the Oklahoma Alliance for Manufacturing Excellence.



Space is now available to accommodate technology-oriented companies in the start-up phase or early stages of development.

Located in the newest and most comprehensive entrepreneurial center in northeastern Oklahoma, the Innovation Center provides resources and services to help bring innovative business ideas to life. Facilities are available in Bartlesville and Claremore.

*Find out how the Innovation Center  
can help turn your vision into a reality!*

### **Services**

- Business Counseling
- Receptionist
- Back Office Equipment
- Video Conferencing
- RSU Resources
- Research
- Broadband Internet

### **Facilities**

- New Construction
- Private Offices
- Light Manufacturing
- Wet Labs
- Meeting Rooms
- Reception Area
- Library
- Conference Room

### **Benefits**

- Increased Likelihood of Business Success
- Cost Savings
- State Tax Incentives
- Networking Opportunities
- Technical Assistance
- Individualized Training



Rogers State University established the Innovation Center 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.

**Rogers State University does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, or status as a veteran in any of its policies, practices, or procedures. This includes, but is not limited to admissions, employment, financial aid, and educational service. 300 copies of this publication have been printed at a cost of \$305.00.**

The Center is also a regional research and community data center. The Oklahoma Department of Commerce had designated the Center as an affiliate of the Business and Industry Data Center Program (BIDC). As an affiliate of the BIDC, the Center provides information, training, and technical assistance to government, academic, and other non-profit organizations that directly serve business. In addition, the Center also conducts applied research that focuses on the regional economy and population of northeastern Oklahoma. The Center can also assist businesses with feasibility and marketing studies as well as survey research services. For additional information on available services, contact:

**Ray Brown**

Vice President of Economic & Community Development

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