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OVERVIEW

Created by the Oklahoma Territorial Legislature in 1890, the University of Oklahoma is a doctoral degree-granting research university serving the educational, cultural, economic and health care needs of the state, region and nation. The Norman campus serves as home to all of the university's academic programs except health-related fields. Both the Norman and Health Sciences Center colleges offer programs at the Schusterman Center, the site of OU-Tulsa. The OU Health Sciences Center, which is located in Oklahoma City, is one of only four comprehensive academic health centers in the nation with seven professional colleges. OU enrolls almost 30,000 students, has more than 2,000 full-time faculty members, and has 20 colleges offering 152 majors at the baccalaureate level, 160 majors at the master's level, 80 majors at the doctoral level, 38 majors at the first professional level, and 18 graduate certificates. The university's annual operating budget is \$1.2 billion. The University of Oklahoma is an equal opportunity institution. (11/15/06)

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Business Highlights

by Robert C. Dauffenbach

National Economy

The QUESTION OF WHETHER A NATIONAL RECESSION IS going to occur or even whether it has already started continues to resound in the financial press. None other than Alan Greenspan has been recently quoted as saying that he would be more surprised if we didn't have one than if we did. This is the first "pre-announced" recession that I can recall. They always seemed to be surprise occurrences in the past. Perhaps Wall Street's need of a financial bailout helps to explain the preannouncement.

What is quite interesting given the present set of financial conditions is how comparatively unimportant it seems whether we are in recession or not.

When the integrity of the financial system is threatened, as it has been considerably threatened by the collapse of subprime mortgage markets, there is much more to worry about than simply whether the pace of real economic growth has fallen for two or more quarters. Evidence of financial stress abounds. The commercial banking system is struggling with high levels of mortgage loans, and some are not surviving, such as IndyMac Bank in California recently. Deposits are insured by the FDIC up to \$100,000, but this government agency has only \$58 billion in reserve. Estimates are that the failure of IndyMac Bank may cost up to 10 percent of this reserve. There are long lists of other banks that are struggling. Surprisingly, IndyMac Bank wasn't even on the list of troubled banks.

Fannie Mae and Freddie Mac, the government sponsored enterprises securing over five trillion dollars out of the 12 trillion dollars in US household mortgage debt, have been judged by none other than the former president of the St. Louis Federal Reserve Bank, William Poole, as technically insolvent. Their stock prices plummeted. Without a bailout, they would have proven insolvent. The US Congress quickly passed rescue legislation that will shore up the capital base of Fannie and Freddie and help some households avoid foreclosure. There was no choice. These two entities simply could not be allowed to fail. Let's hope that the rescue plan works.

Chairman Bernanke and the Fed have been hard at work in attempts to stem the tide of the financial crisis before us. They have quite creative. They have established various facilities for loaning out their reserves of US government securities in exchange for "troubled" financial paper that banks, investment banks, and primary securities dealers hold. They have loaned out over \$300 billion of their \$800 billion in federal debt holdings. And, the Fed has recently extended this program and its provisions. In doing so, they have likely prevented financial markets from "melting down." Recently these loans are even being extended to Fannie May and Freddie Mac.

The Fed has definitely helped the financial system to remain "liquid" through its actions. The Fed can easily boost liquidity. It simply buys US government bonds on the open market. It does so by writing a check on itself. Actually, in this day and age, it simply makes an electronic entry. The Fed gets the bonds; the primary bond dealer gets a new deposit in its bank account. Bank reserves increase. With a fractional reserve system, only a very small portion of these new funds have to be retained as "required reserves." The rest, the "excess reserves," can be loaned out. Businesses and individual borrow for a reason, i.e., to spend. These expenditures then become new deposits to other banks, and the process continues, each time with part of the new deposits siphoned off into required reserves. Through this process, as illustrated in Figure A, a comparatively small purchase of US government securities by the Fed can lead to a multiple expansion of the money system.

For the multiple expansion of the money supply to work, banks must be willing to lend and individuals and businesses must be willing to borrow. Without such positive inclinations, the multiple expansion process becomes highly constrained. One of the problems with

Figure A



Expansion of Credit through Fed Open Market Purchases

today's economy is that banks are becoming restrictive in their willingness to lend. That is what is being indicated by anecdotal evidence. Why would this be the case? About 53 percent of all commercial bank loans are real estate loans, and some real estate loans are in trouble as housing prices decline. The problems in real estate can result in the loss of capital base of banks, thereby restricting their willingness and ability to make loans. The Fed can create liquidity, but it cannot create capital. Thus, such risks to the capital base of commercial banks generated by the real estate market difficulties can have widespread implications on the operations of money markets.

Of course, a good deal of the subprime mortgage market crisis might be behind us. At least that is the hope. The effectiveness of recent legislation bailing out Fannie May and Freddie Mac remains to be seen, as this legislation is not even in effect as yet. If the crisis widens, it will surely be the case that Congress, the President, and the Fed will seek other means to shore up financial institutions. The point is that it is this crisis that occupies the thoughts and actions on the part of these fiscal and monetary authorities, not whether or not the economy is presently in a recession. Whatever the dynamic course of the economy, that course will certainly deteriorate if the financial system collapses.

The Price College Indicators has been updated to discern whether the national economy is presently in recession. As shown in Figure B, the PCI has done a good job at foreshadowing recessionary and expansionary

periods of employment growth in past years. This indicator is now exhibiting a great deal of weakness. However, the extent of the decline in the indictor is not of sufficient magnitude, as yet, to signify that the US economy is in recession. The indicator is at the -0.62, substantially below zero, but not at the -1.0 to -2.0 levels associated with past recessions. Thus, there remains hope that a recession can be avoided. But, again, the present focus is on the stability of the financial system, certainly where the focus should be and will likely remain for the some time.

Oklahoma Economy

As might well be expected with rising prices for both energy and food, the Oklahoma economy is doing "okay." Values of real estate in Oklahoma are holding up quite well. Oklahoma, like other states in the region including Arkansas, Louisiana, and Texas, did not experience the rapid advance in residential housing prices as was the case in many other parts of the nation. Prices in the southwest region only advanced at the national rate of inflation, up about three times since 1975. The average advance in the price of housing for the nation was six times, at its peak. In some regions, housing advanced to eight times the 1975 level. Without a boom, it is very unlikely that the southwest region, comprising the aforementioned four-state region, will experience a bust.

Indeed, that has been the case to date. Readers seeking more information about housing price inflation are advised to visit the site http://ofheo.gov. This site maintains data on regional housing indices based on resale of the same properties.

For the value that Oklahoma represents, the state has also continued to attract significant military spending. The Department of Defense apparently recognizes that the dollar stretches further in Oklahoma than in many other states, and its central location is an advantage as well. The state has come out a winner in BRAC competitions for aircraft maintenance. Fort Sill is also expanding. Thus, military expenditures is another area of expansion of the Oklahoma economy.

Table I, shown below, show the most recent results for the General Business Index for Oklahoma and its two major metropolitan statistical areas. These indices reflect the expected employment value relative to statistically important coincident indicators for the region in question. Note that while for the state the indicator in June of 2006 was 3.5 percent higher than the previous year, it stalled in June 2007 at that same level and has now declined marginally by 0.8 percent to 142.2 in June 2008. Thus, the state is being impacted negatively by national trends. Oklahoma City MSA, however, while not experiencing the growth spurt that the state experienced in 2006, has continued to advance from June 2007 levels. Tulsa, which shared about equally with the state in the June 2006 advance, has experienced some deterioration. Figure B reports that the year-over-year percentage change in employment growth for Oklahoma, the two major metropolitan statistical areas, and the nation for the period 1995:01 to 2008:06. These percentage changes were computed on the basis of a six-month moving average. That is, for a given date, the six-month average level of employment was computed. This value is then divided by the value for the same month in the previous year. The value of 1.0 was then subtracted from that result to form the percentage change.

Note three important features of this graphic. First, it is quite apparent that the results for Oklahoma and its regions follow the national trend. Oklahoma is, indeed, impacted by trends in the national economy. Second, Oklahoma has experienced considerably more variability in its moving average employment growth, and the Tulsa region has experience greater variability than the state and the OKC region. Third, Oklahoma and the OKC region are still enjoying very respectable rates of movingaverage growth while Tulsa and the nation are now much closer to the zero rate of increase. In a relative sense, given that Oklahoma is not a subject to declines in real estate as is the nation and given the positive growth impulses in energy and agriculture, there remains hope that the Oklahoma economy will continue to remain somewhat "above the fray." However, as readily seen in Figure B, the state and its regions are undoubtedly impacted by national economic trends.

Table I

General Business Index Oklahoma, Oklahoma City MSA and Tulsa MSA

	State	% Change	OKC	% Change	Tulsa	% Change
2006:06	143.4	3.5	142/9	1.5	145.0	13.7
2007:06	143.4	0.0	141.8	-0.8	144.7	-0.3
2008:06	142.2	-0.8	144.5	1.9	143.5	-0.8

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Weaknesses of the Current Poverty Measures

Jon Chiappe and Aldwyn Sappleton

The CENSUS BUREAU'S POVERTY DATA RECEIVES MUCH attention when it is released every year at the end of the Summer.¹ In Oklahoma, there was considerable coverage of the fact that the Census Bureau reported that the poverty rate increased from 13.2% in the 2004-2005 time frame to 15.4% in the 2005-2006 time frame.² However, there are weaknesses with the Census Bureau's poverty measure. Briefly, because the current Census poverty thresholds are rigid measures that do not account for geographic differences in inflation or cost-of-living, the current poverty thresholds punish low inflation and low cost of living states in the state poverty rate rankings. More importantly, the poverty measures may be a disservice to families living in high cost-of-living states that face high-income poverty.³

It is not disputed that poverty awareness is important and society benefits when fewer people live in poverty, but the shortcoming of the current poverty measures do not accurately account for those people living in poverty. It should be stressed that this article does not minimize the hardships of those families living in poverty, but it will explain why the Census Bureau's poverty measure does not provide an accurate assessment of poverty, especially when state poverty rates are compared.

Background

Before detailing the weakness of the current measures of poverty, it would be helpful to explain how poverty is currently measured.

Poverty thresholds were originally developed in the early 1960's by Mollie Orshansky at the Social Security Administration using data from the U.S. Department of Agriculture and data relating the proportions of a family's income that was spent on food.⁴ The intent of the poverty thresholds was to identify the before-tax money income levels below which a family would not be able to meet a "socially acceptable minimum standard of living." These thresholds vary by family size and apply to related people living within one household. Both the 2005 and 2006 poverty threshold tables may be found in Tables 1 and 2.

In order to determine poverty status, the before-tax money income is summed for each related person in the household, and if that amount is less than the poverty threshold published by the Census Bureau, then each related person in the family is considered to be in poverty. For example, for a family of four with two related children under the age of 18, the poverty threshold equaled \$19,806 in 2005. If the income earners in the family earned \$19,807 in 2005, then the family would not be classified as in poverty; however, if the family had money income of \$19,805 in 2005, then all four members would be classified as in poverty.

Each year, the Census Bureau increases the poverty threshold by an inflationary measure, and the official source of this measure is the Bureau of Labor Statistics (BLS) CPI-U (Consumer Price Index for Urban Consumers). The rate of inflation using this series between 2005 and 2006 equaled 3.2%. Therefore, the 2006 poverty threshold for this same family of four increased from \$19,806 in 2005 to \$20,444 in 2006, which may be verified from the second table in the appendix.

Lastly, and most importantly for the purpose of this article, the poverty thresholds do not vary geographically within the United States.

Critiques of the Poverty Measure

Because rates of inflation, costs of living and tax rates differ between geographic regions, using rigid poverty thresholds that do not differ between geographic regions underestimate poverty in regions with high inflation, cost-of-living, and/or taxes. This skews the poverty rate rankings between the states to the advantage of the states with high inflation, cost-of-living, and/or taxes. Therefore, three critiques to the Census Bureau's poverty thresholds will be discussed. The first critique is the short-term lack of geographic controls for differences in inflation, the second critique is the longer term lack of controls for cost-of-living differences between regions, and the third critique is the lack of controls for differing tax rates between regions.

Table 1

Poverty Thresholds for 2005 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Weighted Avg. Thresholds	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual) Under 65 years 65 years and over	\$9,973 \$10,160 \$9,367	\$10,160 \$9,367								
Two persons Householder under 65 years Householder 65 years and over	\$12,755 \$13,145 \$11,815	\$13,078 \$11,805	\$13,461 \$13,410							
Three persons Four persons Five persons Six persons Seven persons Eight persons Nine persons or more	\$15,577 \$19,971 \$23,613 \$26,683 \$30,249 \$33,610 \$40,288	\$15,277 \$20,144 \$24,293 \$27,941 \$32,150 \$35,957 \$43,254	\$15,720 \$20,474 \$24,646 \$28,052 \$32,350 \$36,274 \$43,463	\$15,735 \$19,806 \$23,891 \$27,474 \$31,658 \$35,621 \$42,885	\$19,874 \$23,307 \$26,920 \$31,176 \$35,049 \$42,400	\$22,951 \$26,096 \$30,277 \$34,237 \$41,603	\$25,608 \$29,229 \$33,207 \$40,507	\$28,079 \$32,135 \$39,515	\$31,862 \$39,270	\$37,757

Source: U.S. Census Bureau.

Table 2

Poverty Thresholds for 2006 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Weighted Avg. Thresholds	None	One	Тwo	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual) Under 65 years 65 years and over	\$10,294 \$10,488 \$9,669	\$10,488 \$9,669								
Two people Householder under 65 years Householder 65	\$13,167 \$13,569	\$13,500	\$13,896							
years and over	\$12,201 \$16,079 \$20,614	\$12,186 \$15,769 \$20,794	\$13,843 \$16,227 \$21,134	\$16,242 \$20,444	\$20.516					
Five people Six people Seven people Eight people Nine people or more	\$24,382 \$27,560 \$31,205 \$34,774 \$41,499	\$25,076 \$28,842 \$33,187 \$37,117 \$44,649	\$25,441 \$28,957 \$33,394 \$37,444 \$44,865	\$24,662 \$28,360 \$32,680 \$36,770 \$44,269	\$24,059 \$27,788 \$32,182 \$36,180 \$43,768	\$23,691 \$26,938 \$31,254 \$35,342 \$42,945	\$26,434 \$30,172 \$34,278 \$41,813	\$28,985 \$33,171 \$40,790	\$32,890 \$40,536	\$38,975

Source: U.S. Census Bureau.

Inflation Critque

To more fully illustrate how differences in the rate of inflation can affect poverty rates, consider two families of four (with 2 children) earning the same money income of \$19,800 in 2005. One family lives in Dallas while the second family lives in Los Angeles.⁵ Further assume that the money income for each family of four grows at the BLS published CPI-U rate of inflation for the local area between 2005 and 2006. This simply means that each family of four is not in any better or worse financial shape in 2006 than in 2005, rather their money income grew at the local rate of inflation as opposed to the national 3.2% rate of inflation published by the BLS.

Therefore, with a local rate of inflation equal to 2.9%, the Dallas family's money income grew from \$19,800 in 2005 to \$20,379 in 2006. Likewise with a 4.3% rate of inflation in the Los Angeles area, the money income for the family in southern California grew from \$19,800 in 2005 to \$20,644 in 2006. It is important to note that the standard of living for the Dallas family did not change between 2005 and 2006 and the standard of living for the Los Angeles family did not change between the two years. That is, each family in its local economy

was able to purchase the same goods & services in 2006 as they were able to purchase in 2005. The two families' comparative standard of living is certainly different, but this will be addressed later.

As can be seen from Graph 1, both families of four would be counted in poverty by the Census Bureau in 2005. However by 2006, the Los Angeles family "grew" out of poverty while the Dallas family fell further into poverty. This is simply due to the differences in the rates of inflation between the U.S. (3.2%), Dallas (2.9%) and Los Angeles (4.3%) regions. Because the number of families counted in poverty affects poverty rates (people in poverty divided by total population), the poverty rate in Dallas is inflated relative to the poverty rate in Los Angeles.

In effect, the official poverty measures reward higher-inflation states with lower poverty rates relative to the poverty rates in low inflation states. And it is a reward for high inflation states when the states are ranked by poverty rates and reported in the press. Unfortunately, and more importantly, it is also a disservice to those families that should have been counted in poverty, but are not counted in poverty simply because they live in a higherinflation region.



How Poverty Can be Affected by Varying Rates of Inflation

Graph 1

The previous example related how varying inflation rates can affect poverty counts over a short period of time. Over longer periods of time, the impact is much greater. In 1980, the poverty threshold for a family of four (with 2 children) equaled \$8,351.⁶ If the Census Bureau had used local measures of inflation as opposed to the national measure between 1980 and 2006, the 2006 poverty threshold in Dallas would equal \$19,479, and the 2006 poverty threshold in Los Angeles would equal \$20,992. With these differing thresholds, fewer people would have been counted in poverty in Dallas (and Texas) in 2006 while more people would have been counted in poverty in Los Angeles (and California) in 2006.

Cost-of-Living Critique

The second critique of the official poverty measure relates to cost-of-living differences between geographic regions. Using cost-of-living data from the Council for Community and Economic Research (C2ER), a family of four living in San Francisco earning a money income of \$20,400 (below the poverty threshold in 2006) is in a much worse financial situation than a family of four earning the same money income in Oklahoma City.⁷

The cost of living index value for San Francisco equaled 172.9 in 4Q 2006 and equaled 92.3 in Oklahoma City, which means it is 187.3% more expensive to live in San Francisco than in Oklahoma City.⁸ Yet, with a rigid poverty threshold of \$20,444, the Census Bureau treats a family of four living in San Francisco exactly the same as the family of four earning the same money income living in Oklahoma City.

Consider housing alone in the two areas. If the family living in Oklahoma City dedicated 25% of their money income (\$5,100/year or \$425/month) to financing a house, it could afford an \$85,000 home with a 6% fixed rate, 30 year mortgage. This home would be between 1,150 sq. ft. and 1,350 sq. ft. and have 3 bedrooms and 2 bathrooms in the Oklahoma City market.⁹

Comparatively in San Francisco, there are not **any** homes listed for \$85,000. In fact, the lowest priced single family home in San Francisco is \$299,000 for a 600 sq. ft. "fixer-upper" house with 2 bedrooms and 1 bathroom. For this price, the house payment would equal \$18,000/year or \$1,500/month. For a 1,150-1,350 sq. ft. home in San Francisco, which would be the same standard of living that the family of four in Oklahoma City could achieve, the family in San Francisco would have to pay \$595,000 for a 1,200 sq. ft. house with 3 bedrooms and 2 bathrooms. This would require an annual house payment of \$35,700/year or \$2,975/month. Clearly, neither of these houses is affordable for a family of four earning \$20,400 in San Francisco.¹⁰

How is this important to the rigid property measure? A family of four living at the poverty threshold in Oklahoma City at least has affordable housing options. Whereas a similar family of four living in a high cost-ofliving region, like San Francisco, either could not afford home ownership (the family must rent), would have to live multiple families to a house, or would be destitute.

Rigid poverty thresholds under count people in poverty in high cost-of-living states and underestimate the poverty rates in these states. If a family of four with two children were to dedicate 25% of their money income to purchase the \$299,000 home in San Francisco (still a lower standard of living than the OKC family), it would require a money income of \$71,760/year. This is high income poverty.

If cost-of-living differences between geographic regions were accounted for in the poverty thresholds, each region would have its own threshold. Admittedly, it would be a Herculean task to compute and maintain distinct poverty thresholds for all of the cities in the United States. However, even the presence of statespecific thresholds would be a fairer representation of the number of people in poverty in each of the states, and this would ultimately be reflected in the state poverty rate figures.

To illustrate how the poverty thresholds would differ between states if cost-of-living differences were taken into account, Tables 3 and 4 use 2006 C2ER cost-ofliving data to adjust the national poverty thresholds for the differences in cost-of-living between Oklahoma and California.¹¹ While the 2006 national poverty threshold for a family of four with 2 children under 18 years of age equaled \$20,444, if these thresholds were adjusted for cost-of-living, then this same threshold would equal \$18,820 in Oklahoma (Table 3) and \$28,102 in California (Table 4). Obviously with these thresholds, fewer people in Oklahoma would be counted in poverty and more people in California would be counted in poverty.

Disposable Income (Tax Effects) Critique

The third critique of rigid poverty thresholds relates to disposable income, and it ties in well and yields similar results as the previous critiques. Disposable income represents the after tax income that can be spent and/or saved by a household. However, since a pretax money income figure is used to calculate the poverty threshold, the Census Bureau does not account for the fact that each state taxes its residents differently.

Table 3

Oklahoma 2006 Poverty Thresholds adjusted for Cost-of-Living

Size of family unit	Weighted Avg. Thresholds	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual) Under 65 years 65 years and over	\$9,477 \$9,655 \$8,901	\$9,655 \$8,901								
Two people Householder under	\$12,121 \$12,491	\$12 428	\$12 792							
Householder 65 years and over	\$11,232	\$11,218	\$12,744							
Three people Four people Five people Six people Seven people Eight people Nine people or more	\$14,802 \$18,977 \$22,446 \$25,371 \$28,727 \$32,013 \$38,203	\$14,517 \$19,143 \$23,085 \$26,552 \$30,552 \$34,169 \$41,103	\$14,938 \$19,456 \$23,421 \$26,657 \$30,742 \$34,470 \$41,302	\$14,952 \$18,820 \$22,704 \$26,108 \$30,085 \$33,850 \$40,753	\$18,887 \$22,148 \$25,581 \$29,626 \$33,307 \$40,292	\$21,810 \$24,799 \$28,772 \$32,535 \$39,535	\$24,335 \$27,776 \$31,556 \$38,493	\$26,683 \$30,537 \$37,551	\$30,278 \$37,317	\$35,880

Table 4

California 2006 Poverty Thresholds adjusted for Cost-of-Living

Size of family unit	Weighted Avg. Thresholds	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual) Under 65 years 65 years and over	\$14,150 \$14,416 \$13,291	\$14,416 \$13,291								
Two people Householder under 65 years Householder 65 years and over	\$18,099 \$18,651 \$16,771	\$18,557 \$16,750	\$19,101 \$19,028							
Three people Four people Five people Six people Seven people Eight people Nine people or more	\$22,102 \$28,335 \$33,515 \$37,883 \$42,893 \$47,799 \$57,043	\$21,675 \$28,583 \$34,469 \$39,645 \$45,618 \$51,020 \$61,373	\$22,305 \$29,050 \$34,970 \$39,803 \$45,902 \$51,469 \$61,670	\$22,326 \$28,102 \$33,899 \$38,983 \$44,921 \$50,543 \$60,851	\$28,201 \$33,071 \$38,196 \$44,236 \$49,732 \$60,162	\$32,565 \$37,028 \$42,961 \$48,580 \$59,031	\$36,335 \$41,473 \$47,117 \$57,475	\$39,842 \$45,596 \$56,068	\$45,209 \$55,719	\$53,574

This means that residents living in the high-tax states (and have less disposable income) are treated the same as residents in low tax states. While the Tax Foundation reports that Oklahoma has the lowest tax burden of all 50 states, the Tax Foundation data reflects taxes across all income levels and all tax types.¹² The following analysis relates data tailored to low income households and considers only state income and state sales taxes to make the point that rigid poverty thresholds do not accurately compare poverty across states. Property taxes, local sales taxes, and other tax types are not considered in the analysis.

On the federal level of taxation, the earned income tax credit helps families living at or near the poverty threshold. Although many states have followed the example of the federal government by not taxing individuals with low incomes, over eighteen (18) states still do so as shown in Table 5.¹³ Alabama is one of the highest taxing states on the poor; with residents in poverty paying on average \$568 per annum for a two parent family of four.¹⁴ New York and Minnesota were most keen on picking up on the shortcomings of the poverty threshold and they included a state refund on average of \$1,424 and \$1,573 respectively for those individuals at or below the poverty threshold. The state refund does not completely address the differences in cost of living, but some states are aware of the shortcomings of a rigid poverty threshold and address them by implementing public policies.

Table 5

State	Poverty Threshold	Estimated Income Tax	Income After Income Tax	Estimated Sales Tax	Income After Income & Sales Tax	Rank
West Virginia	\$20,444	\$403	\$20,041	\$656	\$19,385	51
Arkansas	\$20,444	\$423	\$20,021	\$611	\$19,410	50
Alabama	\$20,444	\$568	\$19,876	\$424	\$19,452	49
Hawaii	\$20,444	\$541	\$19,903	\$415	\$19,488	48
Kansas	\$20,444	\$360	\$20,084	\$566	\$19,518	47
Tennessee	\$20,444	NT	\$20,444	\$696	\$19,748	44
Oklahoma	\$20,444	\$138	\$20,306	\$462	\$19,844	41
New Jersey	\$20,444	\$217	\$20,227	\$375	\$19,852	39
South Dakota	\$20,444	NT	\$20,444	\$451	\$19,993	32
Washington	\$20,444	\$0	\$20,444	\$441	\$20,003	31
Oregon	\$20,444	\$316	\$20,128	\$108	\$20,020	29
Pennsylvania	\$20,444	\$0	\$20,444	\$411	\$20,033	27
Nevada	\$20,444	NT	\$20,444	\$395	\$20,049	26
Connecticut	\$20,444	\$0	\$20,444	\$378	\$20,066	25
Texas	\$20,444	NT	\$20,444	\$367	\$20,077	23
California	\$20,444	\$0	\$20,444	\$363	\$20,081	22
Florida	\$20,444	NT	\$20,444	\$333	\$20,111	18
Rhode Island	\$20,444	-\$139	\$20,583	\$450	\$20,133	16
Wyoming	\$20,444	NT	\$20,444	\$240	\$20,204	15
Delaware	\$20,444	\$0	\$20,444	\$103	\$20,341	12
South Carolina	\$20,444	\$0	\$20,444	\$76	\$20,368	10
Nebraska	\$20,444	-\$297	\$20,741	\$370	\$20,371	9
Alaska	\$20,444	\$0	\$20,444	\$36	\$20,408	8
Wisconsin	\$20,444	-\$370	\$20,814	\$370	\$20,444	7
Maryland	\$20,444	-\$419	\$20,863	\$327	\$20,536	6
Massachusetts	\$20,444	-\$443	\$20,887	\$327	\$20,560	5
District of Columbia	\$20,444	-\$702	\$21,146	\$345	\$20,801	4
Vermont	\$20,444	-\$1,185	\$21,629	\$356	\$21,273	3
New York	\$20,444	-\$1,424	\$21,868	\$351	\$21,517	2
Minnesota	\$20,444	-\$1,574	\$22,018	\$378	\$21,640	1

Poverty Thresholds Adjusted for Income and Sales Taxes

At least six (6) states (Florida, Nevada, South Dakota Tennessee, Texas and Wyoming) do not charge income tax. These non-income tax states are represented as "NT" in table 5. However, this does not necessarily mean that these states are more generous to the poor. In fact they can prove harsher to the poor since much of the tax burden will show up in sales and property taxes, which are regressive in nature and more burdensome to the poor since these taxes can require a higher percentage of incomes. This is illustrated by comparing Tennessee to Oklahoma. For a comparable bundle of goods, an average household at the poverty threshold would pay \$462 in sales taxes in Oklahoma and \$696 in sales taxes in Tennessee. Even if Oklahoma's average income tax (\$138) were tacked onto the state's sales tax figure, Tennessee would still charge more taxes to the poor.

When accounting for both state sales taxes and income taxes at the poverty threshold, five states have residents with adjusted incomes above the poverty threshold set by the Census Bureau. As shown in table 5 the difference between the state with the highest state income and sales taxes (West Virginia) and the lowest state income and sales taxes (Minnesota) is over \$2,200. The disparity between New York and West Virginia is understandable for some states like New York where one could argue that New York's cost-of-living is much higher than West Virginia's cost-of-living. But for other states such as a Nebraska vs. Kansas which each have a similar cost-of-living, the after tax income disparity is less understandable.

This analysis illustrates some of the complexities in the tax code(s) among states, but more importantly it also shows that rigid poverty thresholds do not accurately account for the differences in the poverty rates across states.

Conclusion

This paper illustrated three critiques of rigid poverty thresholds and the use of that data to determine poverty populations/rates for each of the states.

It is true that accounting for inflationary, cost-ofliving and/or disposable income differences between states would require new methodologies and data sources. However, until such time as the geographic differences in the rates of inflation, cost-of-living and/or disposable incomes are accounted for in the Census Bureau's poverty thresholds, state comparisons of poverty rates should not be made or only be made with caution. The data, as it exists now, is useful for comparisons over time within a state, but it is not useful for state comparisons. Over longer periods of time, inflationary and tax differences between regions could be manifested in the cost-of-living differences between regions. Therefore, all three shortcomings of the poverty thresholds do not need to be corrected with three separate adjustments to the poverty measure. Ideally, cost-of-living variances would be accounted for in the poverty thresholds for better comparisons between states or multi-state regions at least. Lacking an adjustment to the poverty measure based on cost-of-living, accounting for inflationary differences would be the next best alternative.

Footnotes

¹A sample of the press coverage includes: The Tulsa World, "Poverty rate growing in state, Census report says", August 29, 2007. The Daily Oklahoman, "Oklahoma's poverty rate climbs", August 28, 2007. Urban Tulsa Weekly, "Poor Oklahoma", September 5, 2007.

²According to the official Federal poverty statistics released by the Census Bureau's Current Population Survey. The Census Bureau's American Community Survey also reports poverty statistics and released at the same time a poverty rate of 17.0% in 2006. There are differences in sample sizes and methodology that account for the differences in the two poverty rates; however, neither source accounts for cost-of-living. The Office of Management & Budget Statistical Policy Directive 14 identifies the Current Population Survey as the source for the official poverty measures for the Federal Government.

³For the purpose of this report, high-income poverty is defined as those families with incomes greater than the Census Bureau poverty thresholds that are not officially classified as being in poverty by the Federal government, but they do live in poverty because they live in higher cost-of-living states.

⁴For a more thorough explanation of the history and development of the poverty measures, please refer to the Census Bureau's poverty section at: http://www.census.gov/hhes/www/poverty/ poverty.html.

⁵Dallas is used in this illustration simply because the Bureau of Labor Statistics does not publish Consumer Price Index data for any location in Oklahoma. Dallas is the closest metro area to Oklahoma that is published by the BLS.

⁶1980 represents the earliest year that the Census Bureau has placed the poverty thresholds on its website: http://www.census.gov/hhes/www/poverty/threshld.html.

⁷Cost-of-living data is not available from federal sources, and C2ER (formerly ACCRA) is regarded as the best source for the data.

⁸Approximately 300 metropolitan and non-metropolitan areas participate in the C2ER Cost of Living Index, and participating areas report prices for a common basket of goods. Major expenditure groupings and their weights include Grocery Items (13%), Housing (28%), Utilities (10%), Transportation (10%),

Health Care (4%), and Miscellaneous Goods & Services (35%). The average index value for all participating places is equal to 100. With an index value of 92.3, Oklahoma's cost of living is estimated to be 92.3% of the nation's cost of living. All items included in the C2ER Cost of Living Index are identical for all of the participating communities

⁹MLS Search conducted on October 2, 2007. Forty-five houses in the Oklahoma City area were priced at or below \$85,000 with at least 1000 sq. ft.

¹⁰Property search conducted October 2, 2007 on realtor.com. One property was listed below \$300,000, and six properties in San Francisco were listed with comparable sizes as the Oklahoma City properties below \$85,000.

¹¹Since C2ER only reports cost of living index values for cities and metropolitan areas, state cost of living index values were estimated by weighting each of the city/metro index values by their respective populations, and then dividing the sum of the weighted values by the sum of the participating city/ metro populations in the state. The primary assumption that is made when estimating state cost of living index values is that the combined cities and metro areas reporting index values within a given state is representative for the state as a whole.

In the 4Q 2006 C2ER Cost of Living Index, participating areas in Oklahoma accounted for over seventy percent the state's population and nearly forty percent of California's population. While all of the price indices are relatively higher in California compared to Oklahoma, the greatest difference occurs with Housing costs. ¹²http://www.taxfoundation.org/taxdata/show/335.html

¹³Center in Budget and Policy Priorities www.cbpp.org/4-7-06sfp.htm

14Ibid

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SELECTED INDICATORS FOR OKLAHOMA

				Percent	age Change
				'07/'06	4th Qtr '07
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	4th Qtr	3rd Qtr '07
Crude Oil Breduction (000 hbl)	15 000	15.000	15 001	0.0	0.1
Natural Gas Production (000 pbl) ^a	15,880	15,398	10,831	0.3	3.1 6.2
Rig Count	107	102	432,024	-10.2	0.5
	197	192	101	0.0	2.0
Permit-Authorized Construction					
Residential Single Family					
Dollar Value (\$000)	383,099	516,721	403,974	-5.2	-25.9
Number of Units	2,205	3,010	2,433	-9.4	-26.7
Residential-Multi Family					
Dollar Value (\$000)	26,713	29,075	17,118	56.1	-8.1
Number of Units	398	547	251	58.6	-27.2
Total Construction (\$000)	409,812	545,796	421,092	-2.7	-24.9
Employment					
Total Labor Force (000) ^c	1,738.5	1,732.8	1,735.1	0.2	0.3
Total Employment (000)	1,666.0	1,660.0	1,666.2	0.0	0.4
Unemployment Rate (%)	4.2	4.2	4.0		_
Wage and Salary Employment (000)	1,584.3	1,565.3	1,559.8	1.6	1.2
Manufacturing	149,900	151,100	150,400	-0.3	-0.8
Mining	48,600	47,367	43,933	10.6	2.6
Construction	72,433	73,100	70,633	2.5	-0.9
Retail Trade	174,767	170,633	172,967	1.0	2.4
Government	326,133	308,567	328,200	-0.6	5.7
Average Weekly Hours (Per Worker)					
Manufacturing	40.6	39.7	38.8	4.6	2.3
Average Weekly Earnings (\$ Per Worker)					
Manufacturing	588.81	583.77	579.53	1.6	0.9

Note: Includes revisions in some previous months.

^aFigures are for 4th Qtr 2007 and 3rd Qtr 2006.

^bSales of larger private owned utility companies. ^cLabor Force refer to place of residence, non-agricultural wage and salary employment refers to place of work.

OKLAHOMA GENERAL BUSINESS INDEX

				Percenta	ge Change
	Dec '07	Preliminary Forcecas Dec '06	st Dec '05	'07/'06 Dec	'07/'05 Dec
State Oklahoma City MSA Tulsa MSA	144.5 141.8 147.0	143.3 141.9 144.4	140.3 143.7 142.3	2.9 -1.3 3.3	0.8 -0.1 1.1

ADJUSTED RETAIL TRADE FOR METRO AREAS AND STATE (\$ Seasonally Adjusted)

				Percenta	age Change
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	'07/'06 4th Qtr	4th Qtr '07 3rd Qtr '07
OKLAHOMA CITY MSA Durable Goods Lumber, Building Materials and Hardware Auto Accessories and Repair Furniture Computer, Electronics and Music Stores Miscellaneous Durables Used Merchandise	763,704,884 268,014,472 106,582,780 93,482,696 116,733,613 161,922,708 16,968,614	752,280,940 261,554,766 104,494,999 95,055,224 110,200,879 163,016,295 17,958,778	729,061,488 258,476,904 102,607,129 90,388,303 103,870,255 156,079,737 17,639,159	4.8 3.7 3.9 3.4 12.4 3.7 -3.8	1.5 2.5 2.0 -1.7 5.9 -0.7 -5.5
Nondurable Goods General Merchandise Food Stores Apparel Eating and Drinking Places Drug Stores Liquor Stores Miscellaneous Nondurables Gasoline Total Retail Trade	2,154,160,636 722,996,362 242,021,230 127,558,702 471,280,864 47,065,516 31,983,628 109,784,799 401,469,535 2,917,865,521	2,033,803,752 708,051,415 241,239,526 119,908,240 463,852,458 46,534,220 29,862,554 106,441,634 317,913,704 2,786,084,692	1,908,959,363 695,635,306 232,485,409 119,799,623 432,514,509 42,847,588 29,491,578 112,340,118 243,845,232 2,638,020,852	12.8 3.9 4.1 6.5 9.0 9.8 8.5 -2.3 64.6 10.6	5.9 2.1 0.3 6.4 1.6 1.1 7.1 3.1 26.3 4.7
TULSA MSA Durable Goods Lumber, Building Materials and Hardware Auto Accessories and Repair Furniture Computer, Electronics and Music Stores Miscellaneous Durables Used Merchandise	542,844,991 189,268,649 69,219,682 60,162,036 96,107,625 114,998,184 13,088,813	547,263,436 186,485,288 65,826,128 61,009,179 99,627,857 121,436,385 12,878,599	505,631,729 173,382,996 63,393,879 59,875,034 87,652,852 108,466,830 12,860,138	7.4 9.2 9.2 0.5 9.6 6.0 1.8	-0.8 1.5 5.2 -1.4 -3.5 -5.3 1.6
Nondurable Goods General Merchandise Food Stores Apparel Eating and Drinking Places Drug Stores Liquor Stores Miscellaneous Nondurables Gasoline Total Retail Trade	1,665,856,044 503,616,317 222,363,788 94,721,287 313,917,441 39,201,542 23,455,749 85,600,156 382,979,765 2,208,701,035	1,561,854,262 501,125,573 217,178,451 90,162,359 310,445,656 38,506,319 23,466,336 79,680,679 301,288,889 2,109,117,698	1,442,094,438 469,805,109 209,251,978 91,367,950 281,417,202 35,632,782 22,163,217 80,627,242 251,828,958 1,947,726,167	15.5 7.2 6.3 3.7 11.5 10.0 5.8 6.2 52.1 13.4	6.7 0.5 2.4 5.1 1.1 1.8 0.0 7.4 27.1 4.7
LAWTON MSA Durable Goods Lumber, Building Materials and Hardware Auto Accessories and Repair Furniture Computer, Electronics and Music Stores Miscellaneous Durables Used Merchandise	51,757,608 23,281,246 6,773,536 5,271,250 6,047,635 8,836,936 1,547,005	49,906,264 22,235,714 7,481,108 5,775,701 4,828,548 8,242,934 1,342,259	49,789,773 21,363,553 7,038,382 5,639,743 5,751,575 8,366,045 1,630,473	4.0 9.0 -3.8 -6.5 5.1 5.6 -5.1	3.7 4.7 -9.5 -8.7 25.2 7.2 15.3

ADJUSTED RETAIL TRADE FOR METRO AREAS AND STATE (\$ Seasonally Adjusted)

				Percenta	age Change
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	'07/'06 4th Qtr	4th Qtr '07 3rd Qtr '07
LAWTON MSA Nondurable Goods General Merchandise Food Stores Apparel Eating and Drinking Places Drug Stores Liquor Stores Miscellaneous Nondurables Gasoline Total Retail Trade	178,632,957 76,294,636 16,401,690 10,167,385 34,107,698 2,636,715 2,369,251 7,629,362 29,026,218 230,390,564	169,945,186 74,694,991 15,587,952 9,360,607 33,573,077 2,637,639 2,141,710 8,819,337 23,129,873 219,851,450	163,653,018 74,116,030 15,392,547 10,068,349 31,118,370 2,325,700 1,979,642 8,587,832 20,064,546 213,442,790	9.2 2.9 6.6 1.0 9.6 13.4 19.7 -11.2 44.7 7.9	5.1 2.1 5.2 8.6 1.6 0.0 10.6 -13.5 25.5 4.8
ENID MICROSA Durable Goods Lumber, Building Materials and Hardware Auto Accessories and Repair Furniture Computer, Electronics and Music Stores Miscellaneous Durables Used Merchandise	36,282,928 13,779,988 6,406,695 3,179,706 5,890,855 6,154,372 871,311	34,190,706 13,892,458 6,267,869 3,164,729 4,012,706 6,189,784 663,159	32,933,802 12,552,921 5,850,124 2,959,641 4,947,676 5,768,412 855,028	10.2 9.8 9.5 7.4 19.1 6.7 1.9	6.1 -0.8 2.2 0.5 46.8 -0.6 31.4
Nondurable Goods General Merchandise Food Stores Apparel Eating and Drinking Places Drug Stores Liquor Stores Miscellaneous Nondurables Gasoline Total Retail Trade	112,404,516 37,959,910 17,487,021 5,274,091 19,005,531 2,839,187 1,280,682 4,965,115 23,592,980 148,687,443	106,837,002 37,885,379 16,683,918 4,988,974 19,076,879 2,799,912 1,477,913 5,123,655 18,800,372 141,027,708	101,030,315 37,479,986 16,334,745 4,823,822 18,430,514 2,623,340 906,354 5,618,921 14,812,633 133,964,117	11.3 1.3 7.1 9.3 3.1 8.2 41.3 -11.6 59.3 11.0	5.2 0.2 4.8 5.7 -0.4 1.4 -13.3 -3.1 25.5 5.4
OKLAHOMA Durable Goods Lumber, Building Materials and Hardware Auto Accessories and Repair Furniture Computer, Electronics and Music Stores Miscellaneous Durables Used Merchandise	2,096,372,981 747,942,969 368,677,104 218,786,796 337,654,913 371,530,326 51,780,873	1,993,467,130 731,248,441 349,507,295 222,850,684 265,615,907 378,464,123 45,780,681	1,956,573,117 696,479,019 332,229,879 213,844,270 303,233,499 359,374,032 51,412,418	7.1 7.4 11.0 2.3 11.4 3.4 0.7	5.2 2.3 5.5 -1.8 27.1 -1.8 13.1
Nondurable Goods General Merchandise Food Stores Apparel Eating and Drinking Places Drug Stores Liquor Stores Miscellaneous Nondurables Gasoline	6,311,255,996 2,052,680,909 869,492,109 299,117,467 1,180,524,632 125,875,618 79,709,381 274,249,123 1,429,606,758	5,994,079,992 2,035,485,229 849,539,558 287,075,387 1,152,374,494 121,703,494 77,349,184 331,350,344 1,139,202,302	5,544,709,543 1,941,019,287 807,547,595 286,740,060 1,086,532,482 114,408,225 75,230,889 293,234,734 939,996,271	13.8 5.8 7.7 4.3 8.7 10.0 6.0 -6.5 52.1	5.3 0.8 2.3 4.2 2.4 3.4 3.1 -17.2 25.5

ADJUSTED RETAIL TRADE FOR SELECTED CITIES (\$ Seasonally Adjusted)

				Percenta	age Change
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	'07/'06 4th Qtr	4th Qtr '07 3rd Qtr '07
Ada	76,602,209	74,212,723	66,520,917	15.2	3.2
Altus	50,051,961	49,341,958	46,445,155	7.8	1.4
Alva	17,724,409	16,948,973	15,435,011	14.8	4.6
Anadarko	16,757,156	17,006,278	16,310,678	2.7	-1.5
Ardmore	99,051,660	97,479,620	88,204,432	12.3	1.6
Bartlesville	114,210,075	109,260,346	102,827,797	11.1	4.5
Blackwell	17,090,162	15,787,242	11,238,168	52.1	8.3
Broken Arrow	198,443,168	188,816,272	182,132,624	9.0	5.1
Chickasha	49,549,607	46,441,765	47,639,922	4.0	6.7
Clinton	24,368,791	22,598,158	23,412,155	4.1	7.8
Cushing	22,756,659	21,728,722	19,324,611	17.8	4.7
Del City	51,875,575	47,856,023	44,245,172	17.2	8.4
Duncan	66,419,345	63,798,038	61,743,530	7.6	4.1
Durant	60,916,198	58,996,100	61,459,552	-0.9	3.3
Edmond	242,569,639	237,175,124	228,340,909	6.2	2.3
El Reno	35,995,288	34,619,022	32,019,189	12.4	4.0
Elk City	56,088,529	53,071,744	51,486,913	8.9	5.7
Enid	135,433,063	132,360,359	125,871,705	7.6	2.3
Guthrie	28,063,744	25,956,828	22,128,192	26.8	8.1
Guymon	40,108,345	33,581,939	28,106,619	42.7	19.4
Henryetta	16,661,486	16,047,819	15,188,252	9.7	3.8
Hobart	7,873,070	7,483,988	6,541,904	20.3	5.2
Holdenville	11,744,928	10,889,255	9,629,184	22.0	7.9
Hugo	19,266,726	18,787,547	18,332,352	5.1	2.6
Idabel	21,871,752	20,999,188	21,697,876	0.8	4.2
Lawton	200,105,072	193,269,283	187,857,861	6.5	3.5
McAlester	90,170,215	85,141,699	77,818,607	15.9	5.9
Miami	37,928,089	36,481,896	33,379,326	13.6	4.0
Midwest City	154,433,537	150,610,852	131,065,484	17.8	2.5
Moore	118,620,956	114,528,116	94,413,416	25.6	3.6
Muskogee	124,468,110	124,528,352	114,708,630	8.5	0.0
Norman	319,833,828	301,535,202	277,057,204	15.4	6.1
Oklahoma City	1,533,558,553	1,481,772,633	1,418,350,226	8.1	3.5
Okmulgee	36,457,033	34,085,501	33,316,255	9.4	7.0
Pauls Valley	28,699,132	26,589,972	23,181,997	23.8	7.9
Pawhuska	8,167,568	7,662,335	8,115,196	0.6	6.6
Ponca City	80,019,052	77,291,803	70,334,946	13.8	3.5
Poteau	39,001,347	37,982,255	38,329,648	1.8	2.7
Sand Springs	69,056,245	64,415,773	59,496,087	16.1	7.2
Sapulpa	59,248,783	57,629,891	52,209,656	13.5	2.8
Seminole Shawnee Stillwater Tahlequah Tulsa Watonga Weatherford Wewoka Woodward Total Selected Cities	$\begin{array}{c} 27,007,983\\ 111,918,572\\ 142,815,864\\ 67,419,289\\ 1,359,031,349\\ 6,378,551\\ 36,774,115\\ 4,201,533\\ 59,141,234\\ 6,189,832,830\\ \end{array}$	$\begin{array}{c} 26,709,605\\ 109,063,653\\ 138,855,223\\ 64,767,020\\ 1,330,809,525\\ 5,994,308\\ 34,897,818\\ 4,034,398\\ 57,948,537\\ 5,987,850,682 \end{array}$	$\begin{array}{c} 24,016,450\\ 100,545,994\\ 123,348,272\\ 56,589,299\\ 1,250,695,919\\ 6,339,390\\ 32,890,125\\ 3,557,031\\ 52,241,429\\ 5,616,141,268\end{array}$	12.5 11.3 15.8 19.1 8.7 0.6 11.8 18.1 13.2 10.2	1.1 2.6 2.9 4.1 2.1 6.4 5.4 4.1 2.1 3.4

SELECTED INDICATORS FOR THE ENID AND LAWTON MSA'S AND MUSKOGEE MA

				Percentage Change	
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	'07/'06 4th Qtr	4th Qtr '07 3rd Qtr '07
ENID MICROMSA					
Labor Force ^a	29 647	29 426	29 596	0.2	0.8
Total Employment	28,708	28,494	28,721	0.0	0.8
Unemployment Rate (%)	3.1	3.2	3.0		
LAWTON MSA					
Employment (Number)					
Labor Force ^a	46,526	46,371	45,803	1.6	0.3
Linemployment Pote (%)	44,000	44,463	43,919	1.5	0.2
Onemployment hate (%)	4.2	4.1	4.1		
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value (\$000)	10,738	6,091	4,466	140.4	76.3
Number of Units	73	47	28	100.7	55.3
Residential-Multi Family	0.40	0			
Dollar Value (\$000)	340	0	0		
Number of Units	11 079	6.001	4 466		 91 0
Total Construction (\$000)	11,070	0,091	4,400	140.1	01.9
MUSKOGEE MA					
Employment (Number)	20.006	20.000	20.475	1.0	0.2
Total Employment	20,920	29,009	29,475	-1.9	-0.3
Unemployment Bate (%)	5.5	57	5.5		
	0.0	0.17	0.0		
Water Transportation					
Port of Muskogee					
Tons In	166,146	161,463	173,394	-4.2	2.9
Tons Out	32,731	39,039	32,492	0.7	-16.2

Note: Includes revisions.

^aCivilian Labor Force. E = Exceeds 600 percent.

SELECTED INDICATORS FOR THE TULSA MSA

				Percentage Change	
	(III OL 107	0 1 01 107	411 OL 100	'07/'06	4th Qtr '07
	4th Qtr '07	3rd Qtr 107	4th Qtr 06	4th Qtr	3rd Qtr 107
Employment (Number)					
Labor Force ^a	446,023	450,049	447,050	-0.2	-0.9
Total Employment	427,875	432,039	429,928	-0.5	-1.0
Unemployment Rate (%)	4.1	4.0	3.8		
Wage and Salary Employment	428,533	426,967	424,467	1.0	0.4
Manufacturing	51,900	52,100	50,333	3.1	-0.4
Mining	6,833	6,867	6,267	9.0	-0.5
Construction	22,667	22,400	22,067	2.7	1.2
Wholesale and Retail Trade	64,567	62,967	63,600	1.5	2.5
Government	53,333	50,200	53,600	-0.5	6.2
Air Transportation					
Passengers Enplaning (Number)	398,304	434.377	397,104	0.3	-8.3
Passengers Deplaning (Number)	395,666	438,406	392,796	0.7	-9.7
Freight (Tons)	15,902	15,807	15,023	5.9	0.6
Water Transportation					
Tulsa Port of Catoosa					
Tons In	213.034	163.543	257.841	17.4	30.3
Tons Out	383,896	145,961	319,507	20.2	163.0
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value (\$000)	149 132	203 691	156 141	-4 5	-26.8
Number of Units	869	1 176	945	-8.0	-26.1
Residential-Multi Family	000	1,170	0.0	0.0	20.1
Dollar Value (\$000)	3,255	12,883	7,450	-56.3	-74.7
Number of Units	48	268	99	-51.5	-82.1
Total Construction	152,387	216,574	163,591	-6.8	-29.6
	- ,	- ,	,		

Note: Includes revisions. ^aCivilian Labor Force. E = Exceeds 600 percent.

SELECTED INDICATORS FOR OKLAHOMA CITY MSA

				Percentage Change	
	4th Qtr '07	3rd Qtr '07	4th Qtr '06	'07/'06 4th Qtr	4th Qtr '07 3rd Qtr '07
Employment (Number)					
Labor Force ^a	574,672	571,854	573,401	0.2	0.5
Total Employment	550,895	547,946	550,856	0.0	0.5
Unemployment Rate (%)	4.1	4.2	3.9		
Wage and Salary Employment	574,367	564,633	566,100	1.5	1.7
Manufacturing	36,600	36,867	37,900	-3.4	-0.7
Mining	14,967	14,567	13,533	10.6	2.7
Construction	28,000	27,300	26,200	6.9	2.6
Wholesale and Retail Trade	87,400	85,067	85,867	1.8	2.7
Government	115,233	109,467	117,300	-1.8	5.3
Air Transportation					
Passengers Enplaning (Number)	482,981	491,737	450,220	7.3	-1.8
Passengers Deplaning (Number)	472,124	507,917	444,945	6.1	-7.0
Freight Enplaned (Tons)	4,025	4,141	3,955	1.8	-2.8
Freight Deplaned (Tons)	5,344	5,704	5,411	-1.2	-6.3
Permit-Authorized Construction					
Residential-Single Family					
Dollar Value (\$000)	192,652	268,096	208,448	-7.6	-28.1
Number of Units	1,076	1,529	1,225	-12.2	-29.6
Residential-Multi Family					
Dollar Value (\$000)	22,291	14,150	5,519	303.9	57.5
Number of Units	329	247	89	269.7	33.2
Total Construction (\$000)	214,943	282,246	213,967	0.5	-23.8

Note: Includes revisions. ^aCivilian Labor Force.