

# TULSA

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## 2015 ECONOMIC **PROFILE**

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## 2014 ECONOMIC SUMMARY WITH FORECASTS FOR 2015-2019

The TCC Chamber Report Ad- final Tulsa MSA comprises seven counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa and Wagoner, whose aggregate population is estimated to be 969,224 or 25.0 percent of the population of the state of Oklahoma. The gross product or value of all goods and services produced in the seven-county MSA is estimated to be \$50.9 billion (2010 dollars), or 30.7 percent of the Oklahoma economy.

Tulsa's major industries are aerospace, including aerospace manufacturing and aviation; health care; energy; machinery and electrical equipment manufacturing; transportation, distribution and logistics. Several clusters, or groups of companies within industries that buy or sell to each other in the manufacture of goods for export from the area, have disproportionately large concentrations of employment relative to the U.S. concentrations and are positioned to grow within the Tulsa MSA: Aerospace parts manufacturing is three times more concentrated in the Tulsa MSA than in the U.S.; oil and gas production and machinery manufacturing, 7.5 times more concentrated; and pump and compressor manufacturing, 19.6 times more concentrated. Tulsa's concentration of fabricated metal product manufacturing is 3.1 times the U.S. concentration, but its heat-exchanger manufacturing sub-cluster is 52.5 times more concentrated than at the U.S. level. General qualities that attract new companies to grow these clusters and others to Tulsa are a sound infrastructure, a cost of doing business that is 14 percent below the U.S. average and a cost of living that is 11 percent below the U.S. average. The strong concentrations of employment in these Tulsa-area clusters indicate that the Tulsa-area clusters are important to their respective industries nationwide and that they absolutely are important locally.

Tulsa's infrastructure for business includes the Port of Catoosa, an inland port that makes bulk shipping to and from coastal ports accessible and economical, and two central networks for broadband interconnect. Plugging Tulsa's target producing and service sectors into Tulsa's formidable infrastructure requires a quality

work force and Tulsa's work force is known and paid for its productivity.

Steady job growth exists in Tulsa, even with a large decline in oil prices, and attracting and retaining young professionals and skilled workers are key to ensuring continued economic growth. Forbes in 2013 ranked Tulsa the number one city for young entrepreneurs in the U.S., and the Fiscal Times ranked Tulsa second U.S. city for young people to find jobs.

Tulsa's economy grew solidly in 2014 in employment and gross product. Strong energy and manufacturing sectors perpetuated growth that began in 2011. In 2014, the Tulsa economy grew faster than the U.S. Both gross



product and employment in 2015 will be negatively affected by the sharp decline in oil prices in the fourth quarter of 2014 and first quarter of 2015, but with its cost of doing business at 15 percent under the U.S. average due to low rent, energy costs and taxes, Tulsa will continue in 2015 to be a prime location for industry prospects looking to relocate or expand at a steady pace. In 2015, Tulsa's gross product of goods and services should remain unchanged from the 2014 level of \$50.9 billion. After growing 1.6 percent in 2014, employment growth in 2015 will be cut in half to 0.8 percent due to no hiring and layoffs in oil and gas extraction and related energy equipment manufacturing.



# GROSS PRODUCT

Tulsa MSA gross product, the value of all goods and services produced in Tulsa, is estimated to have been \$50.9 billion (adjusted for inflation) in 2014, up 2.6 percent over 2013, growing faster than the U.S. albeit at a slower pace than in 2013. Tulsa’s strong growth in manufacturing and energy kept growth higher than the U.S. Strong growth that began in 2011 carried over through 2014 in both Tulsa and the state, although at slower rates than in 2013.

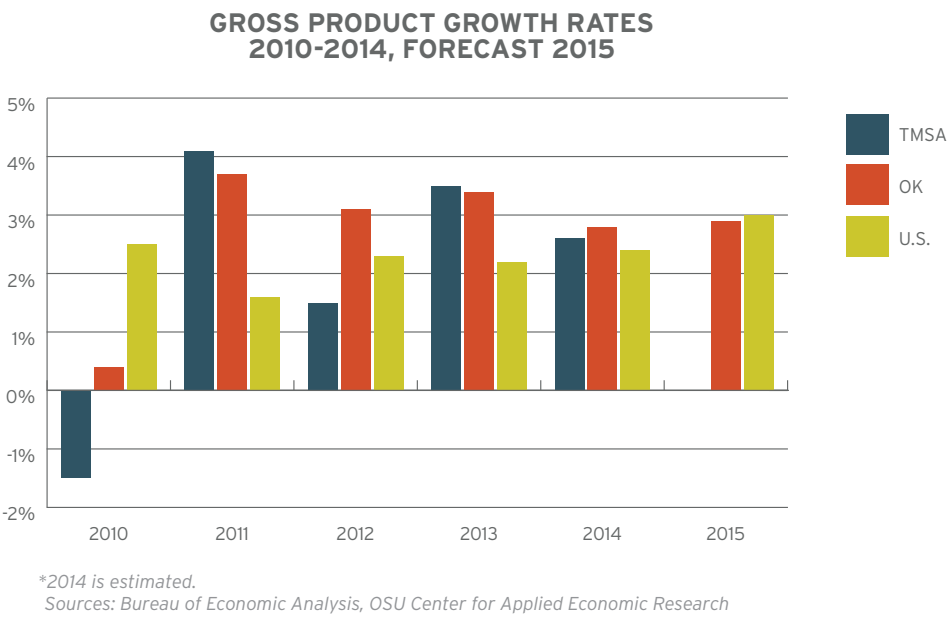
## GROSS METRO PRODUCT

YEAR	TULSA MSA	GROWTH RATE	OK	GROWTH RATE	U.S.	GROWTH RATE
2005	\$41,991,000,000	5.8%	\$133,146,000,000	3.2%	\$14,234,250,000,000	3.3%
2006	\$44,659,000,000	6.4%	\$141,488,000,000	6.3%	\$14,613,800,000,000	2.7%
2007	\$45,597,000,000	2.1%	\$145,106,000,000	2.6%	\$14,873,750,000,000	1.8%
2008	\$48,103,000,000	5.5%	\$149,513,000,000	3.0%	\$14,830,375,000,000	-0.3%
2009	\$46,117,000,000	-4.1%	\$145,668,000,000	-2.6%	\$14,418,750,000,000	-2.8%
2010	\$45,404,000,000	-1.5%	\$146,244,000,000	0.4%	\$14,783,800,000,000	2.5%
2011	\$47,244,000,000	4.1%	\$151,601,000,000	3.7%	\$15,020,575,000,000	1.6%
2012	\$47,940,000,000	1.5%	\$156,262,000,000	3.1%	\$15,369,175,000,000	2.3%
2013	\$49,616,000,000	3.5%	\$161,643,000,000	3.4%	\$15,710,275,000,000	2.2%
2014*	\$50,930,750,000	2.6%	\$166,104,800,000	2.8%	\$16,089,825,000,000	2.4%

\*2014 value is estimated.

## GROSS PRODUCT PROJECTIONS

In 2015, growth in Tulsa’s gross product will be flat, as oil prices have declined 55 percent since November 2014 have reduced machinery manufacturing and energy extraction. The growth statewide of 2.9 percent is just under the U.S. growth rate of 3.0 percent, and is attributable to an economy that is more diverse than Tulsa’s and which includes agriculture.



## PROJECTIONS

	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014*	50,930,750,000	2.6%	166,104,800,000	2.8%	16,089,825,000,000	2.4%
2015	50,920,060,000	0.0%	170,862,300,000	2.9%	16,572,932,500,000	3.0%
2015-2019		2.8%		3.3%		2.8%

\*2014 value is estimated.

# WAGE AND SALARY EMPLOYMENT

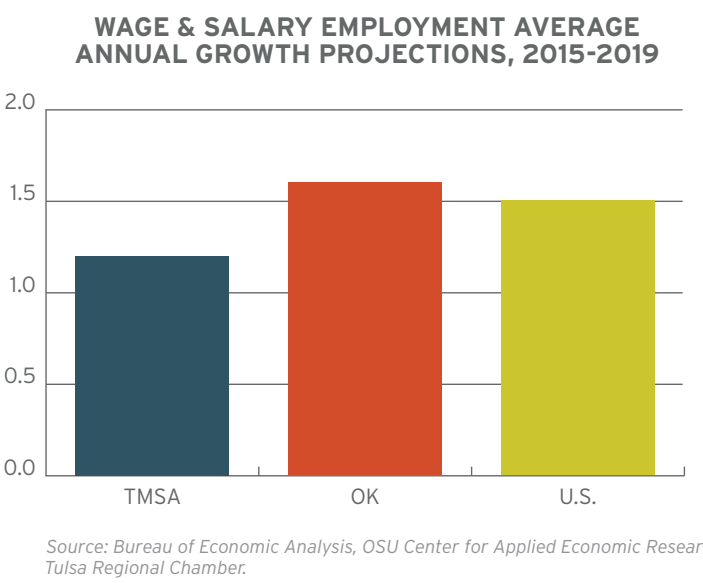
Wage and salary employment in the seven-county Tulsa MSA grew by 1.6 percent in 2014, to 438 thousand, just under the growth rate of 1.9 percent at both state and the U.S. levels. Consumer confidence began to grow and businesses nationwide saw reduced risks in permanent hiring four years out from the low point of recession in 2009 and improved growth in employment nationally has persisted through 2014. Tulsa-area employment grew at virtually the same rate in 2014 as in 2013 as the Tulsa-area economy continued its steady growth across all sectors of the economy.

## TOTAL WAGE & SALARY EMPLOYMENT

YEAR	TMSA	CHANGE	OK	CHANGE	U.S.	CHANGE
2004	400,554	0.5%	1,487,125	1.1%	131,731,667	1.3%
2005	413,862	3.3%	1,525,125	2.6%	133,996,417	1.7%
2006	426,766	3.1%	1,565,691	2.7%	136,403,333	1.8%
2007	435,007	1.9%	1,594,752	1.9%	137,934,833	1.1%
2008	440,585	1.3%	1,618,419	1.5%	137,169,250	-0.6%
2009	420,505	-4.6%	1,567,754	-3.1%	131,220,417	-4.3%
2010	413,361	-1.7%	1,555,974	-0.8%	130,268,583	-0.7%
2011	415,347	0.5%	1,577,635	1.4%	131,843,167	1.2%
2012	424,823	2.3%	1,614,051	2.3%	134,098,250	1.7%
2013	431,251	1.5%	1,633,041	1.2%	136,393,833	1.7%
2014	438,034	1.6%	1,663,363	1.9%	139,023,250	1.9%

## WAGE AND SALARY PROJECTIONS

Despite large declines in oil prices that will affect energy-based employment in 2015, total employment in the Tulsa MSA should grow by more than 3,600 jobs, up 0.8 percent from 2014. Oklahoma employment will grow more quickly, at 1.5 percent; the nation’s employment will grow 2.2 percent, 2.75 times as fast as Tulsa. In the five years 2015-2019, Tulsa-area employment is expected to grow at an average annual rate of 1.2 percent, with new jobs following capital spending by area industries, including construction, manufacturing, business and professional services and education and health services. Over the five-year forecast period, Tulsa employment growth will approach the rates of Oklahoma and the nation, whose employment will grow 1.6 percent and 1.5 percent, respectively.



## PROJECTIONS

	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014	438,034	1.6%	1,663,363	1.9%	139,023,250	1.9%
2015	441,635	0.8%	1,688,479	1.5%	142,098,400	2.2%
2015-2019		1.2%		1.6%		1.5%

Source: Bureau of Economic Analysis, OSU Center for Applied Economic Research.

# INDUSTRY MIX EMPLOYMENT

In the five-year period ended with 2014, all sectors in the Tulsa economy but transportation & warehousing, information, and financial activities showed positive annual average growth. The highest growth occurred in the mining and manufacturing sectors with 3.4 percent and 2.5 percent annual average growth, respectively. Tulsa’s target sectors of mining, manufacturing, transportation, business & professional services and education & health services aggregately gained more than 11,000 jobs, reflecting the confidence by area industries after the economy began to pull out of recession in 2011.

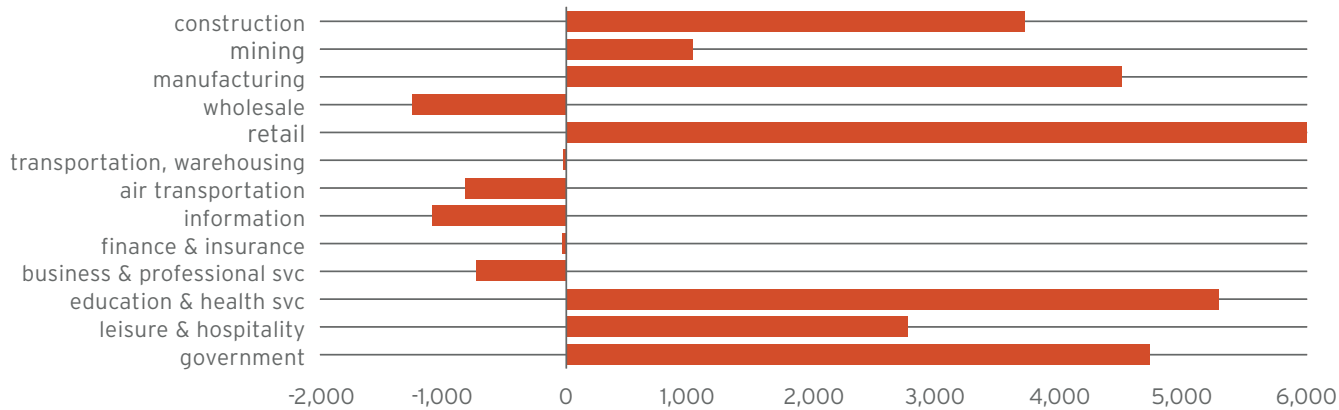
## TULSA MSA GROWTH IN EMPLOYMENT BY INDUSTRY, 2010-2014 FORECASTED GROWTH 2015-2019

	2009	2014	ANNUAL GROWTH 2010-2014	2019	ANNUAL GROWTH 2015-2019
CONSTRUCTION	20.64	22.06	1.3%	25.85	3.2%
MINING	6.82	8.07	3.4%	9.14	2.5%
MANUFACTURING	46.54	52.61	2.5%	57.15	1.7%
WHOLESALE	15.88	15.94	0.1%	17.20	1.5%
RETAIL	45.35	48.94	1.5%	54.91	2.3%
TRANSPORTATION, WAREHOUSING	18.20	16.96	-1.4%	16.89	-0.1%
AIR TRANSPORTATION	7.11	5.83	-3.3%	5.00	-3.0%
INFORMATION	8.89	7.53	-3.3%	6.38	-3.2%
FINANCIAL ACTIVITIES	23.83	23.18	-0.6%	23.11	-0.1%
BUSINESS & PROFESSIONAL SVC	55.17	56.81	0.6%	56.10	-0.2%
EDUCATION & HEALTH SVC	64.08	67.47	1.0%	72.81	1.5%
LEISURE & HOSPITALITY	36.84	40.51	1.9%	43.26	1.3%
GOVERNMENT	57.05	57.77	0.2%	62.56	1.6%

## INDUSTRY MIX EMPLOYMENT PROJECTIONS

Through 2019, the target sectors of mining, manufacturing, transportation, business & professional services, and education & health services are expected to add 10,870 jobs, growing at an average annual rate of 1.5 percent. These new target-sector jobs will account for 39.5 percent of 27,500 jobs to be added across all sectors of the Tulsa-area economy through 2019.

JOB GROWTH BY INDUSTRY, TULSA MSA 2015 THROUGH 2019



# UNEMPLOYMENT

Economic expansion will continue throughout the forecast period 2015-2019, and the unemployment rate will continue to fall appreciably as it fell in 2014. During expansion, the labor force rises as new prospective workers and former workers return to the job market. These persons are temporarily added to the rolls of the unemployed and the unemployment rate increases. Jobs are created and filled and more persons come into the labor force looking for work. This behavior occurred in Tulsa and the state through 2013. In 2014, the labor force declined. Labor supply caught up with job creation, accompanied by shortages in workers to fill jobs in select technical and skilled occupations, and the unemployment rate fell in 2014. A similarly large decline in the unemployment rate will occur 2015. The unemployment rate of 3.7 percent and 3.5 percent in 2016 and 2017, respectively, will reflect a tight labor market that constrains growth. A tight labor market will persist through 2019.

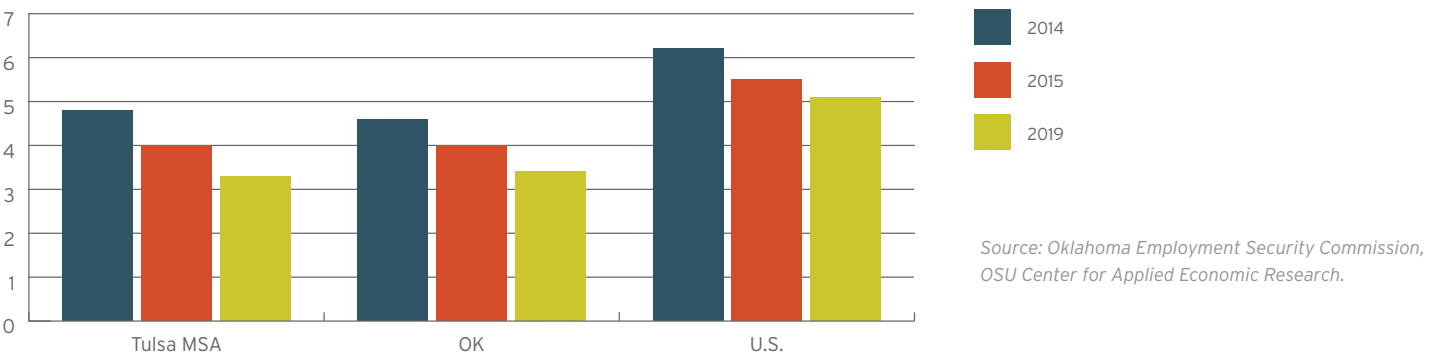
## UNEMPLOYMENT RATE

YEAR	TULSA MSA	OK	U.S.
2005	4.4%	4.5%	5.1%
2006	4.0%	4.1%	4.6%
2007	4.0%	4.1%	4.6%
2008	3.7%	3.7%	5.8%
2009	7.2%	6.7%	9.3%
2010	7.7%	6.9%	9.6%
2011	6.6%	5.9%	8.9%
2012	5.7%	5.4%	8.1%
2013	5.7%	5.4%	7.4%
2014	4.8%	4.6%	6.2%
2015	4.0%	4.0%	5.5%
2016	3.7%	3.8%	5.3%
2017	3.5%	3.5%	5.1%
2018	3.4%	3.5%	5.1%
2019	3.3%	3.4%	5.1%

## UNEMPLOYMENT PROJECTIONS

The Tulsa MSA unemployment rate should average 4.0 percent in 2015, down appreciably from 2014, and continue to decline in 2016 as the recovery matures and growth in the labor force slows. Growth in the labor force participation rate, a measure of the labor force as a percent of population, will slow throughout the 2015-2019 forecast period. Although the economic contraction due to oil prices that are sharply down from 2014 is expected to be short-lived, persistence in the price slump could be reflected in less tightness in the job market as displaced energy-industry employees seek employment elsewhere in the economy, and in an unemployment rate that is higher than currently forecast.

UNEMPLOYMENT RATE WITH ESTIMATE FOR 2014\*,  
FORECASTS FOR 2015, 2019



# LABOR FORCE

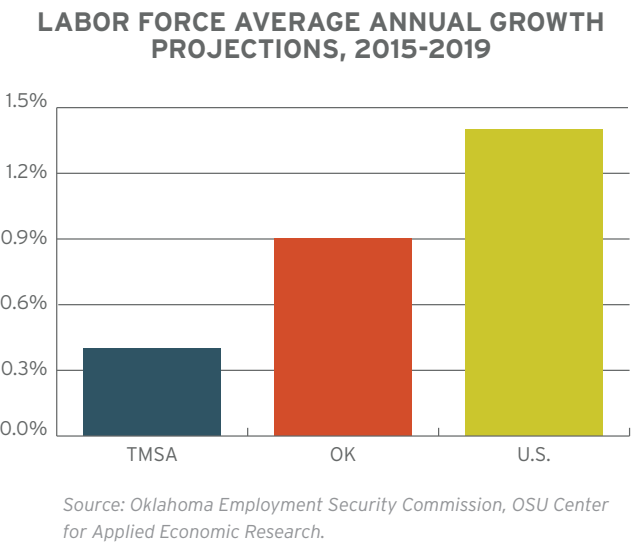
Labor force is defined as the sum of persons who are 18 years old or older who are working and those persons who are not currently working but who are actively seeking work. The Tulsa-area labor force fell by 1.4 percent in 2014 as economic expansion was constrained somewhat by job-seekers who were mismatched for the needs of the workplace and ended their job search.

## LABOR FORCE

YEAR	TULSA MSA	GROWTH RATE	OK	GROWTH RATE	U.S.	GROWTH RATE
2005	443,341	1.2%	1,705,393	0.9%	149,289,167	1.3%
2006	444,646	0.3%	1,721,114	0.9%	151,408,833	1.4%
2007	440,825	-0.9%	1,734,966	0.8%	153,123,083	1.1%
2008	440,473	-0.1%	1,741,166	0.4%	154,321,583	0.8%
2009	441,553	0.2%	1,764,540	1.3%	154,188,500	-0.1%
2010	442,726	0.3%	1,775,398	0.6%	153,885,250	-0.2%
2011	439,612	-0.7%	1,776,995	0.1%	153,618,167	-0.2%
2012	443,352	0.9%	1,793,779	0.9%	154,965,583	0.9%
2013	452,289	2.0%	1,816,716	1.3%	155,387,167	0.3%
2014	446,031	-1.4%	1,800,814	-0.9%	155,899,000	0.3%

## LABOR FORCE PROJECTIONS

The Tulsa-area labor force in 2015 will continue to decline as it did in 2014, albeit slower than in 2014, by 0.4 percent. The tight labor market reflects the need to fill jobs and the difficulty in finding persons with the correct skills. The economy will expand in 2016 through 2019 as the supply of qualified job applicants begins to match industry requirements more closely. The labor force should grow at an average annual rate of 0.4 percent in years 2015 through 2019. Over the same period, population should grow more rapidly than the labor force, effecting a decline in the labor-force participation rate from 45.5 percent in 2015 to 45.3 percent in 2019.



## PROJECTIONS

	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014	446,031	-1.4%	1,800,814	-0.9%	155,899,000	0.3%
2015	444,451	-0.4%	1,814,345	0.8%	158,654,400	1.8%
2015-2019		0.4%		0.9%		1.4%

Source: Oklahoma Employment Security Commission, OSU Center for Applied Economic Research.

# POPULATION

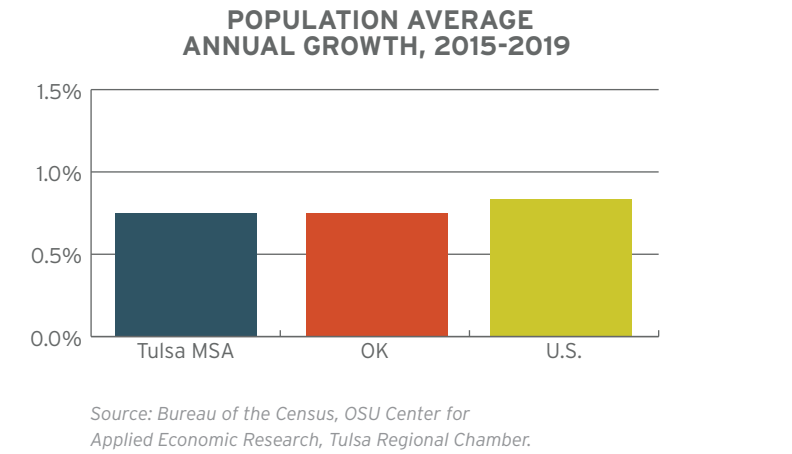
The Tulsa MSA population grew 0.8 percent in 2014 to 969,488, up from 961,561 in 2013. Based on data collected in surveys by the Bureau of the Census and estimates by Economy.com, Tulsa experienced a net in-migration into the Tulsa MSA in 2014 of 3,032 persons, of which nearly 39 percent were foreign immigrants.

## POPULATION GROWTH

YEAR	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
2005	882,861	0.6%	3,548,597	0.7%	296,459,826	0.9%
2006	894,011	1.3%	3,594,090	1.3%	299,281,636	1.0%
2007	906,441	1.4%	3,634,349	1.1%	302,226,681	1.0%
2008	916,525	1.1%	3,668,976	1.0%	304,947,780	0.9%
2009	929,824	1.5%	3,717,572	1.3%	307,580,197	0.9%
2010	939,826	1.1%	3,759,481	1.1%	310,070,000	0.8%
2011	945,671	0.6%	3,786,527	0.7%	312,315,000	0.7%
2012	952,129	0.7%	3,817,059	0.8%	314,524,041	0.7%
2013	961,561	1.0%	3,853,118	0.9%	316,745,806	0.7%
2014*	969,488	0.8%	3,878,051	0.6%	319,044,538	0.7%

## POPULATION GROWTH PROJECTIONS

For the forecast years of 2015-2019, the Tulsa MSA population should grow at an average annual rate of 0.7 percent, matching the Oklahoma forecast. The U.S. population growth rate is forecasted to average 0.8 percent annually for years 2015-2019.



## PROJECTIONS

	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014*	969,488	0.8%	3,878,051	0.6%	319,044,538	0.7%
2015	976,044	0.7%	3,903,388	0.7%	321,656,252	0.8%
2015-2019		0.7%		0.7%		0.8%

\*2014 values estimated.  
Source: Bureau of the Census, OSU Center for Applied Economic Research.

# PER CAPITA INCOME

Per capita income in the Tulsa MSA is estimated to have risen 4.1 percent in 2014, up from growth of 1.2 percent in 2013. The state and U.S. both experienced similar gains in per capita personal income, growing 3.3 percent and 3.2 percent in Oklahoma and the nation, respectively. Tulsa is ranked 200th in growth of 382 MSAs in the country regarding 2013 per capita personal income. A higher ranking for 2014 is likely due to persistent growth in energy industry income, growing faster than both the state and the nation, at 4.2 percent, 3.5 times the rate of 2013.

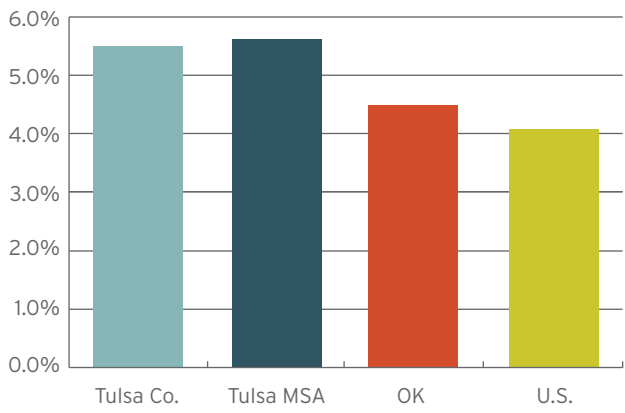
## REAL PER CAPITA INCOME

YEAR	TULSA CO.	CHANGE	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
2005	40,655	10.0%	35,527	9.0%	31,174	6.7%	35,843	4.6%
2006	44,292	8.9%	38,767	9.1%	33,755	8.3%	38,114	6.3%
2007	44,012	-0.6%	39,201	1.1%	34,648	2.6%	39,758	4.3%
2008	49,249	11.9%	43,220	10.3%	37,648	8.7%	40,814	2.7%
2009	42,009	-14.7%	38,360	-11.2%	34,659	-7.9%	39,342	-3.6%
2010	43,183	2.8%	39,398	2.7%	35,910	3.6%	40,119	2.0%
2011	47,971	11.1%	43,223	9.7%	38,970	8.5%	42,291	5.4%
2012	52,284	9.0%	46,750	8.2%	41,385	6.2%	44,158	4.4%
2013	52,843	1.1%	47,297	1.2%	41,833	1.1%	44,713	1.3%
2014*	54,881	3.9%	49,242	4.1%	43,215	3.3%	46,148	3.2%

## PER CAPITA INCOME PROJECTIONS

Real per capita income in the Tulsa MSA is expected to grow at 4.2 percent in 2015 and at an average annual rate of 5.6 percent for the five-year period 2015 through 2019. Income will grow with employment growth, and employment growth will be attributable to increased business spending as expansion continues. Energy companies are hurt by low oil prices, but Tulsa’s large capital-goods manufacturing sector benefits from lower production costs due to cheaper energy.

PER CAPITA INCOME AVERAGE ANNUAL GROWTH PROJECTIONS, 2015-2019



Source: Bureau of Economic Analysis, OSU Center for Applied Economic Research, Tulsa Regional Chamber.

## PROJECTIONS

	TULSA COUNTY	ANNUAL AVG GROWTH	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014*	54,881	3.9%	49,242	4.1%	43,215	3.3%	46,148	3.2%
2015	57,165	4.2%	51,303	4.2%	43,972	1.8%	47,607	3.2%
2015-2019	5.5%		5.6%		4.5%		4.1%	

\*2014-2019 values are forecasted  
Source: Bureau of Economic Analysis, OSU Center for Applied Economic Research, Tulsa Regional Chamber

# AVERAGE WEEKLY EARNINGS IN MANUFACTURING

Average weekly earnings from manufacturing in Tulsa increased by 8.5 percent in 2014 and was 23.7 percent above the state average. Average weekly earnings of \$925.49 in Tulsa was 12.6 percent above the U.S. average. The high wage for Tulsa-area manufacturing workers is attributable to a work week that was consistently five to eight percent above 40 hours throughout the year and to bidding up wage rates to get the talent to effectively meet the strong demand for products.

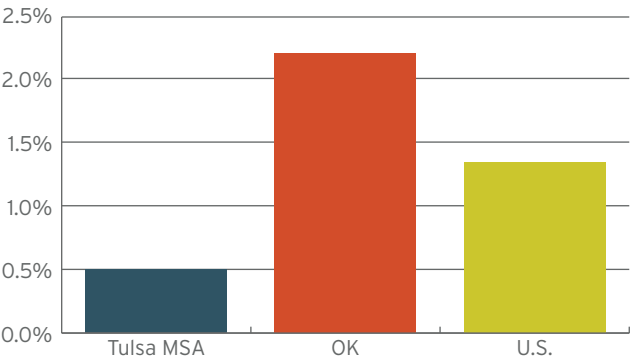
## AVERAGE WEEKLY EARNINGS IN MANUFACTURING

YEAR	TULSA MSA	GROWTH RATE	OK	GROWTH RATE	U.S.	GROWTH RATE
2005	719.50	3.5%	577.10	0.1%	673.30	2.2%
2006	698.48	-2.9%	589.32	2.1%	690.88	2.6%
2007	731.25	4.7%	579.49	-1.7%	711.53	3.0%
2008	724.50	-0.9%	608.76	5.1%	724.46	1.8%
2009	767.72	6.0%	597.78	-1.8%	726.12	0.2%
2010	769.41	0.2%	604.73	1.2%	765.15	5.4%
2011	745.91	-3.1%	649.48	7.4%	784.29	2.5%
2012	760.38	1.9%	685.73	5.6%	794.63	1.3%
2013	853.14	12.2%	712.80	3.9%	807.37	1.6%
2014	925.49	8.5%	748.51	5.0%	822.24	1.8%

## AVERAGE WEEKLY EARNINGS IN MANUFACTURING FORECAST

Average weekly earnings in manufacturing in the Tulsa MSA are forecasted to contract by 5.5 percent in 2015 due to the forecasted strong dollar in 2015 that will dampen demand for Tulsa capital goods globally. Steady wage growth will return and average 2.1 percent annually over years 2016-2019.

AVERAGE WEEKLY EARNINGS, MANUFACTURING AVERAGE ANNUAL GROWTH PROJECTIONS, 2015-2019



Source: Oklahoma Employment Security Commission, Oklahoma State University, Tulsa Regional Chamber

## PROJECTIONS

	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2014	925.49	8.5%	748.51	5.0%	822.24	1.8%
2015	874.51	-5.5%	752.36	0.5%	833.92	1.4%
2015-2019		0.5%		2.2%		1.3%

Source: Oklahoma Employment Security Commission, Tulsa Regional Chamber

RETAIL SALES

Consistently high levels of income in Tulsa always bode well for Tulsa and cushion the fall in sharp recession. Retail sales grew in Tulsa, the state and the U.S. in 2014, albeit more slowly than in 2013, consistently with most of the preceding decade. A notable aberration was the 10.1 percent decline in retail sales in 2009 when Tulsa was fully in recession having lost 25,000 jobs. Since 2009, retail sales have grown an average of 4.8 percent annually. Sales in 2014 grew at the slowest rate of any of years 2010-2014, slowing down as did retail sales in Tulsa City and the state. U.S. retail sales grew in 2014 at virtually the same rate as in 2013.

RETAIL SALES

YEAR	TULSA CITY	CHANGE	TMSA	CHANGE	OKLAHOMA	CHANGE	U.S.	CHANGE
2005	\$4,780,968,488	3.9%	\$7,373,408,804	4.7%	\$28,256,532,389	5.5%	\$4,086,625,000,000	6.2%
2006	\$5,011,300,516	4.8%	\$7,859,946,443	6.6%	\$30,200,974,749	6.9%	\$4,296,871,000,000	5.1%
2007	\$5,344,519,755	6.6%	\$8,508,176,388	8.2%	\$32,155,493,020	6.5%	\$4,443,807,000,000	3.4%
2008	\$5,641,906,018	5.6%	\$9,036,006,352	6.2%	\$34,265,166,688	6.6%	\$4,402,508,000,000	-0.9%
2009	\$5,022,151,042	-11.0%	\$8,121,675,236	-10.1%	\$31,221,263,901	-8.9%	\$4,082,092,000,000	-7.3%
2010	\$5,165,640,445	2.9%	\$8,466,000,087	4.2%	\$32,885,394,745	5.3%	\$4,307,947,000,000	5.5%
2011	\$5,487,746,821	6.2%	\$9,017,067,211	6.5%	\$35,509,968,895	8.0%	\$4,627,809,000,000	7.4%
2012	\$5,879,322,078	7.1%	\$9,632,950,182	6.8%	\$38,195,352,427	7.6%	\$4,869,032,000,000	5.2%
2013	\$6,131,762,656	4.3%	\$10,022,394,396	4.0%	\$39,838,878,651	4.3%	\$5,067,874,000,000	4.1%
2014	\$6,187,629,516	0.9%	\$10,245,113,978	2.2%	\$40,719,046,107	2.2%	\$5,271,913,000,000	4.0%

RETAIL SALES PROJECTIONS

Retail sales in 2015 in Tulsa City are expected to contract by 0.7 percent from 2014; for the Tulsa MSA, by 0.8 percent. Dampened consumer confidence in the wake of energy-industry layoffs and flat growth in per capita personal income will effect a short-lived slump in retail sales for the year 2015. Average annual growth through 2019 should be 3.3 percent for the Tulsa MSA and 2.9 percent for the City of Tulsa; for the state and the nation, 2.7 percent and 2.8 percent, respectively.

PROJECTIONS

	CITY OF TULSA	TULSA CITY ANNUAL AVG GROWTH	TULSA MSA	TULSA MSA ANNUAL AVG GROWTH	OK	OKLAHOMA ANNUAL AVG GROWTH	U.S.	U.S. ANNUAL AVG GROWTH
2014	6,187,629,516	0.9%	10,245,113,978	2.2%	40,719,046,107	2.2%	5,271,913,000,000	4.0%
2015	6,142,452,139	-0.7%	10,159,003,617	-0.8%	40,549,922,765	-0.4%	5,456,259,732,377	3.5%
2015-2019		2.9%		3.3%		2.7%		2.8%

Source: Center for Management and Economic Research, OSU Center for Applied Economic Research, U.S. Bureau of the Census, Tulsa Regional Chamber

RESIDENTIAL REAL ESTATE

The residential real estate market in the Tulsa MSA in 2014 grew in total permits issued and value of permits by 0.3 percent and 1.6 percent, respectively, as home sales increased by 3.8 percent and inventories declined 13.9 percent. Falling inventories of existing homes on the market and home prices’ rising more slowly than personal income should set the stage for increased permitting in 2014, but permitting slowed with retail sales and a curtailing of consumer confidence toward year-end. The year-end median price for a single-family home sold in 2014 was \$139,000, up 1.9 percent from \$136,500 in 2013. The permit value per home rose only 0.3 percent in 2014.

NEW SINGLE-FAMILY RESIDENTIAL BUILDING PERMITS, TULSA MSA

YEAR	NO. RESIDENTIAL BUILDING PERMITS*	GROWTH	VALUE (\$MILLION)	GROWTH
2005	4,994	13.5%	734.545	16.7%
2006	4,830	-3.3%	791.302	7.7%
2007	4,399	-8.9%	736.154	-7.0%
2008	2,868	-34.8%	493.834	-32.9%
2009	2,680	-6.6%	453.539	-8.2%
2010	2,269	-15.3%	393.148	-13.3%
2011	2,033	-10.4%	376.366	-4.3%
2012	2,699	32.8%	484.111	28.6%
2013	3,006	11.4%	599.883	23.9%
2014	3,014	0.3%	609.218	1.6%

RESIDENTIAL REAL ESTATE PROJECTIONS

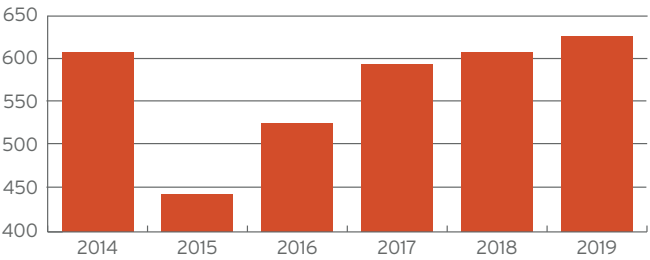
In 2015 the year-end total number of residential permits is expected decline from 2014 by 29 percent, reflecting a slumping oil sector and slower growth in manufacturing due to a strong dollar. Accompanying the decline in number of permits in 2015 will be a decline in value of permits of 27.9 percent, indicating that the average new home likely will be just under two percent more expensive on average in 2015. The average annual growth rates for number of permits and permit value through 2019 are expected to be -0.1 percent and 0.5 percent, respectively.

PROJECTIONS

	PERMITS*	ANNUAL AVG GROWTH	VALUE OF PERMITS*	ANNUAL AVG GROWTH
2014	3,014	0.3%	609.218	1.6%
2015	2,139	-29.0%	439.536	-27.9%
2015-2019		-0.1%		0.5%

Source: Bureau of the Census, OSU Center for Applied Economic Research, Moody's Economy.com, Tulsa Regional Chamber

VALUE OF SINGLE-FAMILY RESIDENTIAL PERMITS (\$MILLION) TULSA MSA, 2014 AND 2015-2019 FORECASTS



Source: Bureau of the Census, OSU Center for Applied Economic Research, McGraw-Hill, Tulsa Regional Chamber



# NON-RESIDENTIAL REAL ESTATE

The value of new non-residential contracts in the Tulsa MSA declined in 2014 by 21.8 percent, to \$527.6 million, falling back close to the post-recession low of \$517.9 million in 2012. Investors became somewhat more risk averse in the last quarter of 2014 as signs of increasing weakness in oil prices materialized. With construction employment expected to grow 3.2 percent annually through 2019, investments will continue to be put in place for future income and revenue growth that reflect investors' expectation that the Tulsa economy will grow in both the near- and long-term.

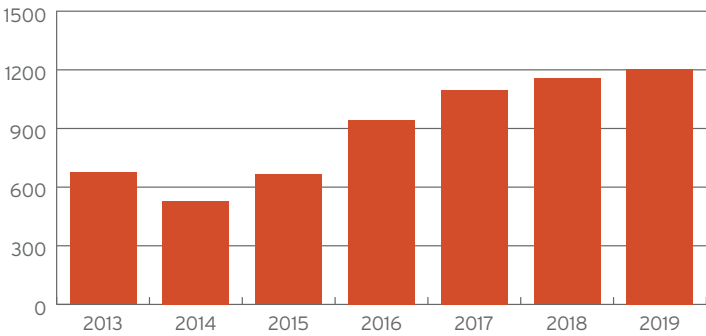
## NON-RESIDENTIAL REAL ESTATE CONSTRUCTION CONTRACTS AWARDED, TULSA MSA

YEAR	NON-RESIDENTIAL CONTRACT VALUE (\$MILLION)	CHANGE
2005	658.0	48.1%
2006	747.1	13.5%
2007	677.7	-9.3%
2008	756.1	11.6%
2009	628.5	-16.9%
2010	713.9	13.6%
2011	705.5	-1.2%
2012	517.9	-26.6%
2013	675.1	30.3%
2014	527.6	-21.8%

## NON-RESIDENTIAL REAL ESTATE PROJECTIONS

New non-residential construction is expected to grow 22.1 percent in 2015 and 16.5 percent over the five-year forecast period 2015-2019.

2013 AND 2014 VALUE OF NON-RESIDENTIAL CONTRACTS (\$MILLION) WITH FORECASTS FOR 2015-2019 TULSA MSA



Source: McGraw-Hill, OSU Center for Applied Economic Research, Tulsa Regional Chamber

## PROJECTIONS

	NON-RESIDENTIAL PERMIT VALUE (\$MILLION)	ANNUAL AVG GROWTH
2014	527.6	-21.8%
2015	644.5	22.1%
2015-2019		16.5%

Source: McGraw-Hill, OSU Center for Applied Economic Research, Tulsa Regional Chamber

# TOTAL BANKRUPTCIES

Total bankruptcy filings have declined steadily since the recession peak of 4,406 in 2010. Steady recovery of the Tulsa-area economy since 2011 is reflected in an average annual contraction in bankruptcy filings of 9.8 percent in years 2012-2014. The decline in bankruptcies in the Tulsa area should continue, moving in tandem with the U.S.

## TOTAL BANKRUPTCY FILINGS

YEAR	NE OK	CHANGE	U.S.*	CHANGE
2000	4,937	-1.0%	1,253,444	-5.0%
2001	5,830	18.1%	1,492,129	19.0%
2002	6,611	13.4%	1,577,651	5.7%
2003	7,638	15.5%	1,660,245	5.2%
2004	7,456	-2.4%	1,597,462	-3.8%
2005	10,840	45.4%	2,078,415	30.1%
2006	1,940	-82.1%	617,660	-70.3%
2007	2,520	29.9%	850,912	37.8%
2008	3,130	24.2%	1,117,771	31.4%
2009	4,118	31.6%	1,473,675	31.8%
2010	4,406	7.0%	1,593,081	8.1%
2011	3,711	-15.8%	1,410,653	-11.5%
2012	3,417	-7.9%	1,221,091	-13.4%
2013	3,016	-11.7%	1,071,932	-12.2%
2014	2,722	-9.7%	936,795	-12.6%

Source: U.S. bankruptcy courts.

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in Tulsa

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# BUSINESS BANKRUPTCIES

The business-bankruptcy component of total bankruptcies constituted 0.4 percent of all bankruptcies in 2014 for Northeastern Oklahoma. The number was down from 16 in 2013 to 11 in 2014, a 31.3-percent decline. U.S. business bankruptcies accounted for 2.9 percent of all bankruptcies in 2014.

## BUSINESS BANKRUPTCY FILINGS

YEAR	NE OK	CHANGE	U.S.*	CHANGE
2000	427	31.4%	35,472	-20.0%
2001	488	14.3%	40,099	13.0%
2002	251	-48.6%	38,540	-3.9%
2003	269	7.2%	35,037	-9.1%
2004	224	-16.7%	34,317	-2.1%
2005	367	63.8%	39,201	14.2%
2006	83	-77.4%	19,695	-49.8%
2007	120	44.6%	28,322	43.8%
2008	112	-6.7%	43,546	53.8%
2009	43	-61.6%	60,837	39.7%
2010	38	-11.6%	56,282	-7.5%
2011	31	-18.4%	47,806	-15.1%
2012	20	-35.5%	40,075	-16.2%
2013	16	-20.0%	33,212	-17.1%
2014	11	-31.3%	26,983	-18.8%

Source: U.S. bankruptcy courts.

Changes in business bankruptcies act as a leading indicator of business trends. Business bankruptcies generally are filed by small businesses that are under-capitalized and under-managed. Their vulnerability to subtly adverse market conditions makes them the first to go out of business, portending growing adversity which may affect all businesses. Conversely, declines in business bankruptcies may signify better economic conditions ahead. The drop in business bankruptcy filings in northeastern Oklahoma from 16 in 2013 to 11 in 2014 is encouraging, declining by 31.3 percent and outpacing the U.S. decline of 18.8 percent. Forecasted average annual growth for employment of a 1.2 percent in 2015-2019 and a gross product forecast of 2.8 percent annual growth through the same period should keep Tulsa-area business bankruptcies at a manageable level of under 25 annually through the forecast period.

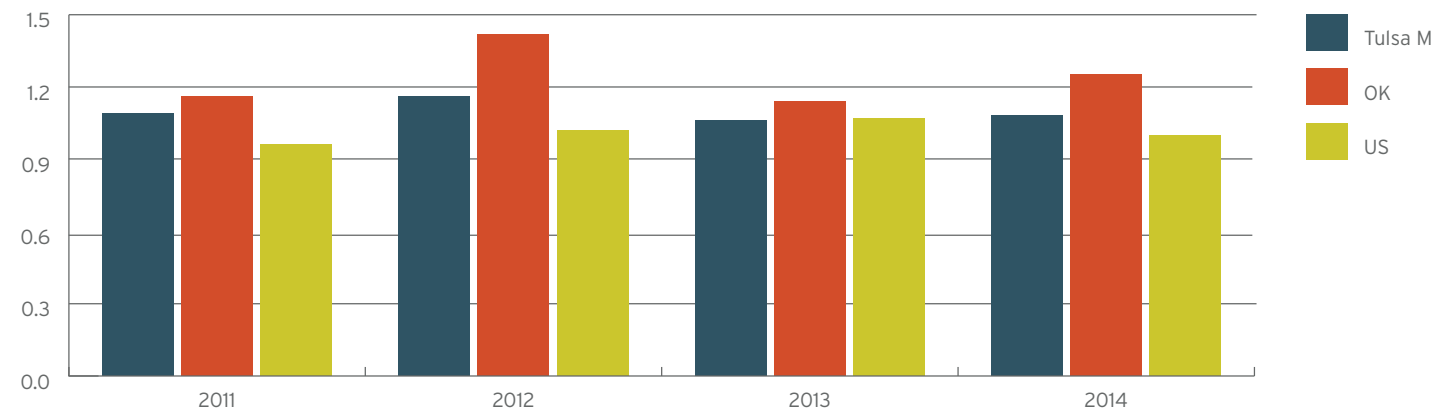
# BANKING

The 2014 Tulsa economy grew 2.6 percent in real gross product and 1.6 percent in employment. This expansion yielded steady growth in banking services in 2014. Return on assets for banks statewide and nationally in 2014 was 1.25 percent and 1.00 percent, respectively, while Tulsa banks’ return on assets rose to 1.07 percent, up from 1.06 percent in 2013. The success of Tulsa-area banks is the result of prudent, conservative banking practices in lending for capital investment and consumer housing. Returns are expected to grow from current levels in 2014 for state and Tulsa banks and the U.S. as the economy continues to expand steadily.

## RETURN ON AVERAGE BANK ASSETS

YEAR	TULSA MSA	OK	U.S.
2003	1.12%	1.25%	1.34%
2004	1.20%	1.32%	1.36%
2005	1.21%	1.37%	1.39%
2006	1.31%	1.40%	1.35%
2007	1.25%	1.40%	1.22%
2008	0.65%	1.16%	0.43%
2009	1.14%	1.11%	0.15%
2010	1.12%	1.13%	0.69%
2011	1.09%	1.16%	0.96%
2012	1.16%	1.42%	1.02%
2013	1.06%	1.14%	1.07%
2014	1.08%	1.25%	1.00%

RETURN ON AVERAGE BANK ASSETS TULSA, OKLAHOMA, U.S.  
YTD THROUGH SEPTEMBER 2011-2014



Source for 2004-2012: Thomson Reuters, Austin, TX;  
\*Sources for 2013 and 2014, Tulsa MSA, Statistics on Depository Institutions Report, FDIC, [www.fdic.gov](http://www.fdic.gov);  
2013 and 2014 Oklahoma, Statistics on Depository Institutions Report, FDIC;  
2013 and 2014 year-end data for U.S. banks, Statistics on Depository Institutions Report, FDIC.



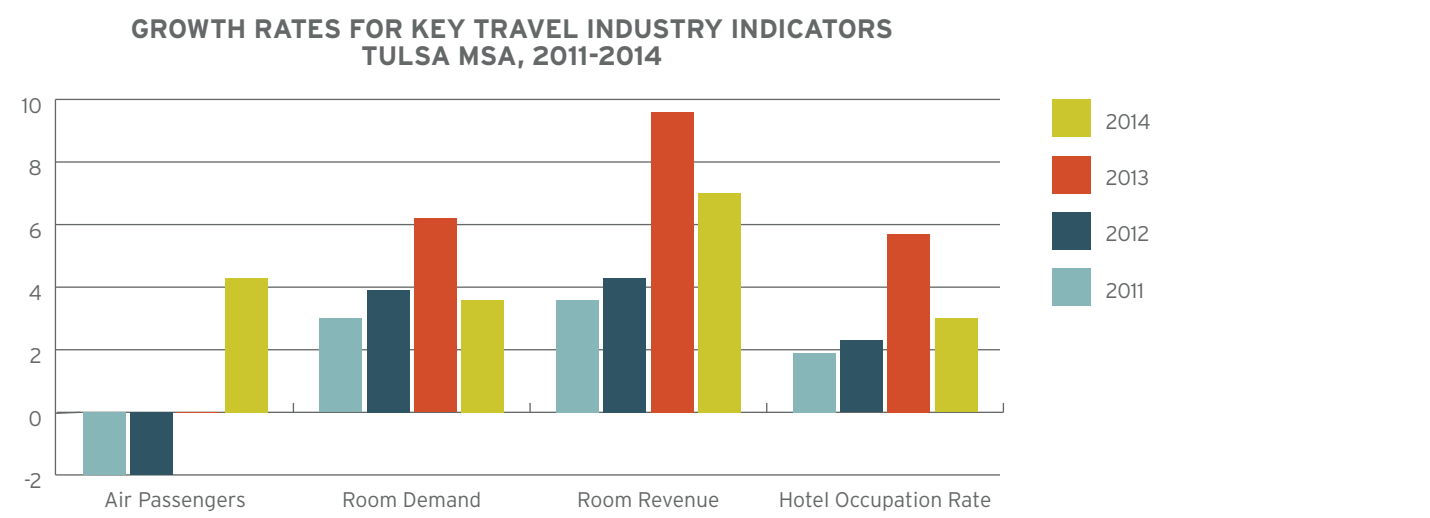
# TRAVEL INDUSTRY

Hotel-room demand and hotel revenue expanded in 2014, up 3.6 percent and 7.0 percent, respectively from 2013. The hotel occupancy rate rose 3.0 percent in 2014. The 2014 count of total air passengers was up 4.3 percent from 2013. As the Tulsa MSA economy experiences flat growth in gross product, business-travel growth could dampen in 2015. The magnitude of slowdown will depend on energy prices and the growth in airfares.

## TRAVEL INDUSTRY

YEAR	AIR PASSENGERS	ROOM DEMAND	ROOM REVENUE	HOTEL OCCUPATION RATE
2000	3,498,722	2,092,126	\$124,017,000	56.7
2001	3,243,965	2,194,640	\$133,566,309	57.4
2002	2,907,308	2,086,875	\$123,292,580	52.2
2003	2,747,203	2,069,880	\$118,360,877	48.3
2004	2,943,919	2,160,954	\$125,580,890	49.0
2005	3,132,962	2,454,844	\$146,050,575	54.8
2006	3,168,716	2,646,322	\$162,262,189	57.6
2007	3,218,429	2,702,844	\$191,631,646	60.4
2008	3,180,765	2,829,837	\$204,116,141	61.2
2009	2,812,295	2,564,527	\$185,799,998	54.9
2010	2,763,562	2,632,043	\$190,217,782	51.8
2011	2,707,386	2,711,185	\$197,103,147	52.8
2012	2,654,189	2,816,246	\$205,614,108	54.0
2013	2,647,889	2,991,987	\$225,371,203	57.1
2014	2,760,705	3,101,031	\$241,116,338	58.8

Source: City of Tulsa, Smith Travel Research



Source: City of Tulsa, Smith Travel Research

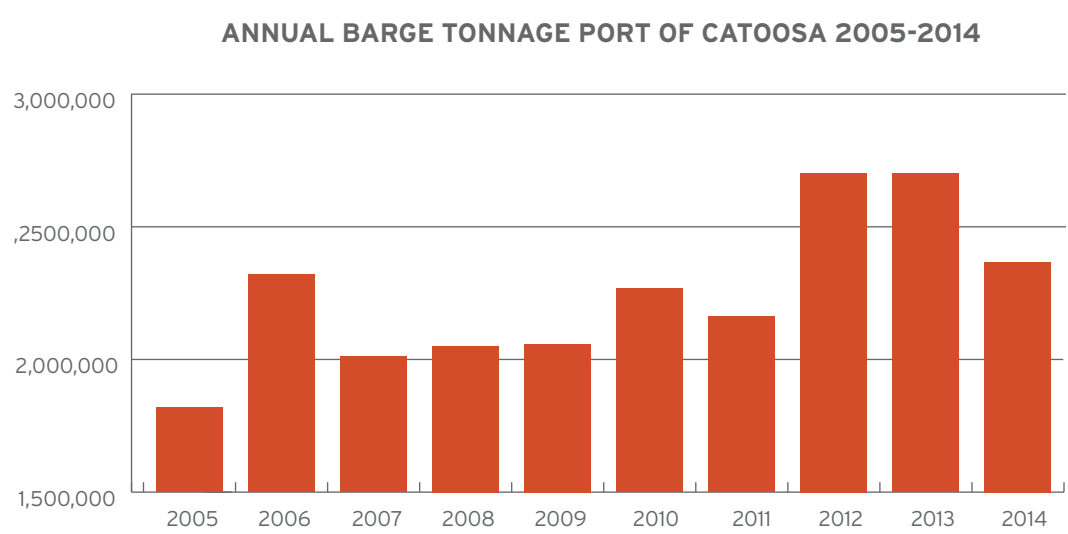
# PORT OF CATOOSA

The Port of Catoosa is an inland port that includes terminal facilities spreading over 500 acres. The Port is a foreign trade zone created especially for industries that benefit from water transportation: producers of bulk, raw commodities such as grain, steel and fertilizer; or manufacturers of heavy equipment. The volume of shipments is subject not only to variations in business conditions, but to seasonality, weather, agricultural crop conditions and agricultural and foreign trade policy. In 2014, barge tonnage through the Port was 2,367,127 tons, down 12.4 percent from 2013. Assuming continued expansion of the U.S. economy and stable economies worldwide in 2015, tonnage likely will grow by 1.5 to 2.5 percent in 2015.

## BARGE TONNAGE, PORT OF CATOOSA

YEAR	TONS	CHANGE
2005	1,819,905	-18.05%
2006	2,321,448	27.56%
2007	2,010,505	-13.39%
2008	2,050,394	1.98%
2009	2,058,191	0.38%
2010	2,266,893	10.14%
2011	2,160,624	-4.69%
2012	2,702,464	25.08%
2013	2,700,990	-0.05%
2014	2,367,127	-12.36%

Source: Port of Catoosa



JANUARY 2015 ESTIMATE OF ANNUAL MEDIAN  
BASE SALARIES, TULSA MSA

Accountant .....	\$52,466	Internal Auditor .....	\$56,084
Accounting Clerk .....	\$32,389	Janitor .....	\$23,737
Administrative Assistant .....	\$35,724	Librarian .....	\$45,876
Aircraft Mechanic .....	\$50,391	Light Truck Driver .....	\$30,053
Automobile Mechanic .....	\$41,592	Machine Tool Operator .....	\$34,124
Bank Teller .....	\$24,789	Machinery Mechanic .....	\$41,893
Benefits Analyst .....	\$52,729	Maintenance Worker .....	\$36,672
Biologist .....	\$54,519	Market Research Analyst .....	\$52,024
Bookkeeper .....	\$31,510	Materials Handler .....	\$28,394
Bus Driver .....	\$36,495	Mechanical Engineer .....	\$72,280
Buyer/Purchasing Agent .....	\$50,893	Medical Lab Technician .....	\$36,258
Carpenter (Gen/Maint) .....	\$38,967	Millwright .....	\$50,423
Cashier .....	\$22,599	Office Manager .....	\$47,761
Chemical Engineer .....	\$81,551	Order Clerk .....	\$31,093
Chemical Technician .....	\$44,938	Painter .....	\$36,804
Chemist .....	\$54,275	Payroll Clerk .....	\$38,185
Civil Engineer .....	\$65,033	PC Specialist .....	\$44,779
Computer Operator .....	\$36,484	Personnel Analyst .....	\$54,818
Computer Programmer .....	\$66,974	Personnel Clerk .....	\$35,564
Computer Programmer, Lead .....	\$83,853	Pharmacist .....	\$104,882
Construction Worker .....	\$32,265	Physical Therapist .....	\$61,602
Controller, Top Corporate (2) .....	\$175,456	Physician .....	\$154,383
Corporate Attorney .....	\$101,778	Physician's Assistant .....	\$87,545
Cost Estimator .....	\$54,026	Physicist, PhD .....	\$93,221
Data Entry Operator .....	\$25,923	Plumber .....	\$44,391
Dental Assistant .....	\$31,928	Primary School Teacher .....	\$42,758
Dental Hygienist .....	\$61,353	Production Supervisor .....	\$53,537
Drafter .....	\$51,401	Property Manager .....	\$55,288
Electrical Engineer .....	\$75,421	Receptionist .....	\$37,334
Electrician, Certified .....	\$46,272	Registered Nurse .....	\$61,366
Electronics Assembler .....	\$27,844	Sales Representative .....	\$45,992
Electronics Technician .....	\$49,481	Secondary School Teacher .....	\$43,451
Engineering Technician .....	\$47,129	Secretary .....	\$28,592
Executive Secretary .....	\$38,275	Secretary to CEO .....	\$59,447
File Clerk .....	\$27,558	Security Guard .....	\$29,406
Food Service Worker .....	\$21,512	Shipping Clerk .....	\$30,905
Fork Lift Operator .....	\$28,154	Stationary Engineer .....	\$45,334
Gate Guard .....	\$24,809	Systems Analyst .....	\$64,342
General Clerk .....	\$27,820	Systems Analyst, Lead .....	\$85,289
General/Institution Cook .....	\$22,659	Tool & Die Maker .....	\$49,001
Graphic Designer .....	\$45,104	Warehouse Worker .....	\$26,839
Heavy Truck Driver .....	\$39,458	Welder .....	\$39,005
Insurance Claims Adjuster .....	\$43,963	Word Processor .....	\$33,662

(1) For employee with three years' experience.  
(2) For controller of company with \$100 million revenue.  
Source: Economic Research Institute, Redmond, WA, January 1, 2015

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