



**WILLIAM S.**  
Spears School  
**OF BUSINESS**

# *The Oklahoma Economy*

## 2008 Oklahoma Economic Outlook



*Stillwater Micropolitan  
Area*

*Economic Performance Index*

Center for Applied Economic Research  
Spears School of Business  
Oklahoma State University

Released 1/20/2008

The 2008 Oklahoma Economic Outlook is  
available online at [economy.okstate.edu](http://economy.okstate.edu)



### Stillwater Micropolitan Area / Payne County, OK

by Suzette Barta

#### Forecast Summary

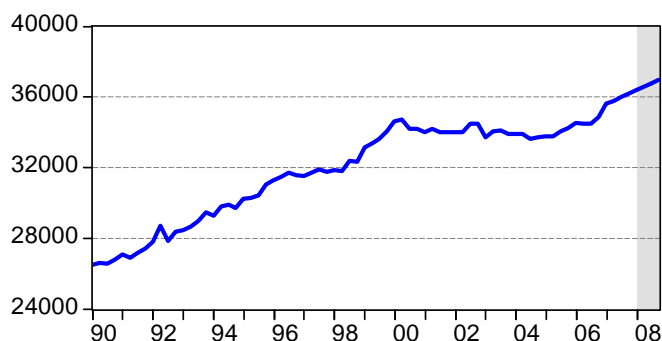
- Stillwater continues to extend the surge in economic growth that has been underway since 2005.
- Employment growth is expected to reach 4.8% for all of 2007 (1,650 jobs) and then slow to 2.1% growth (750 jobs) next year.
- Stillwater is expected to continue to outpace the state in job growth in 2008.
- State government is expected to add the largest number of jobs (215) in 2008, with a growth rate of 1.9%.
- The fastest job growth rate forecasted for 2008 is in mining, which should grow by 11.7% and add nearly 150 jobs. While this is slower than the growth witnessed in 2006 (250 new jobs) and 2007 (400 new jobs), it still outpaces the state which is expected to add mining jobs in 2008 at a rate of only 3.5%.
- As the retail center of the region, taxable sales in the city and county are expected to remain strong. Lead by recent retail construction and a strong accommodation and food services sector, city retail sales are forecasted to grow by 4.9% for 2008.

#### Review of 2007

While the state economy began to exhibit some distinct softness in 2007, Stillwater's economy continued to show significant growth. Jobs growth is expected to reach an annual rate of 4.8% for all of 2007 - the highest rate in recent history. This translates into 1,650 new jobs in the Stillwater area in 2007. One-third (560) of the new jobs were in state government and another one-third (540) were in leisure and hospitality. The sector with the fastest rate of growth for 2007 is mining (oil and gas) which added more than 400 new jobs for a growth rate of 48.7% in 2007. This followed growth in mining of 43.7% in 2006. Retail is the only sector in Stillwater that shows a significant loss of jobs for 2007. Following a lackluster growth year in 2006, retail hiring in this sector declined by an estimated 5.8% (220 jobs) for 2007, reflecting the ongoing efficiency gains enjoyed by retailers.

Growth in wage and salary income has been very strong in Stillwater since 2005, increasing by 10.0% in 2005, 9.1% in 2006, and an expected 7.5% pace for all of 2007. Growth in taxable retail sales for Stillwater peaked in 2006 with 7.8% growth, and sales are expected to grow by 5.3% for all of 2007.

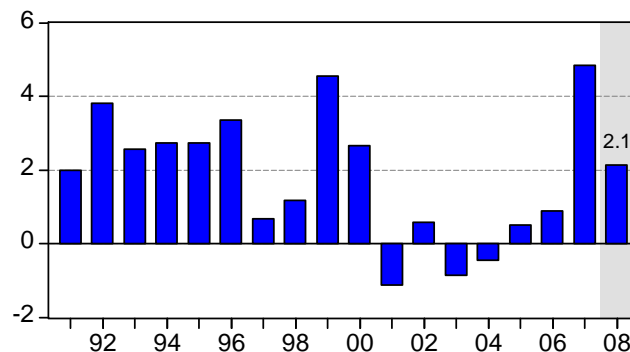
**Stillwater Micropolitan Area Wage & Salary Employment**  
(Seasonally Adjusted)



#### 2008 Stillwater Economic Outlook

Our 2008 outlook suggests that job growth will continue at a rapid pace in 2008, but will slow to about half the rate (2.1%, 750 jobs) enjoyed in 2007. The Stillwater region will not be able to ignore the overall slowing at the state level and will inevitably pull back from the unsustainably rapid growth of 2007. While this does represent an easing for Stillwater, it still outpaces state job growth which is forecasted to be 1.3% for 2008.

**Stillwater Micropolitan Area Wage & Salary Employment**  
(Percent Change, Annual Rate)



Job growth for 2008 is expected to be broad based and should include 215 new jobs in state government, 150

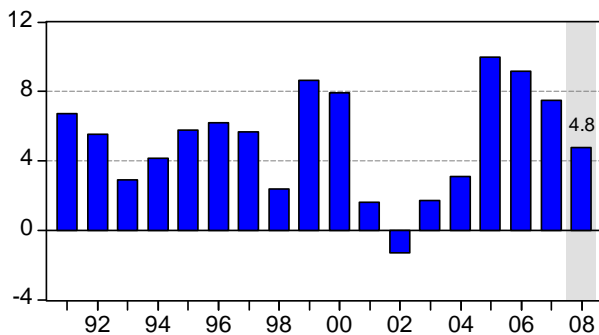


in mining, 85 in administrative, support, and waste management (temporary jobs), 65 in health services, 60 in leisure and hospitality, and 45 in construction.

The rapid growth in wage and salary earnings enjoyed by Stillwater since 2005 is forecasted to ease for 2008. Wage and salary income, which grew by 7.5% for all of 2007, will reflect the slowing in job formation and is expected to grow by 4.8% for 2008. This will put Stillwater area income growth slightly above the state, which is forecasted to experience growth of 4.3% for 2008, and should bring Payne County's per capita income up to 80.0% of the state's level. The solid income growth is reflected in Stillwater's retail sales which grew by 5.3% for all of 2007 and are forecasted to grow by 4.9% for 2008.

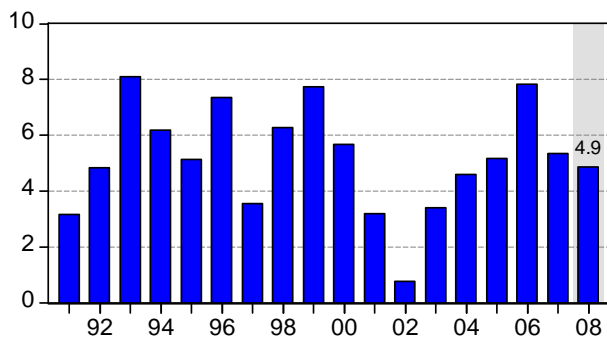
#### Stillwater Micropolitan Area Wage & Salary Earnings

(Percent Change, Annual Rate)



#### Growth in Stillwater Taxable Retail Sales

(Percent Change, Annual Rate)



### Major Industry Sectors in 2008

- The resilient local manufacturing sector added a small number of new jobs in 2007 and should show modest growth in 2008. However, any positive growth is strong relative to the state which is expected to shed manufacturing jobs at a rate of -0.3% for 2008. Nationally, the manufacturing sector is expected to lose jobs at a rate of -1.7%.
- Construction is another sector that is being hit hard at the national level. This is due, in part, to woes in the

sub-prime mortgage market which have depressed housing nationwide. Because our state has relatively few sub-prime loans in comparison, the impact in Oklahoma has been limited. The state should continue to post marginal gains in construction employment for 2008 (0.6%). Ongoing large-scale construction projects in Stillwater should allow the region to do significantly better, with growth of 3.0% forecasted for 2008.

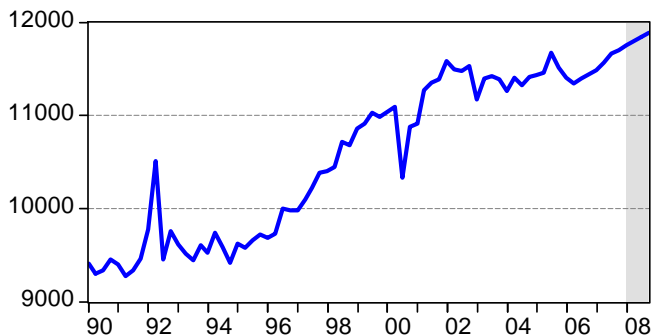
- Hiring in the real estate, rental, and leasing sector posted double-digit growth rates in 2004 and 2005 before slowing to 3.6% growth for 2006 and then 0.7% for 2007. We expect the sector to reflect some hiring weakness and expand only slightly again (0.6%) in 2008.
- The finance and insurance sector has added jobs every year since 1992 and should add jobs again next year. Our forecast is for a 3.1% gain (25 jobs) for all of 2007, and for a 2.7% gain (20 jobs) in 2008.
- The historically strong health services sector in Stillwater saw a mild decline in hiring (-0.4%) in 2006. An additional loss of 45 jobs (-2.0%) is expected for all of 2007. Growth in health services hiring is expected to resume in 2008 as an estimated 65 health services jobs are added.
- Following two years of job losses, the accommodation and food services sector rebounded in 2006, adding 125 jobs. The recovery continued in 2007, with 485 new jobs added (16.3%). A more sustainable growth rate of 1.2% is forecasted for 2008 as the sector consolidates recent hires.
- Hiring in the retail trade sector took a tumble for 2007, losing 220 jobs for a loss rate of -5.8%. Only a small rebound is expected as the sector stabilizes and records minor job gains (0.7%) for 2008. National trends of increased automation and increased productivity limit potential growth in the sector.
- The surprising boom in mining employment, which started in 2006, continued throughout 2007. Mining jobs have more than doubled since 2005, bringing the current total to more than 1,200. In 2007 alone, more than 400 mining jobs were added (48.7%). Our forecast is for continued growth of 11.7% (146 jobs) for 2008. The state is similarly expected to experience slower mining growth (3.5%) for 2008 - down from 11.0% in 2007.

## State Government: Impact of OSU

State government, largely Oklahoma State University, accounts for nearly one-third of all Stillwater area jobs. Forecasting job growth in a town with a major university is complicated by the fact that universities in general have a countercyclical relationship with the local economy. During economic slowdowns, enrollments at universities will increase as job seekers work to increase their marketability in a tight labor market. For example, Oklahoma's last recession occurred in the 2001-2003 period and enrollment at Oklahoma State University increased by nearly 1,800 students during those years. An additional increase in 2004 pushed enrollment to a twenty-year high of 23,626 students. These enrollment gains provided strong economic stimulus locally and helped offset much of the hiring weakness in state government in the period, allowing Stillwater to outperform the state. Since 2004, the state's economy recovered and enrollment at OSU peaked and declined slightly. The decline, however, has not been drastic and represents only about 600 students from 2004 to 2007.

### Payne County State Government Employment

(Seasonally Adjusted)



State government hiring in Stillwater remained mostly flat between 2002 and 2006, despite the state job recession ending in late 2003. Hiring expanded rapidly in 2007 as the sector added more than 550 jobs. Our forecast calls for state government employment to increase 1.9% in Stillwater for 2008, or 215 new jobs. Thus, more than a quarter of the new jobs forecasted for the Stillwater area in 2008 should come from state government.

The expected growth rate is much slower than 2007 and reflects uncertainty over the university budget for the second half of 2008. University-related employment tends to fluctuate along with the overall state budget and only loosely tracks broader economic conditions. Declining state income tax revenue due to

cuts in marginal tax rates in recent years will limit total spending at the state level and likely impact OSU's budget in the second half of 2008.

## Forecast Summary

While slowing economic conditions at the state level have cooled Stillwater's growth spurt of 2006 and 2007, the micropolitan area is still on track for a strong 2008. Robust job growth of 4.8% (1,650 jobs) for 2007 should be followed by 2.1% growth (750 jobs) in 2008. Most major industry sectors are expected to add jobs next year. State government hiring will continue to be an important stimulus to the local economy, but the mining sector continues to surprise as our forecast calls for continued double-digit growth in 2008. Hiring in construction, health services, leisure and hospitality, and temporary jobs should also add significant numbers of new jobs next year.

*Suzette Barta is a Research Economist in the Spears School of Business at Oklahoma State University-Stillwater.*

**Stillwater Micropolitan Area / Payne County, Oklahoma**  
**Wage & Salary Employment (QCEW Survey, Seasonally adjusted)**

Sector		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007e	2008f
<b>Total Wage &amp; Salary Employment</b>		<b>32,088</b>	<b>33,549</b>	<b>34,440</b>	<b>34,049</b>	<b>34,245</b>	<b>33,949</b>	<b>33,792</b>	<b>33,961</b>	<b>34,261</b>	<b>35,917</b>	<b>36,683</b>
		1.2%	4.6%	2.7%	-1.1%	0.6%	-0.9%	-0.5%	0.5%	0.9%	4.8%	2.1%
Goods	<b>Agriculture, Forestry, Fishing, and Hunting</b>	<b>43</b>	<b>38</b>	<b>41</b>	<b>45</b>	<b>44</b>	<b>44</b>	<b>47</b>	<b>50</b>	<b>57</b>	<b>66</b>	<b>65</b>
		1.3%	-11.0%	7.9%	11.0%	-2.4%	-1.6%	7.7%	7.3%	12.3%	17.1%	-2.3%
	<b>Mining</b>	<b>312</b>	<b>279</b>	<b>328</b>	<b>421</b>	<b>468</b>	<b>459</b>	<b>538</b>	<b>582</b>	<b>837</b>	<b>1,244</b>	<b>1,390</b>
		13.4%	-10.7%	17.6%	28.4%	11.1%	-1.8%	17.2%	8.1%	43.7%	48.7%	11.7%
	<b>Construction</b>	<b>912</b>	<b>1,086</b>	<b>1,110</b>	<b>1,227</b>	<b>1,228</b>	<b>1,294</b>	<b>1,304</b>	<b>1,275</b>	<b>1,361</b>	<b>1,505</b>	<b>1,550</b>
	6.5%	19.1%	2.1%	10.6%	0.1%	5.4%	0.8%	-2.2%	6.7%	10.6%	3.0%	
	<b>Manufacturing</b>	<b>2,532</b>	<b>2,478</b>	<b>2,555</b>	<b>2,310</b>	<b>2,206</b>	<b>2,558</b>	<b>2,553</b>	<b>2,619</b>	<b>2,620</b>	<b>2,632</b>	<b>2,636</b>
		-8.2%	-2.1%	3.1%	-9.6%	-4.5%	16.0%	-0.2%	2.6%	0.0%	0.5%	0.2%
Private	<b>Trade, Transportation, &amp; Utilities</b>	<b>4,471</b>	<b>4,827</b>	<b>5,230</b>	<b>5,233</b>	<b>5,090</b>	<b>4,712</b>	<b>4,459</b>	<b>4,512</b>	<b>4,599</b>	<b>4,425</b>	<b>4,457</b>
		0.9%	7.9%	8.4%	0.0%	-2.7%	-7.4%	-5.4%	1.2%	1.9%	-3.8%	0.7%
	Wholesale Trade	<b>600</b>	<b>639</b>	<b>760</b>	<b>860</b>	<b>814</b>	<b>543</b>	<b>496</b>	<b>356</b>	<b>423</b>	<b>452</b>	<b>459</b>
		-1.7%	6.5%	19.0%	13.1%	-5.3%	-33.3%	-8.8%	-28.1%	18.6%	6.9%	1.5%
	Retail Trade	<b>3,501</b>	<b>3,842</b>	<b>4,186</b>	<b>4,091</b>	<b>3,980</b>	<b>3,846</b>	<b>3,620</b>	<b>3,801</b>	<b>3,825</b>	<b>3,604</b>	<b>3,629</b>
		1.5%	9.7%	8.9%	-2.3%	-2.7%	-3.4%	-5.9%	5.0%	0.6%	-5.8%	0.7%
	Transportation & Warehousing	<b>251</b>	<b>227</b>	<b>167</b>	<b>162</b>	<b>168</b>	<b>192</b>	<b>221</b>	<b>233</b>	<b>224</b>	<b>240</b>	<b>239</b>
		2.6%	-9.4%	-26.7%	-2.6%	3.4%	14.4%	15.0%	5.4%	-3.6%	7.0%	-0.4%
	Utilities	<b>120</b>	<b>118</b>	<b>118</b>	<b>120</b>	<b>129</b>	<b>130</b>	<b>122</b>	<b>122</b>	<b>127</b>	<b>129</b>	<b>130</b>
		-4.3%	-1.1%	-0.6%	1.6%	7.6%	1.3%	-5.9%	-0.2%	3.8%	1.6%	0.7%
	<b>Information</b>	<b>242</b>	<b>303</b>	<b>302</b>	<b>298</b>	<b>307</b>	<b>297</b>	<b>271</b>	<b>242</b>	<b>261</b>	<b>276</b>	<b>276</b>
		-26.6%	25.3%	-0.4%	-1.2%	2.8%	-3.0%	-8.8%	-11.0%	8.2%	5.7%	-0.1%
	<b>Financial Activities</b>	<b>911</b>	<b>922</b>	<b>893</b>	<b>910</b>	<b>965</b>	<b>985</b>	<b>1,040</b>	<b>1,107</b>	<b>1,171</b>	<b>1,198</b>	<b>1,222</b>
		0.6%	1.1%	-3.1%	1.9%	6.0%	2.0%	5.6%	6.5%	5.8%	2.3%	2.0%
	Finance & Insurance	<b>642</b>	<b>654</b>	<b>656</b>	<b>673</b>	<b>689</b>	<b>698</b>	<b>716</b>	<b>727</b>	<b>778</b>	<b>802</b>	<b>823</b>
		0.8%	1.8%	0.4%	2.5%	2.3%	1.4%	2.6%	1.7%	6.9%	3.1%	2.7%
	Real Estate, Rental & Leasing	<b>269</b>	<b>268</b>	<b>237</b>	<b>238</b>	<b>277</b>	<b>287</b>	<b>324</b>	<b>380</b>	<b>393</b>	<b>396</b>	<b>398</b>
		-0.1%	-0.6%	-11.5%	0.4%	16.5%	3.6%	12.9%	17.1%	3.6%	0.7%	0.6%
	<b>Professional &amp; Business Services</b>	<b>2,731</b>	<b>2,882</b>	<b>2,940</b>	<b>2,256</b>	<b>2,023</b>	<b>1,876</b>	<b>1,791</b>	<b>1,685</b>	<b>1,724</b>	<b>1,775</b>	<b>1,867</b>
		6.8%	5.5%	2.0%	-23.3%	-10.3%	-7.3%	-4.5%	-5.9%	2.3%	3.0%	5.2%
	Professional, Scientific, & Technical	<b>968</b>	<b>950</b>	<b>901</b>	<b>875</b>	<b>903</b>	<b>799</b>	<b>811</b>	<b>815</b>	<b>864</b>	<b>852</b>	<b>855</b>
		4.6%	-1.9%	-5.2%	-2.8%	3.2%	-11.5%	1.5%	0.4%	6.1%	-1.3%	0.3%
Mgt. of Companies & Enterprises	<b>26</b>	<b>24</b>	<b>22</b>	<b>25</b>	<b>27</b>	<b>26</b>	<b>37</b>	<b>44</b>	<b>49</b>	<b>49</b>	<b>55</b>	
	19.4%	-10.5%	-8.6%	15.8%	8.8%	-3.5%	41.2%	17.3%	11.6%	1.5%	10.6%	
Admin., Support, & Waste Mgt.	<b>1,736</b>	<b>1,908</b>	<b>2,018</b>	<b>1,356</b>	<b>1,093</b>	<b>1,050</b>	<b>943</b>	<b>827</b>	<b>812</b>	<b>873</b>	<b>958</b>	
	7.9%	9.9%	5.7%	-32.8%	-19.4%	-3.9%	-10.3%	-12.2%	-1.9%	7.6%	9.7%	
<b>Education &amp; Health Services</b>	<b>1,830</b>	<b>1,864</b>	<b>1,862</b>	<b>2,020</b>	<b>2,236</b>	<b>2,250</b>	<b>2,321</b>	<b>2,390</b>	<b>2,392</b>	<b>2,364</b>	<b>2,433</b>	
	2.0%	1.8%	-0.1%	8.5%	10.7%	0.6%	3.1%	3.0%	0.1%	-1.2%	2.9%	
Educational Services	<b>71</b>	<b>66</b>	<b>53</b>	<b>106</b>	<b>247</b>	<b>220</b>	<b>228</b>	<b>199</b>	<b>209</b>	<b>225</b>	<b>230</b>	
	58.6%	-7.4%	-18.5%	99.3%	132.3%	-11.2%	3.9%	-12.7%	5.0%	7.3%	2.4%	
Health Care & Social Assistance	<b>1,759</b>	<b>1,798</b>	<b>1,809</b>	<b>1,913</b>	<b>1,989</b>	<b>2,031</b>	<b>2,092</b>	<b>2,191</b>	<b>2,182</b>	<b>2,139</b>	<b>2,203</b>	
	0.6%	2.2%	0.6%	5.8%	3.9%	2.1%	3.0%	4.7%	-0.4%	-2.0%	3.0%	
<b>Leisure &amp; Hospitality</b>	<b>3,075</b>	<b>3,217</b>	<b>3,382</b>	<b>3,252</b>	<b>3,262</b>	<b>3,301</b>	<b>3,264</b>	<b>3,110</b>	<b>3,302</b>	<b>3,841</b>	<b>3,899</b>	
	-1.0%	4.6%	5.1%	-3.8%	0.3%	1.2%	-1.1%	-4.7%	6.2%	16.3%	1.5%	
Arts, Entertainment, & Recreation	<b>243</b>	<b>235</b>	<b>225</b>	<b>253</b>	<b>258</b>	<b>278</b>	<b>305</b>	<b>250</b>	<b>319</b>	<b>373</b>	<b>390</b>	
	-6.6%	-3.4%	-4.2%	12.3%	2.0%	7.7%	9.7%	-17.9%	27.3%	17.0%	4.7%	
Accommodation & Food Services	<b>2,831</b>	<b>2,982</b>	<b>3,157</b>	<b>2,999</b>	<b>3,004</b>	<b>3,023</b>	<b>2,959</b>	<b>2,860</b>	<b>2,984</b>	<b>3,469</b>	<b>3,509</b>	
	-0.5%	5.3%	5.9%	-5.0%	0.2%	0.6%	-2.1%	-3.4%	4.3%	16.3%	1.2%	
<b>Other Services</b>	<b>874</b>	<b>1,000</b>	<b>999</b>	<b>947</b>	<b>935</b>	<b>800</b>	<b>789</b>	<b>785</b>	<b>810</b>	<b>877</b>	<b>894</b>	
	-1.7%	14.5%	-0.1%	-5.2%	-1.3%	-14.5%	-1.4%	-0.4%	3.1%	8.3%	1.9%	
Government	<b>Total Government</b>	<b>14,151</b>	<b>14,647</b>	<b>14,775</b>	<b>15,122</b>	<b>15,474</b>	<b>15,374</b>	<b>15,411</b>	<b>15,603</b>	<b>15,076</b>	<b>15,705</b>	<b>15,986</b>
		2.8%	3.5%	0.9%	2.3%	2.3%	-0.6%	0.2%	1.2%	-3.4%	4.2%	1.8%
	Federal Government	<b>275</b>	<b>306</b>	<b>410</b>	<b>378</b>	<b>371</b>	<b>373</b>	<b>338</b>	<b>332</b>	<b>328</b>	<b>325</b>	<b>328</b>
		-21.5%	11.3%	33.9%	-7.8%	-1.8%	0.6%	-9.5%	-1.6%	-1.4%	-0.9%	1.1%
State Government	<b>10,561</b>	<b>10,946</b>	<b>10,834</b>	<b>11,230</b>	<b>11,519</b>	<b>11,345</b>	<b>11,352</b>	<b>11,517</b>	<b>11,044</b>	<b>11,605</b>	<b>11,821</b>	
	3.8%	3.6%	-1.0%	3.7%	2.6%	-1.5%	0.1%	1.5%	-4.1%	5.1%	1.9%	
Local Government	<b>3,315</b>	<b>3,395</b>	<b>3,532</b>	<b>3,515</b>	<b>3,584</b>	<b>3,656</b>	<b>3,721</b>	<b>3,754</b>	<b>3,705</b>	<b>3,775</b>	<b>3,837</b>	
	1.9%	2.4%	4.0%	-0.5%	2.0%	2.0%	1.8%	0.9%	-1.3%	1.9%	1.6%	
<b>Unclassified Industries</b>	<b>5</b>	<b>4</b>	<b>14</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	
	1733.3%	-14.5%	259.6%	-45.0%	-3.2%	-2.2%	30.7%	2.6%	-22.9%	3.6%	-3.1%	
°Estimate fForecast		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007e	2008f

## Stillwater Micropolitan Area / Payne County, Oklahoma

### Economic Indicators (Seasonally adjusted)

Sector		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007e	2008f
Labor Force	Total Wage & Salary Employment	32,088 1.2%	33,549 4.6%	34,440 2.7%	34,049 -1.1%	34,245 0.6%	33,949 -0.9%	33,792 -0.5%	33,961 0.5%	34,261 0.9%	35,917 4.8%	36,683 2.1%
	Total Employment - LAUS Survey	35,252 2.6%	37,026 5.0%	35,294 -4.7%	34,070 -3.5%	33,499 -1.7%	33,481 -0.1%	33,182 -0.9%	33,708 1.6%	33,020 -2.0%	31,378 -5.0%	31,412 0.1%
	Unemployment Rate - LAUS Survey (%)	1.9 -4.1%	1.3 -30.8%	2.5 93.8%	2.9 14.7%	3.5 23.5%	4.2 19.5%	3.9 -6.4%	3.9 -0.6%	3.6 -7.1%	4.1 11.9%	3.8 -6.6%
Income	Wage & Salary Earnings (\$Mil)	635.1 2.4%	689.8 8.6%	744.5 7.9%	756.7 1.6%	746.7 -1.3%	759.6 1.7%	783.0 3.1%	860.9 10.0%	939.6 9.1%	1,010.2 7.5%	1,058.2 4.8%
	Personal Income - Payne County (\$Mil)	1,229.9 3.1%	1,309.3 6.5%	1,434.2 9.5%	1,503.2 4.8%	1,508.7 0.4%	1,591.6 5.5%	1,698.1 6.7%	1,759.5 3.6%	1,877.5 6.7%	2,044.5 8.9%	2,152.3 5.3%
	Real Personal Income (Chain2000 \$Mil)	1,281.5 2.2%	1,341.9 4.7%	1,434.2 6.9%	1,472.3 2.7%	1,457.1 -1.0%	1,507.2 3.4%	1,566.7 3.9%	1,576.8 0.6%	1,637.3 3.8%	1,739.7 6.3%	1,798.5 3.4%
	Per-Capita Personal Income (\$Thou)	18.402 2.3%	19.244 4.6%	21.039 9.3%	21.507 2.2%	21.298 -1.0%	22.046 3.5%	23.241 5.4%	23.966 3.1%	25.083 4.7%	27.131 8.2%	28.214 4.0%
	Real Per-Capita Personal Income (\$Thou)	19.173 1.4%	19.722 2.9%	21.039 6.7%	21.066 0.1%	20.569 -2.4%	20.877 1.5%	21.441 2.7%	21.477 0.2%	21.873 1.8%	23.086 5.5%	23.577 2.1%
	Ratio County/US Per Capita Income	68.6% -3.6%	69.0% 0.6%	70.6% 2.3%	70.5% -0.2%	69.3% -1.7%	70.2% 1.3%	70.4% 0.3%	69.2% -1.7%	68.5% -0.9%	70.2% 2.4%	70.2% 0.0%
	Ratio County/OK Per Capita Income	84.5% -2.9%	85.3% 0.9%	86.2% 1.1%	82.7% -4.1%	82.4% -0.4%	83.4% 1.3%	81.8% -1.9%	79.7% -2.5%	77.4% -2.9%	79.8% 3.1%	80.0% 0.2%
	Output	Gross County Product - Payne County (\$Mil)	1,316.6 -1.4%	1,404.8 6.7%	1,526.8 8.7%	1,572.6 3.0%	1,625.7 3.4%	1,784.5 9.8%	1,898.7 6.4%	2,014.4 6.1%	2,193.3 8.9%	2,418.6 10.3%
Real Gross County Product (Chain2000 \$Mil)		1,402.2 -1.1%	1,466.3 4.6%	1,526.8 4.1%	1,530.4 0.2%	1,554.8 1.6%	1,629.1 4.8%	1,662.1 2.0%	1,677.4 0.9%	1,742.7 3.9%	1,907.8 9.5%	2,020.0 5.9%
Retail	Taxable Retail Sales - Payne County (\$Mil)	515.1 6.0%	551.6 7.1%	580.0 5.1%	605.8 4.4%	610.6 0.8%	628.5 2.9%	656.7 4.5%	688.5 4.8%	747.0 8.5%	775.9 3.9%	811.5 4.6%
	Taxable Retail Sales - Stillwater (\$Mil)	425.6 6.3%	458.5 7.7%	484.5 5.7%	499.9 3.2%	503.7 0.8%	520.8 3.4%	544.8 4.6%	572.9 5.2%	617.8 7.8%	650.8 5.3%	682.5 4.9%
	Taxable Retail Sales - City/County Ratio	82.6% 0.2%	83.1% 0.6%	83.5% 0.5%	82.5% -1.2%	82.5% 0.0%	82.9% 0.5%	83.0% 0.1%	83.2% 0.3%	82.7% -0.6%	83.9% 1.4%	84.1% 0.3%
Population	Population - Payne County	66,837 0.8%	68,039 1.8%	68,167 0.2%	69,892 2.5%	70,840 1.4%	72,196 1.9%	73,068 1.2%	73,419 0.5%	74,854 2.0%	75,358 0.7%	76,283 1.2%
	Population - Stillwater	42,770 -0.3%	42,925 0.4%	43,621 1.6%	44,731 2.5%	44,757 0.1%	45,416 1.5%	45,215 -0.4%	45,674 1.0%	46,100 0.9%	46,287 0.4%	46,731 1.0%
	Population - City/County Ratio	64.0% -1.1%	63.1% -1.4%	64.0% 1.4%	64.0% 0.0%	63.2% -1.3%	62.9% -0.4%	61.9% -1.6%	62.2% 0.5%	61.6% -1.0%	61.4% -0.3%	61.3% -0.3%
Index	Economic Performance Index	86.0 3.9%	93.0 8.2%	100.0 7.5%	100.9 0.9%	101.9 1.0%	103.5 1.6%	105.4 1.8%	110.6 4.9%	116.9 5.7%	125.6 7.4%	131.3 4.5%
<sup>e</sup> Estimate <sup>f</sup> Forecast		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007e	2008f



# The Oklahoma Economy

## 2008 Economic Outlook

### Economic Performance Index

The Center for Applied Economic Research developed the *Economic Performance Index* as a visual tool for better understanding the relative performance and economic cycles across the various regions of the state. The index details the total economic activity in a region over a long time frame and captures the depth and duration of economic upturns and downturns. The index is a statistically weighted combination of four key economic indicators: 1) total wage and salary employment, 2) total wage and salary income, 3) unemployment rate, and 4) taxable retail sales. These four variables capture a significant portion of the fluctuations in local economic conditions and allow a direct comparison of economic activity across regions as measured by the set of variables in the index. The index is estimated using the method of principal components and then re-weighted so that changes in the index over time reflect changes in total personal income in a local region. For most areas, the index explains approximately 75% or more of the total variation in personal income. The index is computed on a quarterly basis and is benchmarked to equal 100.0 on average in 2000.

