THE ECONOMIC IMPACT OF BAKE-LINE ON THE ECONOMY OF MARIETTA AND LOVE COUNTY, OKLAHOMA

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ABSTRACT

This report provides background data regarding the local economic impacts of Bake-Line in Marietta and Love County. Basic concepts of community economics are also reviewed. Finally, direct, indirect, and induced impacts of the firms are reported.

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The Economic Impact of Bake-Line on the Economy of Marietta and Love County, Oklahoma

Introduction

The presence of basic employers in any community has significant impacts on the economic well being of the entire area. This report estimates the economic impact of Bake-Line on the local economy of Marietta. Bake-Line employed 350 people from Love County and surrounding counties. This report will provide background data, review some basic concepts of community economics, and present the results on the analysis.

Basic Economic Data

Table 1 presents population history for Love County and communities within the county for 1990, 2000, and 2002. Overall, the county population has increased 13.4 percent from 1990 to 2000 and increased 0.9 percent from 2000 to 2002. Table 2 shows employment numbers from the Oklahoma Employment Security Commission (OESC) from 1980 to 2003 for Love County with 2003 being based on ten months of data. Employment for the county increased 76.6 percent over this time period and increased 13.3 percent from 1990 to 2003. The unemployment rate during this time peaked at 8.5 percent in 1982 and 1983 and was at its lowest in 1999 at 3.4 percent. The 2003 unemployment rate for the state is 5.4 percent based on ten months of data (Table 3).

Table 4 reports employment by industry for Love County for 1990 to 2000 by Standard Industrial Code (SIC) while Table 4A reports employment for 2001 by NAICS Code. The top industries that provided the greatest number of jobs in 2001 are farm and government and government enterprises. From 1990 to 2000, growth in employment was largest in wholesale trade (72.1%) followed by finance, insurance, and real estate (62.1%) and construction (60.6%). Losses were experienced during this time in the transportation and public utilities (-6.9%), retail trade (-2.9%) and government and government enterprises (-2.3%) sectors.
Personal income by major source for the 1990 to 2001 is reported in Table 5. Total income in Love County for 2001 is reported to have been $158,321,000, an increase of 50.5 percent from 1990. Sales tax collections for Marietta are reported in Table 6. For fiscal year 2003, Marietta collected $467,837, an increase of 365.4 percent from 1980.
Table 1
Population of Love County, Oklahoma, 1990, 2000 and 2002

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leon</td>
<td>101</td>
<td>96</td>
<td>96</td>
<td>-5.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Marietta</td>
<td>2,428</td>
<td>2,445</td>
<td>2,432</td>
<td>0.7%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Thackerville</td>
<td>290</td>
<td>404</td>
<td>410</td>
<td>39.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Remainder of County</td>
<td>4,969</td>
<td>5,886</td>
<td>5,973</td>
<td>18.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Love County</td>
<td>7,788</td>
<td>8,831</td>
<td>8,911</td>
<td>13.4%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Table 2
Labor Force Data for Love County, 1980-2003*

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Unemployment</th>
<th>Labor Force</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>2,211</td>
<td>127</td>
<td>2,338</td>
<td>5.4</td>
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<tr>
<td>1981</td>
<td>2,488</td>
<td>91</td>
<td>2,579</td>
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<tr>
<td>1982</td>
<td>2,408</td>
<td>226</td>
<td>2,633</td>
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<tr>
<td>1983</td>
<td>3,743</td>
<td>350</td>
<td>4,093</td>
<td>8.5</td>
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<tr>
<td>1984</td>
<td>3,584</td>
<td>300</td>
<td>3,884</td>
<td>7.7</td>
</tr>
<tr>
<td>1985</td>
<td>3,623</td>
<td>282</td>
<td>3,905</td>
<td>7.2</td>
</tr>
<tr>
<td>1986</td>
<td>3,864</td>
<td>281</td>
<td>4,145</td>
<td>6.8</td>
</tr>
<tr>
<td>1987</td>
<td>3,985</td>
<td>253</td>
<td>4,238</td>
<td>6.0</td>
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<tr>
<td>1988</td>
<td>3,942</td>
<td>203</td>
<td>4,144</td>
<td>4.9</td>
</tr>
<tr>
<td>1989</td>
<td>4,046</td>
<td>190</td>
<td>4,236</td>
<td>4.5</td>
</tr>
<tr>
<td>1990</td>
<td>3,447</td>
<td>209</td>
<td>3,653</td>
<td>5.7</td>
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<tr>
<td>1991</td>
<td>3,448</td>
<td>228</td>
<td>3,674</td>
<td>6.2</td>
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<tr>
<td>1992</td>
<td>3,548</td>
<td>190</td>
<td>3,738</td>
<td>5.1</td>
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<tr>
<td>1993</td>
<td>3,644</td>
<td>283</td>
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<td>1994</td>
<td>3,684</td>
<td>278</td>
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<tr>
<td>1995</td>
<td>3,626</td>
<td>253</td>
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<td>1996</td>
<td>3,732</td>
<td>179</td>
<td>3,911</td>
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<tr>
<td>1997</td>
<td>3,763</td>
<td>163</td>
<td>3,926</td>
<td>4.1</td>
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<tr>
<td>1998</td>
<td>3,593</td>
<td>198</td>
<td>3,789</td>
<td>5.2</td>
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<tr>
<td>1999</td>
<td>3,637</td>
<td>128</td>
<td>3,766</td>
<td>3.4</td>
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<tr>
<td>2000</td>
<td>3,603</td>
<td>149</td>
<td>3,751</td>
<td>4.0</td>
</tr>
<tr>
<td>2001</td>
<td>3,744</td>
<td>169</td>
<td>3,913</td>
<td>4.3</td>
</tr>
<tr>
<td>2002</td>
<td>3,843</td>
<td>177</td>
<td>4,018</td>
<td>4.4</td>
</tr>
<tr>
<td>2003*</td>
<td>3,905</td>
<td>217</td>
<td>4,122</td>
<td>5.2</td>
</tr>
</tbody>
</table>

* Based on ten months of data.

SOURCE: Oklahoma Employment Security Commission
Table 3  
Labor Force Data for Oklahoma, 1980-2003*

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Unemployment</th>
<th>Labor Force</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>1,301,992</td>
<td>66,017</td>
<td>1,368,008</td>
<td>4.8</td>
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<tr>
<td>1981</td>
<td>1,394,983</td>
<td>52,008</td>
<td>1,446,992</td>
<td>3.6</td>
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<tr>
<td>1982</td>
<td>1,401,008</td>
<td>84,992</td>
<td>1,486,000</td>
<td>5.7</td>
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<tr>
<td>1983</td>
<td>1,412,008</td>
<td>140,017</td>
<td>1,552,025</td>
<td>9.0</td>
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<tr>
<td>1984</td>
<td>1,444,983</td>
<td>109,017</td>
<td>1,554,000</td>
<td>7.0</td>
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<tr>
<td>1985</td>
<td>1,452,992</td>
<td>111,983</td>
<td>1,564,975</td>
<td>7.2</td>
</tr>
<tr>
<td>1986</td>
<td>1,473,000</td>
<td>132,017</td>
<td>1,605,017</td>
<td>8.2</td>
</tr>
<tr>
<td>1987</td>
<td>1,448,000</td>
<td>115,008</td>
<td>1,563,008</td>
<td>7.4</td>
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<tr>
<td>1988</td>
<td>1,422,008</td>
<td>102,000</td>
<td>1,524,008</td>
<td>6.7</td>
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<tr>
<td>1989</td>
<td>1,438,000</td>
<td>85,000</td>
<td>1,523,000</td>
<td>5.6</td>
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<tr>
<td>1990</td>
<td>1,427,886</td>
<td>85,947</td>
<td>1,513,831</td>
<td>5.7</td>
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<tr>
<td>1991</td>
<td>1,399,176</td>
<td>100,758</td>
<td>1,499,931</td>
<td>6.7</td>
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<tr>
<td>1992</td>
<td>1,433,458</td>
<td>87,383</td>
<td>1,520,842</td>
<td>5.7</td>
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<tr>
<td>1993</td>
<td>1,435,793</td>
<td>93,666</td>
<td>1,529,458</td>
<td>6.1</td>
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<tr>
<td>1994</td>
<td>1,454,355</td>
<td>89,909</td>
<td>1,544,263</td>
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<td>1995</td>
<td>1,473,613</td>
<td>72,651</td>
<td>1,546,260</td>
<td>4.7</td>
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<td>1996</td>
<td>1,512,603</td>
<td>64,025</td>
<td>1,576,628</td>
<td>4.1</td>
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<tr>
<td>1997</td>
<td>1,533,898</td>
<td>65,968</td>
<td>1,599,866</td>
<td>4.1</td>
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<tr>
<td>1998</td>
<td>1,546,258</td>
<td>73,264</td>
<td>1,619,521</td>
<td>4.5</td>
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<td>1999</td>
<td>1,590,944</td>
<td>56,695</td>
<td>1,647,639</td>
<td>3.4</td>
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<tr>
<td>2000</td>
<td>1,601,814</td>
<td>48,747</td>
<td>1,650,553</td>
<td>3.0</td>
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<tr>
<td>2001</td>
<td>1,606,833</td>
<td>60,717</td>
<td>1,667,550</td>
<td>3.7</td>
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<tr>
<td>2002</td>
<td>1,616,783</td>
<td>76,383</td>
<td>1,693,142</td>
<td>4.5</td>
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<tr>
<td>2003*</td>
<td>1,617,380</td>
<td>91,620</td>
<td>1,709,000</td>
<td>5.4</td>
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</table>

* Based on ten months of data.
SOURCE: Oklahoma Employment Security Commission
Table 4  
Employment by Major Industry for Love County, Oklahoma

<table>
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<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Farm employment</td>
<td>664</td>
<td>657</td>
<td>669</td>
<td>730</td>
<td>724</td>
<td>728</td>
</tr>
<tr>
<td>Ag. services, forestry, fishing, &amp; other</td>
<td>73</td>
<td>73</td>
<td>81</td>
<td>78</td>
<td>80</td>
<td>66</td>
</tr>
<tr>
<td>Mining</td>
<td>52</td>
<td>49</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
</tr>
<tr>
<td>Construction</td>
<td>99</td>
<td>87</td>
<td>85</td>
<td>113</td>
<td>112</td>
<td>166</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>538</td>
<td>498</td>
<td>520</td>
<td>490</td>
<td>497</td>
<td>454</td>
</tr>
<tr>
<td>Transportation and public utilities</td>
<td>131</td>
<td>138</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>43</td>
<td>64</td>
<td>51</td>
<td>61</td>
<td>63</td>
<td>76</td>
</tr>
<tr>
<td>Retail trade</td>
<td>488</td>
<td>496</td>
<td>505</td>
<td>474</td>
<td>492</td>
<td>484</td>
</tr>
<tr>
<td>Finance, insurance, and real estate</td>
<td>124</td>
<td>215</td>
<td>183</td>
<td>159</td>
<td>123</td>
<td>112</td>
</tr>
<tr>
<td>Services</td>
<td>765</td>
<td>714</td>
<td>723</td>
<td>739</td>
<td>654</td>
<td>706</td>
</tr>
<tr>
<td>Government and government enterprises</td>
<td>476</td>
<td>462</td>
<td>510</td>
<td>517</td>
<td>529</td>
<td>565</td>
</tr>
</tbody>
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<table>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm</td>
<td>729</td>
<td>737</td>
<td>742</td>
<td>743</td>
<td>761</td>
<td>14.6%</td>
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<tr>
<td>Ag. services, forestry, fishing, &amp; other</td>
<td>71</td>
<td>71</td>
<td>69</td>
<td>(D)</td>
<td>(D)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>158</td>
<td>158</td>
<td>167</td>
<td>158</td>
<td>161</td>
<td>60.6%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>435</td>
<td>435</td>
<td>511</td>
<td>536</td>
<td>556</td>
<td>9.3%</td>
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<tr>
<td>Transportation and public utilities</td>
<td>(D)</td>
<td>(D)</td>
<td>(D)</td>
<td>124</td>
<td>119</td>
<td>-6.9%</td>
<td></td>
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<tr>
<td>Wholesale trade</td>
<td>77</td>
<td>77</td>
<td>72</td>
<td>66</td>
<td>63</td>
<td>72.1%</td>
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<tr>
<td>Retail trade</td>
<td>539</td>
<td>539</td>
<td>543</td>
<td>512</td>
<td>502</td>
<td>-2.9%</td>
<td></td>
</tr>
<tr>
<td>Finance, insurance, and real estate</td>
<td>91</td>
<td>91</td>
<td>132</td>
<td>164</td>
<td>192</td>
<td>62.1%</td>
<td></td>
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<tr>
<td>Services</td>
<td>717</td>
<td>717</td>
<td>685</td>
<td>720</td>
<td>745</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td>Government and government enterprises</td>
<td>555</td>
<td>555</td>
<td>488</td>
<td>454</td>
<td>452</td>
<td>-2.3%</td>
<td></td>
</tr>
<tr>
<td>Total full-time and part-time employment</td>
<td>3,573</td>
<td>3,573</td>
<td>3,599</td>
<td>3,619</td>
<td>3,636</td>
<td>8.3%</td>
<td></td>
</tr>
</tbody>
</table>

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals

Source: Regional Economic Information System, Bureau of Economic Analysis
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<tr>
<th>Item</th>
<th>2001</th>
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<tr>
<td>Total employment</td>
<td>3,745</td>
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<tr>
<td>Wage and salary employment</td>
<td>2,171</td>
</tr>
<tr>
<td>Proprietors employment</td>
<td>1,574</td>
</tr>
<tr>
<td>Farm proprietors employment</td>
<td>718</td>
</tr>
<tr>
<td>Nonfarm proprietors employment 2/</td>
<td>856</td>
</tr>
<tr>
<td>Farm employment</td>
<td>779</td>
</tr>
<tr>
<td>Nonfarm employment</td>
<td>2,966</td>
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<tr>
<td>Private employment</td>
<td>2,254</td>
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<tr>
<td>Forestry, fishing, related activities, and other 3/</td>
<td>(D)</td>
</tr>
<tr>
<td>Mining</td>
<td>(D)</td>
</tr>
<tr>
<td>Utilities</td>
<td>(D)</td>
</tr>
<tr>
<td>Construction</td>
<td>(D)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>(D)</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>29</td>
</tr>
<tr>
<td>Retail trade</td>
<td>299</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>(D)</td>
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<td>Information</td>
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<td>Finance and insurance</td>
<td>(D)</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>(D)</td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>83</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>0</td>
</tr>
<tr>
<td>Administrative and waste services</td>
<td>49</td>
</tr>
<tr>
<td>Educational services</td>
<td>(L)</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>167</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>(D)</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>(D)</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>270</td>
</tr>
<tr>
<td>Government and government enterprises</td>
<td>712</td>
</tr>
</tbody>
</table>

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.
Table 5
Personal Income by Major Source and Earnings for Love County, 1990-2001
(Thousands of Dollars)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Earnings by place of work</td>
<td>50,403</td>
<td>55,384</td>
<td>57,996</td>
<td>57,055</td>
<td>52,050</td>
<td>47,111</td>
</tr>
<tr>
<td>Wage and salary disbursements</td>
<td>34,276</td>
<td>37,239</td>
<td>39,498</td>
<td>38,665</td>
<td>34,378</td>
<td>35,404</td>
</tr>
<tr>
<td>Other labor income</td>
<td>4,698</td>
<td>5,198</td>
<td>5,819</td>
<td>6,050</td>
<td>5,769</td>
<td>5,496</td>
</tr>
<tr>
<td>Proprietors' income</td>
<td>11,429</td>
<td>12,947</td>
<td>12,679</td>
<td>12,340</td>
<td>11,903</td>
<td>6,211</td>
</tr>
<tr>
<td>plus: Adjustment for residence</td>
<td>21,450</td>
<td>23,177</td>
<td>24,477</td>
<td>26,399</td>
<td>30,136</td>
<td>29,929</td>
</tr>
<tr>
<td>plus: Dividends, interest, and rent</td>
<td>18,479</td>
<td>19,033</td>
<td>17,579</td>
<td>16,950</td>
<td>17,961</td>
<td>19,471</td>
</tr>
<tr>
<td>plus: Transfer payments</td>
<td>17,820</td>
<td>19,683</td>
<td>22,240</td>
<td>23,330</td>
<td>25,326</td>
<td>28,060</td>
</tr>
<tr>
<td>less: Personal contrb. for social insurance</td>
<td>2,928</td>
<td>3,294</td>
<td>3,516</td>
<td>3,472</td>
<td>3,146</td>
<td>3,288</td>
</tr>
<tr>
<td>Total personal income</td>
<td>105,224</td>
<td>113,983</td>
<td>118,776</td>
<td>120,262</td>
<td>122,327</td>
<td>121,283</td>
</tr>
<tr>
<td>Per capita personal income (dollars)</td>
<td>13,511</td>
<td>14,390</td>
<td>14,726</td>
<td>14,856</td>
<td>14,687</td>
<td>14,333</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings by place of work</td>
<td>46,742</td>
<td>52,075</td>
<td>49,650</td>
<td>58,490</td>
<td>63,235</td>
<td>64,168</td>
<td>27.3%</td>
</tr>
<tr>
<td>Wage and salary disbursements</td>
<td>36,467</td>
<td>37,513</td>
<td>38,505</td>
<td>41,768</td>
<td>44,886</td>
<td>45,522</td>
<td>32.8%</td>
</tr>
<tr>
<td>Other labor income</td>
<td>5,752</td>
<td>5,424</td>
<td>5,233</td>
<td>5,452</td>
<td>6,081</td>
<td>7,262</td>
<td>54.6%</td>
</tr>
<tr>
<td>Proprietors' income</td>
<td>4,523</td>
<td>9,138</td>
<td>5,912</td>
<td>11,270</td>
<td>12,268</td>
<td>11,384</td>
<td>-0.4%</td>
</tr>
<tr>
<td>plus: Adjustment for residence</td>
<td>31,673</td>
<td>32,959</td>
<td>34,557</td>
<td>34,767</td>
<td>35,845</td>
<td>37,506</td>
<td>74.9%</td>
</tr>
<tr>
<td>plus: Dividends, interest, and rent</td>
<td>20,501</td>
<td>21,334</td>
<td>24,159</td>
<td>23,467</td>
<td>25,012</td>
<td>25,548</td>
<td>38.3%</td>
</tr>
<tr>
<td>plus: Transfer payments</td>
<td>30,054</td>
<td>29,571</td>
<td>30,095</td>
<td>30,840</td>
<td>32,811</td>
<td>35,250</td>
<td>97.8%</td>
</tr>
<tr>
<td>less: Personal contrb. for social insurance</td>
<td>3,272</td>
<td>3,523</td>
<td>3,575</td>
<td>3,922</td>
<td>4,192</td>
<td>4,151</td>
<td>41.8%</td>
</tr>
<tr>
<td>Total personal income</td>
<td>125,698</td>
<td>132,416</td>
<td>134,886</td>
<td>143,642</td>
<td>152,711</td>
<td>158,321</td>
<td>50.5%</td>
</tr>
<tr>
<td>Per capita personal income (dollars)</td>
<td>14,438</td>
<td>15,192</td>
<td>15,461</td>
<td>16,312</td>
<td>17,298</td>
<td>17,979</td>
<td>33.1%</td>
</tr>
</tbody>
</table>

Source: Regional Economic Information System, Bureau of Economic Analysis
Table 6
Sales Tax Collections for Marietta in Love County
1980-2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Months</th>
<th>Rate</th>
<th>Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>12</td>
<td>1.0%</td>
<td>$100,528.27</td>
</tr>
<tr>
<td>1981</td>
<td>2/10</td>
<td>1.0%/2.0%</td>
<td>$197,624.80</td>
</tr>
<tr>
<td>1982</td>
<td>12</td>
<td>2.00%</td>
<td>$248,295.47</td>
</tr>
<tr>
<td>1983</td>
<td>12</td>
<td>2.00%</td>
<td>$259,835.10</td>
</tr>
<tr>
<td>1984</td>
<td>12</td>
<td>2.00%</td>
<td>$250,386.83</td>
</tr>
<tr>
<td>1985</td>
<td>12</td>
<td>2.00%</td>
<td>$289,446.23</td>
</tr>
<tr>
<td>1986</td>
<td>12</td>
<td>2.00%</td>
<td>$297,565.88</td>
</tr>
<tr>
<td>1987</td>
<td>12</td>
<td>2.00%</td>
<td>$303,756.93</td>
</tr>
<tr>
<td>1988</td>
<td>12</td>
<td>2.00%</td>
<td>$333,099.86</td>
</tr>
<tr>
<td>1989</td>
<td>12</td>
<td>2.00%</td>
<td>$322,002.38</td>
</tr>
<tr>
<td>1990</td>
<td>12</td>
<td>2.00%</td>
<td>$333,206.23</td>
</tr>
<tr>
<td>1991</td>
<td>12</td>
<td>2.00%</td>
<td>$351,355.83</td>
</tr>
<tr>
<td>1992</td>
<td>12</td>
<td>2.00%</td>
<td>$352,089.76</td>
</tr>
<tr>
<td>1993</td>
<td>12</td>
<td>2.00%</td>
<td>$360,077.24</td>
</tr>
<tr>
<td>1994</td>
<td>12</td>
<td>2.00%</td>
<td>$373,409.38</td>
</tr>
<tr>
<td>1995</td>
<td>12</td>
<td>2.00%</td>
<td>$391,018.58</td>
</tr>
<tr>
<td>1996</td>
<td>12</td>
<td>2.00%</td>
<td>$408,751.39</td>
</tr>
<tr>
<td>1997</td>
<td>12</td>
<td>2.00%</td>
<td>$415,444.46</td>
</tr>
<tr>
<td>1998</td>
<td>12</td>
<td>2.00%</td>
<td>$432,454.86</td>
</tr>
<tr>
<td>1999</td>
<td>12</td>
<td>2.00%</td>
<td>$426,770.73</td>
</tr>
<tr>
<td>2000</td>
<td>12</td>
<td>2.00%</td>
<td>$453,005.46</td>
</tr>
<tr>
<td>2001</td>
<td>12</td>
<td>2.00%</td>
<td>$465,653.27</td>
</tr>
<tr>
<td>2002</td>
<td>12</td>
<td>2.00%</td>
<td>$454,933.74</td>
</tr>
<tr>
<td>2003</td>
<td>12</td>
<td>2.00%</td>
<td>$467,837.39</td>
</tr>
</tbody>
</table>

Source: Oklahoma Tax Commission
Basic Concepts of Community Economics

Firms producing goods and services for sales outside the economy (i.e. manufacturing firms) are called basic industries. They are important components of all economic systems. Two other major components of economic systems are service firms and households. Figure 1 illustrates the major flow of these sectors within any economy.

Basic industries are generally considered sectors of the economy, which export goods and services. Agriculture, mining, and manufacturing are generally considered basic industries. Service industries serve basic industries and households. Basic industries purchase labor from households and reimburse them with dollars. Other inputs used by basic industries are purchased from local service firms. Furthermore, local service firms also provide goods and services to households (consumers). Naturally, these sectors purchase goods and services from outside the economy. Local transactions determine the relationships that exist among the various firms in an economy. A change in any one segment of a community’s economy will reverberate through the entire system of the community.

Consider the activities of a manufacturing firm and the resulting impact on an economy. The manufacturer is considered a basic industry because it exports its goods and services outside the local community. The manufacturer purchases labor from households and inputs from the service sector. As the system augments the economic welfare of the community, businesses will hire additional people and buy more input from other businesses. This will induce other impacts until the initial effect works its way through the entire local economy.

The above discussion indicated how basic industries serve as the foundation of an economy and how households and service firms are necessary to make the economy function. Bake-Line can be considered a basic industry. Service industries account for a substantial
Figure 1
Overview of Community Economic System
part of the outputs of most economics by supporting local basic industries and households. Mathematical techniques can be used to measure the relationships between basic industries, households, and services. A business impact model is used to estimate the economic impact of manufacturing on the area economy.

**Results of the Analysis**

The Business Impact Model (BIM) is used to analyze the economic impact of Bake-Line in Marietta, Oklahoma. BIM is an input-output based worksheet with logical step-by-step procedures for estimating the impacts of businesses on employment, income, and tax revenue with the state and local area. For a complete description of BIM, the reader is referred to the publication by Allen cited in the reference section. Analysis is based on IMPLAN estimates for Bake-Line. This information is utilized to estimate the impacts of Bake-Line in Marietta.

Aggregate employment and income multipliers are developed for the SIC Codes related to Bake-Line for the State of Oklahoma and Love County using IMPLAN. IMPLAN is a computerized non-survey based input-output model developed by the U.S. Forest Service that allows the derivation of employment and income multipliers for any of 528 industrial sectors over state and county boundaries. Applying the appropriate multiplier to its respective direct impact (employment or payroll) generates estimates of total (direct, indirect, and induced) impacts made by a given industry on the economy.

The analysis is developed using information estimated from IMPLAN data. All estimates are for one full year of operation and are strictly dependent upon the assumptions used. *Only the benefits accruing to the region are considered, not the cost of providing services; thus, this is not a benefit-cost analysis.*
Local Impacts

Table 7 exhibits the impacts of Bake-Line on Marietta and Love County when employing 350 people. The total impact on Love County was 560 jobs and $7,875,000 of income. A county model was built to ascertain the induced and indirect impacts. Using multipliers of 1.60 for employment and 1.16 for income, it is estimated that the secondary effects from Bake-Line created 210 jobs and $1,260,000 of income in Love County.

Relative Impacts on the Local Economy

Table 8 shows the relative impacts that Bake-Line is estimated to have on the local economy when employing 350 people. The Bureau of Economic Analysis (BEA) reported actual employment in Love County (2001) as 3,745. Approximately nine percent were employed directly by Bake-Line. The total estimated impacts account for almost fifteen percent of the jobs in the county. The BEA reports that wages and salaries for the county was $45,522,000. Direct impacts are seventeen percent of this figure, and the total impacts account for over twenty percent. In the FY 2003, $688,698 of retail sales taxes was remitted back to Love County. The total estimated retail sales taxes from individuals related to income generated by Bake-Line was $113,814, or sixteen and a half percent of the local sales tax collections. Approximately sixty-eight percent of all retail sales in Love County take place in Marietta.
### Table 7
Estimated Impact on Marietta and Love County from Bake-Line

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Impact from Jobs</td>
<td>350</td>
</tr>
<tr>
<td>Direct Impact from Income*</td>
<td>$7,875,000</td>
</tr>
<tr>
<td>Indirect and Induced Impact from Jobs</td>
<td>210</td>
</tr>
<tr>
<td>Indirect and Induced Impact from Income</td>
<td>$1,260,000</td>
</tr>
<tr>
<td>Total Impact from Jobs</td>
<td>560</td>
</tr>
<tr>
<td>Total Impact from Income</td>
<td>$9,135,000</td>
</tr>
</tbody>
</table>

Income was figured using the following equation:

\[
\text{Income} = (\text{Hourly Rate} \times \text{Hours per Week} \times \text{Work Weeks per Year} \times \text{Number of Employees}) 
\]

- Hourly Rate = $11.25/hour (provided by City of Marietta)
- Hours per Week = 40 hours (estimate)
- Work Weeks per Year = 50 weeks (estimate)
- Number of Employees = 350 (provided by City of Marietta)

- Employment Multiplier: 1.60
- Income Multiplier: 1.16
Table 8
Estimated Relative Impacts of Bake-Line on Marietta and Love County’s Economy\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Total Reported</th>
<th>Direct Estimate</th>
<th>Direct Impact Percentage</th>
<th>Total Estimate</th>
<th>Total Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>3,745(^a)</td>
<td>350</td>
<td>9.3%</td>
<td>560</td>
<td>14.9%</td>
</tr>
<tr>
<td>Wages and Salaries</td>
<td>$45,522,000(^a)</td>
<td>$7,875,000</td>
<td>17.3%</td>
<td>$9,135,000</td>
<td>20.1%</td>
</tr>
<tr>
<td>Retail Sales Taxes from Individuals(^2)</td>
<td>$688,698(^b)</td>
<td>---</td>
<td>---</td>
<td>$113,814</td>
<td>16.5%</td>
</tr>
</tbody>
</table>

1. Shown as a percentage of totals reported.
2. County sales tax rate is 2.0%.
   a. 2001 Regional Economic Information System, Bureau of Economic Analysis.
   b. FY 2003 as reported by the Oklahoma Tax Commission for Love County
Summary

Manufacturing firms have considerable economic impacts not only as a result of their operations, but also from the secondary economic activities that they generate. This report attempts to help local leaders and concerned citizens understand the basic concepts of community economic and how Bake-Line impacts their economic well-being. In general, results of an economic impact analysis show sizable local impacts given the assumptions set forth. If further information or assistance is required, please contact the authors.
REFERENCES

Allen, C.W., Woods, M.D., and Doeksen, G.A., A Methodology for Assessing the Impacts of Business Activity, Stillwater: Oklahoma State University, Agricultural Experiment Station, B-793, November 1990.

Alward, G., et.al., Micro IMPLAN Software Manual, Judy Olson, ed (St. Paul: Regents of the University of Minnesota, 1958.)
