



TULSA METRO CHAMBER

Economic Profile & Forecast

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2005 Economic Summary with Forecast Through 2009

The Tulsa MSA comprises seven counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa and Wagoner, whose aggregate population is estimated to be 889,000, or 25.1 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 \$30.9 billion (constant dollars), or 25.7 percent of the Oklahoma economy.

Tulsa's major industries are aerospace, including aerospace manufacturing and air transportation; health care; telecommunications; petroleum and natural gas; and architectural and structural metals manufacturing. 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, are growing within the Tulsa MSA and are prominently ranked nationally based on employment: aerospace engines, ranked 7th; oil and gas, ranked 7th; production technology, ranked 18th; and aerospace vehicles and components, ranked 19th. General qualities that attract new companies to grow these clusters and others to Tulsa are a sound infrastructure, a low cost of doing business and low cost of living.

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. Forbes Magazine (May 2004) ranked Tulsa as the metropolitan area with the third lowest cost of doing business of the largest 150 MSA's in the country. The ranking takes into account the cost of labor, the

cost of office space, energy costs and taxes. The ACCRA Cost-of-living Index compared 298 urban areas in its third-quarter 2005 publication, and gave Tulsa a composite index value of 89.8. That is, the cost of living in Tulsa is 10.2 percent below the average cost of all 298 urban areas. The index takes into account the costs of food, housing, utilities, transportation and health care.

Construction is accelerating in Tulsa, with the construction of the new downtown arena leading the way. The economic decline that Tulsa experienced in 2002 and 2003 and bottoming in 2004 set the stage for sustained, albeit moderate growth in 2005, which will continue in 2006. Tulsa's cost of doing business is 15 percent below the U.S. average, making Tulsa the third least expensive of the 150 largest metropolitan areas in the country and a prime location for industry prospects looking to expand or relocate. In 2006, Tulsa's gross production of goods and services should grow 4.2 percent to \$32.2 billion. Capital expansion will yield employment growth in 2006 of 1.3 percent primarily in business and professional services, health and education services and construction, with real personal income growing 2.4 percent.

Gross Product

Tulsa MSA gross product, the value of all goods and services produced in Tulsa, was \$30.1 billion (adjusted for inflation) in 2004, up 1.4 percent from 2003. The U.S. economy came out of recession in fourth-quarter 2001, growing in 2002 and 2003 at 1.9 percent and 3.0 percent, respectively. Tulsa gross product lagged

the U.S. economy by a full year, growing by 2.5 percent 2003 after flat growth in 2002. Growth in manufacturing sales and shipments, and in construction and business, professional and health services have allowed sustained growth of 1.4 percent in 2004 and likely 2.5 percent in 2005.

Gross Metro Product

YEAR	TMSA	GROWTH RATE	OK	GROWTH RATE	U.S.	GROWTH RATE
1996	\$23,213,200,000		\$74,855,000,000		\$7,813,125,000,000	
1997	\$24,581,441,879	5.9%	\$78,111,000,061	4.3%	\$8,703,500,000,000	11.4%
1998	\$27,576,532,364	12.2%	\$84,664,001,465	8.4%	\$9,066,875,000,000	4.2%
1999	\$27,989,004,135	1.5%	\$87,197,990,417	3.0%	\$9,470,349,609,375	4.4%
2000	\$28,655,605,316	2.4%	\$89,850,997,925	3.0%	\$9,816,950,195,313	3.7%
2001	\$28,952,537,537	1.0%	\$90,266,998,291	0.5%	\$9,890,650,390,625	0.8%
2002	\$28,996,650,696	0.2%	\$91,793,006,897	1.7%	\$10,074,825,195,313	1.9%
2003	\$29,722,158,432	2.5%	\$93,750,000,000	2.1%	\$10,381,325,195,313	3.0%
2004	\$30,147,989,273	1.4%	\$96,687,995,911	3.1%	\$10,841,875,000,000	4.4%

Gross Product Projections

Tulsa gross product in 2005 will grow 2.5 percent, lagging the U.S., which will grow by 3.7 percent, but surpassing the state's expected 2005 growth rate of 1.1 percent. Growth in Tulsa gross product will exceed four percent in 2006. Tulsa gross product will grow at an average annual growth rate of 3.1 percent for years 2005 through 2009 as business investment continues to grow and new jobs are created.

Projections

YEAR	GROSS METRO PRODUCT	ANNUAL AVG GROWTH	GROSS STATE PRODUCT	ANNUAL AVG GROWTH	GROSS DOMESTIC PRODUCT	ANNUAL AVG GROWTH
2005	30,896,238,327	2.5%	97,744,972,229	1.1%	11,240,263,671,875	3.7%
2006	32,192,806,244	4.2%	100,499,275,208	2.8%	11,634,375,000,000	3.5%
2005-2009		3.1%		2.2%		3.3%

Wage and Salary Employment

Non-farm wage and salary employment in the seven-county Tulsa MSA peaked in 2001 at 415,864 jobs and experienced a two-year decline of 19,067 jobs or 4.6 percent through 2003. This decline coincided with employment declines in the state and nation of 3.7 percent and 1.4 percent, respectively, even as the nation experienced a recovery in profitability beginning in the fourth quarter of 2002. Of these Tulsa MSA job losses from 2001 through 2003, manufacturing accounted for 7,700 lost jobs, or 40.4 percent. Goods-producing jobs accounted for 50.3 percent of the jobs lost;

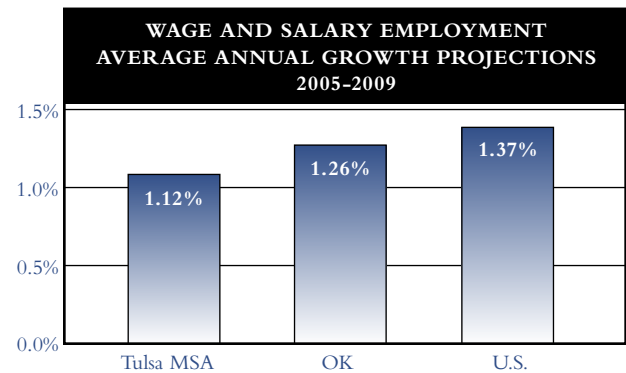
services-providing jobs, 49.7 percent. Nearly 62 percent of the two-year job loss occurred in 2003. Tulsa employment began to recover in 2004, growing 0.4 percent. Employment growth in 2005 should nearly double to a rate of 0.7 percent, led by construction, business and professional services and health and education services. Reluctance to hire permanent workers in manufacturing has stifled growth in manufacturing employment despite strong growth in manufacturing sales and shipments.

Total Wage & Salary Employment

Year	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
1995	349,800		1,315,600		117,298,000	
1996	360,600	3.1%	1,353,400	2.9%	119,708,000	2.1%
1997	373,700	3.6%	1,392,500	2.9%	122,776,000	2.6%
1998	400,225	7.1%	1,441,100	3.5%	125,930,000	2.6%
1999	403,856	0.9%	1,461,900	1.4%	128,993,000	2.4%
2000	413,651	2.4%	1,489,400	1.9%	131,785,000	2.2%
2001	415,864	0.5%	1,506,800	1.2%	131,826,000	0.0%
2002	408,581	-1.8%	1,486,500	-1.3%	130,341,000	-1.1%
2003	396,797	-2.9%	1,450,600	-2.4%	129,931,000	-0.3%
2004	398,337	0.4%	1,470,650	1.4%	131,474,670	1.2%

Wage and Salary Employment Projections

Employment in the Tulsa MSA was up 1,540 jobs in 2004, or 0.4 percent from 2003. Employment in 2005 is expected to grow 0.7 percent, almost double the rate of 2004. Oklahoma employment will grow appreciably, up 1.8 percent; the nation, up 1.7 percent. In the five years 2005-2009, Tulsa-area employment is expected to grow at an average annual rate of 1.12 percent, with new jobs following capital spending by area industries, including manufacturing and business and professional, finance and insurance, and education and health services. Over the five-year forecast period, employment will grow 1.26 percent in Oklahoma; 1.37 percent in the U.S. Slower growth in manufacturing than the service sectors for the Tulsa MSA will contribute to a growth rate below that of Oklahoma until after 2006.



Projections

YEAR	TULSA MSA	ANNUAL AVG GROWTH	OKLAHOMA	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2005	401,287	0.7%	1,497,276	1.8%	131,474,670	1.7%
2006	406,504	1.3%	1,524,214	1.8%	133,771,111	1.9%
2005-2009		1.12%		1.26%		1.37%

Industry Mix Employment

From 1999 through 2004, the Tulsa-area construction, utilities, financial activities and education and health services industries all grew at average annual rates of 0.2 percent, 5.8 percent, 0.6 percent and 2.2 percent, respectively. For the same five-year period, mining and manufacturing had job losses of 8.8 percent and 3.6 percent,

respectively. Job losses of 2,700 in mining were distributed evenly through 2003 with no losses experienced in 2004. Manufacturing job losses of 7,700 in 2002 and 2003 accounted for 81 percent of the jobs lost in manufacturing over the five-year period.

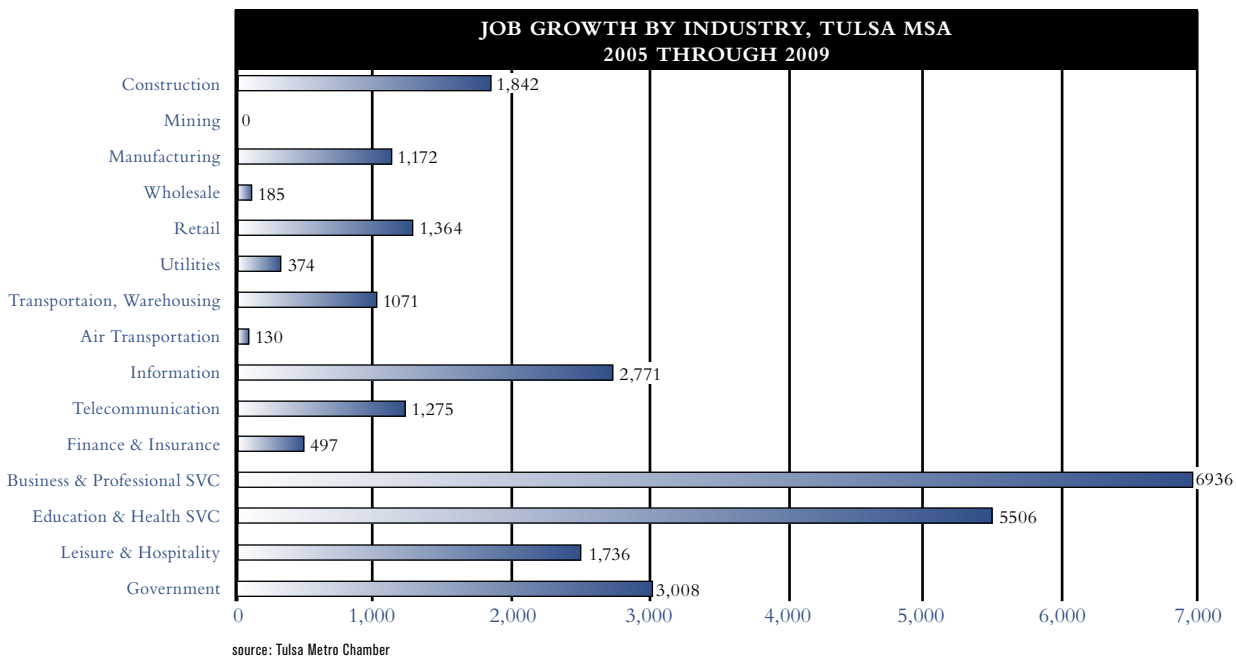
Tulsa MSA Growth in Employment by Industry, 2000-2004; Forecasted Growth 2005-2009

INDUSTRY	1999	2004	ANNUAL GROWTH 2000-2004	2009	ANNUAL GROWTH 2005-2009
construction	18.8	19.0	0.2%	20.8	1.9%
mining	7.3	4.6	-8.8%	4.6	0.0%
manufacturing	56.2	46.7	-3.6%	47.9	0.5%
wholesale	17.4	16.0	-1.7%	16.2	0.2%
retail	47.8	44.8	-1.3%	46.2	0.6%
utilities	3.1	4.1	5.8%	4.5	1.8%
transportation, warehousing	19.1	17.1	-2.1%	18.2	1.2%
air transportation	9.3	7.9	-3.2%	8.0	0.3%
information	12.8	11.6	-1.9%	14.4	4.4%
telecommunication	6.9	6.0	-2.8%	7.3	3.9%
financial activities	24.3	25.0	0.6%	25.5	0.4%
business & professional svc	51.5	51.8	0.1%	58.7	2.5%
education & health svc	46.8	52.2	2.2%	57.7	2.0%
leisure & hospitality	33.6	34.1	0.3%	35.8	1.0%
government	46.3	49.3	1.3%	52.3	1.2%

Industry Mix Employment Projections

The four highest-growth private-sector employment sectors of the 2000-2004 period, construction, utilities, financial activities and education and health services, will grow collectively at an average rate of 3.1 percent annually. The fastest growing sectors through

2009 are business & professional services and telecommunication with forecasted average annual growth rates of 2.5 percent and 3.9 percent, respectively. Manufacturing will grow in the period 2005 to 2009, growing at an average annual rate of 0.5 percent.



Unemployment

The unemployment rate in the Tulsa MSA peaked at 6.5 percent in 2003 as did the Oklahoma and U.S. economies at 5.6 percent and 6.0 percent, respectively. In 2004, unemployment rates fell back to 2002 levels and continued to drop throughout 2005 at all levels, ending the “jobless recovery” as new jobs were created and persons entered the workforce to take the jobs. In 2005, an increasing output-per-employee has accompanied increasing sales, revenues and profits in Tulsa and the U.S. This high productivity in the existing work force has forestalled the need for new hiring in manufacturing, although manufacturing-support sectors have begun to hire at a strong pace.

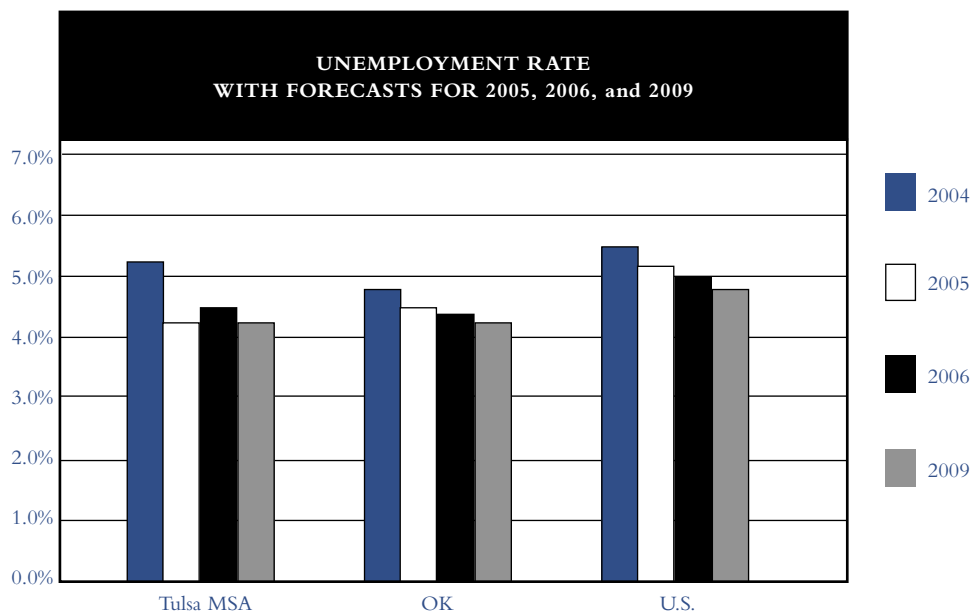
Unemployment Rate

YEAR	TULSA MSA	OK	U.S.
1996	3.3%	4.1%	5.4%
1997	3.5%	4.1%	4.9%
1998	3.6%	4.3%	4.5%
1999	3.5%	3.6%	4.2%
2000	3.1%	3.1%	4.0%
2001	3.4%	3.7%	4.8%
2002	5.3%	4.8%	5.8%
2003	6.5%	5.6%	6.0%
2004	5.3%	4.8%	5.5%
2005	4.3%	4.5%	5.1%
2006	4.5%	4.4%	5.0%
2007	4.6%	4.5%	5.1%
2008	4.4%	4.4%	4.9%
2009	4.3%	4.3%	4.8%

Unemployment Projections

The Tulsa MSA unemployment rate should average 4.3 percent in 2005 and remain relatively stable through 2009 due to increased new hiring which will follow new business investment spending,

with slight increases in the unemployment rate as the number of hopeful job seekers outpaces new-job creation for short periods of time.



source: Oklahoma Employment Security Commission, Economy.com

Labor Force

Labor force is defined as the sum of persons 18 years old or older who are working and those persons who are not currently working but who are actively seeking work. In 2004, the Tulsa MSA labor force declined for the second consecutive year by 0.8 percent as persons seeking jobs either moved out of the area to take jobs elsewhere or otherwise or left the labor force. The Tulsa labor force declined by 3,466 persons in 2004. The labor force statewide was unchanged in 2004; in the U.S., the labor force grew 0.6 percent.

The labor-force participation rate (LFPR) measures the labor force as a percentage of the area population. Changes in the annual LFPR

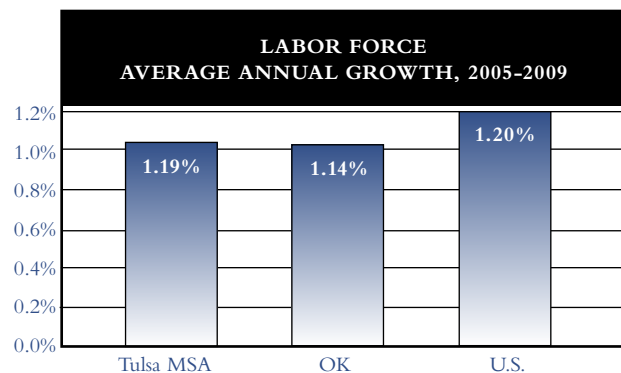
measure changes in the growth of the labor force relative to the population, and are an indication of expected job growth. The LFPR has dropped consistently throughout the last ten years. These declines are attributed greatly to the fact that all working-age females who can enter the workforce, but who had been working in the home have entered the workforce and are either looking for work or are in jobs. The LFPR is expected to begin to increase slowly after 2005 as the economy continues to create jobs, people live longer and the baby-boom generation returns to the workplace.

Labor Force

YEAR	TMSA	CHANGE	OK	CHANGE	U.S.	CHANGE
1994	406,564	8.0%	1,548,648	1.3%	131,056,000	1.4%
1995	404,599	-0.5%	1,562,793	0.9%	132,304,000	1.0%
1996	410,907	1.6%	1,580,815	1.2%	133,943,000	1.2%
1997	424,719	3.4%	1,610,541	1.9%	136,297,000	1.8%
1998	437,861	3.1%	1,640,979	1.9%	137,673,000	1.0%
1999	440,891	0.7%	1,650,302	0.6%	139,368,000	1.2%
2000	439,816	-0.2%	1,659,119	0.5%	142,583,000	2.3%
2001	443,279	0.8%	1,676,529	1.0%	143,734,000	0.8%
2002	448,361	1.1%	1,693,278	1.0%	144,863,000	0.8%
2003	446,707	-0.4%	1,709,750	1.0%	146,510,000	1.1%
2004	443,241	-0.8%	1,710,412	0.0%	147,401,000	0.6%

Labor Force Projections

The prospects for new job creation from 2005 to 2009 as companies continue new capital investment and expansion will bring persons back into the labor force with expectations of gainful employment, including retirees of the baby-boomer generation. The labor force should grow at an average annual rate of 1.2 percent in years 2005 through 2009. Over the same period, the labor force should grow steadily relative to population as reflected in a labor-force participation rate in 2009 of 51.5 percent.



Projections

YEAR	TULSA LABOR FORCE	ANNUAL AVG GROWTH	OKLAHOMA LABOR FORCE	ANNUAL AVG GROWTH	U.S. LABOR FORCE	ANNUAL AVG GROWTH
2005	446,906	-0.8%	1,735,502	0.0%	149,294,672	0.6%
2006	454,743	0.8%	1,765,189	1.5%	151,783,635	1.3%
2005-2009		1.19%		1.14%		1.20%

Population

The Tulsa MSA population grew 0.2 percent in 2004 to 881,815, up from 879,914 in 2003. Based on data collected in surveys by the Bureau of the Census and estimates by Economy.com,

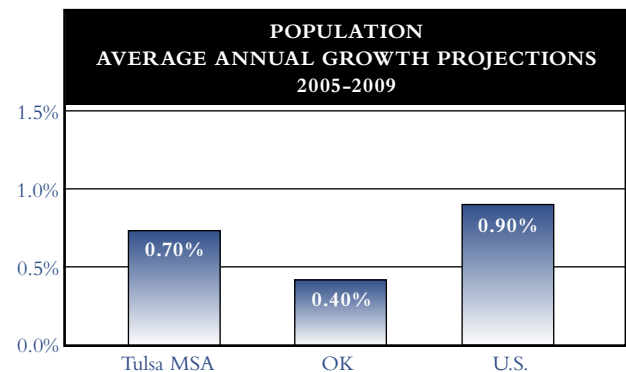
Tulsa experienced a net out-migration into the Tulsa MSA in 2004 of 3,075 persons, comprised of a gain of foreign residents of 1,985 and a loss of domestic residents of 5,060.

Population Growth

YEAR	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
1997	829,391	8.8%	3,372,917	1.0%	272,646,942	1.2%
1998	843,057	1.6%	3,405,194	1.0%	275,854,095	1.2%
1999	854,631	1.4%	3,437,147	0.9%	279,040,161	1.2%
2000	861,409	0.8%	3,454,300	0.5%	282,192,169	1.1%
2001	868,367	0.8%	3,466,533	0.4%	285,102,051	1.0%
2002	876,182	0.9%	3,488,201	0.6%	287,941,223	1.0%
2003	879,914	0.4%	3,506,469	0.5%	290,788,971	1.0%
2004	881,815	0.2%	3,523,553	0.5%	293,655,396	1.0%

Population Growth Projections

For the forecast years of 2005-2009, the Tulsa MSA population should grow at an average annual rate of 0.7 percent, surpassing the Oklahoma forecasted rate of 0.4 percent. The U.S. population growth rate is forecasted to average 0.9 percent annually for years 2005-2009.



source: Bureau of the Census, Economy.com

Projections

YEAR	TULSA POPULATION	ANNUAL AVG GROWTH	OKLAHOMA POPULATION	ANNUAL AVG GROWTH	U.S. POPULATION	ANNUAL AVG GROWTH
2005	888,847	0.22%	3,542,045	0.5%	296,369,873	1.0%
2006	897,691	0.8%	3,554,100	0.5%	299,081,635	0.9%
2005-2009		0.7%		0.4%		0.9%

Per Capita Income

Per capita income in the Tulsa MSA grew 5.9 percent in 2004, four times faster than per capita income growth in 2003, even as the number of non-farm jobs grew by only 0.4 percent. Mortgage refinancing, mortgage equity borrowing and federal tax rebates

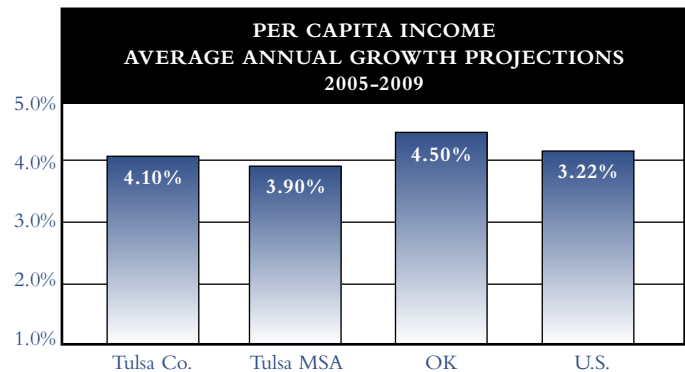
supported household incomes through the first half of 2004, supporting the economy when gross product grew at only 1.4 percent. Income growth will be sustained as job growth strengthens beyond 2005.

Per Capita Income

YEAR	TULSA CO.	CHANGE	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
1993	23,379	2.4%	20,667	2.4%	17,814	2.5%	21,386	2.3%
1994	23,856	2.0%	21,180	2.5%	18,374	3.1%	22,204	3.8%
1995	25,028	4.9%	22,131	4.5%	18,861	2.7%	23,105	4.1%
1996	26,473	5.8%	23,330	5.4%	19,743	4.7%	24,205	4.8%
1997	27,938	5.5%	24,593	5.4%	20,671	4.7%	25,363	4.8%
1998	30,109	7.8%	26,359	7.2%	21,766	5.3%	26,909	6.1%
1999	30,847	2.4%	27,045	2.6%	22,567	3.7%	27,962	3.9%
2000	33,111	7.3%	29,004	7.2%	24,407	8.2%	29,872	6.8%
2001	36,229	9.4%	31,372	8.2%	26,009	6.6%	30,600	2.4%
2002	\$35,046	-3.3%	\$30,587	-2.5%	\$25,958	-0.2%	\$30,846	0.8%
2003	\$35,470	1.2%	\$30,908	1.0%	\$26,719	2.9%	\$31,532	2.2%
2004	\$37,573	5.9%	\$32,610	5.5%	\$28,149	5.4%	\$33,077	4.9%

Per Capita Income Projections

Per capita income in the Tulsa MSA is expected to grow 5.3 percent in 2005 and at an average annual rate of 4.1 percent for the five-year period 2005 through 2009. Income will grow with employment growth, and employment growth will be attributable to increased business spending that will occur as the world economy continues to expand. Long-term capital and labor expansion among Tulsa industries will accelerate as industry becomes accustomed to a prolonged stay in the Middle East and higher energy prices.



source: Bureau of Economic Analysis, Economy.com, Tulsa Metro Chamber

Projections

YEAR	TULSA CO. PER CAPITA INCOME	ANNUAL AVERAGE GROWTH	TULSA MSA PER CAPITA INCOME	ANNUAL AVERAGE GROWTH	OK PER CAPITA INCOME	ANNUAL AVERAGE GROWTH	U.S. PER CAPITA INCOME	ANNUAL AVERAGE GROWTH
2005	39,582	5.3%	34,285	5.1%	29,851	6.0%	34,909	5.5%
2006	41,232	4.2%	35,644	4.0%	31,244	4.7%	36,437	4.4%
2005-2009		4.1%		3.9%		4.5%		4.2%

Average Weekly Earnings in Manufacturing

Average weekly earnings from manufacturing grew 6.6 percent in 2004, a year in which the Tulsa MSA manufacturing sector lost 700 jobs. Manufacturers were reluctant to hire in 2004 even as sales and shipments continued their strong growth that began in third-quarter 2003. Tulsa's highly productive work force kept per-hour wages strong, up by nearly 4.3 percent throughout 2004. With sales and shipments that grew disproportionately to jobs growth came an average work week of 42.0 hours in 2004 that was 2.2

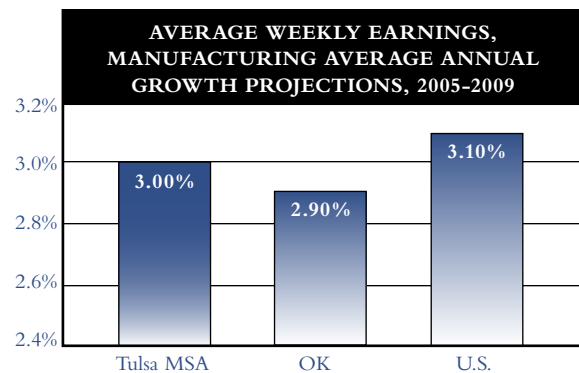
percent longer than in 2003. Job growth began to take hold in 2004, but through 11 months in 2005, manufacturing job growth has not kept pace with increases in demand for manufactured goods: Manufacturing employees in the last quarter of 2005 are working a week that averages 1.6 percent longer than a year earlier, 3.4 percent on average through the middle of the fourth quarter in Tulsa, 0.2 percent statewide and 2.2 percent nationwide.

Average Weekly Earnings in Manufacturing

YEAR	TULSA MSA	CHANGE	OK	CHANGE	U.S.	CHANGE
1994	505.98	1.5%	492.20	2.9%	502.12	4.4%
1995	509.09	0.6%	482.69	-1.9%	509.26	1.4%
1996	523.75	2.9%	494.76	2.5%	526.55	3.4%
1997	541.44	3.4%	524.06	5.9%	548.22	4.1%
1998	558.45	3.1%	523.32	-0.1%	557.12	1.6%
1999	566.04	1.4%	524.51	0.2%	573.17	2.9%
2000	611.75	8.1%	538.65	2.7%	590.65	3.0%
2001	636.85	4.1%	538.20	-0.1%	595.19	0.8%
2002	610.74	-4.1%	553.11	2.8%	618.75	4.0%
2003	652.26	6.8%	555.31	0.4%	635.99	2.8%
2004	695.10	6.6%	575.70	3.7%	658.53	3.5%

Average Weekly Earnings in Manufacturing Forecast

Average weekly earnings in manufacturing in the Tulsa MSA are forecasted to grow at an average annual rate of 3.0 percent in years 2005 through 2009. An expanding labor force and expanding manufacturing in 2005 through 2009 will shorten the work week, but productivity will continue at high levels, supporting a higher weekly wage rate. The average weekly earnings for Tulsa is forecasted in 2006 to be 20 percent above state and 4.2 percent above the U.S. manufacturing weekly earnings.



source: Oklahoma Employment Security Commission

Projections

YEAR	TULSA MSA	ANNUAL AVG GROWTH	OK	ANNUAL AVG GROWTH	U.S.	ANNUAL AVG GROWTH
2005	709.24	2.0%	573.35	-0.4%	667.29	1.3%
2006	728.25	2.7%	606.57	5.8%	699.04	4.8%
2005-2009		3.0%		2.9%		3.1%

Retail Sales

The strength in consumer spending which followed recovery at the national level in 2002 did not exist in the Tulsa area, where annual retail sales fell 5.4 percent in 2002. In 2003, temporary boosts to income in the form of tax rebates and low-rate mortgage refinancing sustained the Tulsa consumer and helped to grow retail

sales 5.2 percent and 3.4 percent in 2003 and 2004, respectively.

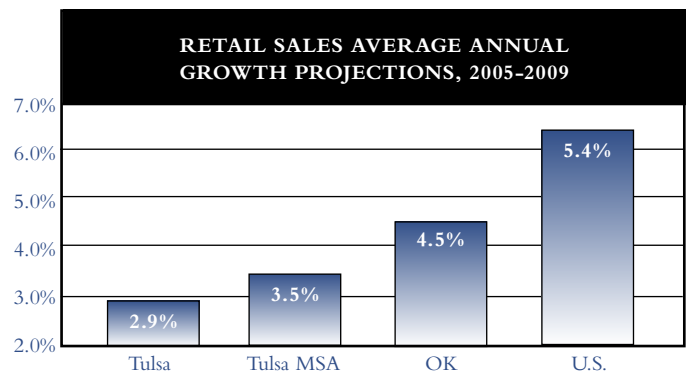
Consistently high levels of income in Tulsa since 2003 have led to relatively strong levels of retail sales. Retail sales in the U.S. grew 7.6 percent in 2004. The Oklahoma retail industry grew 7.0 percent; Tulsa MSA, 3.4 percent; and Tulsa City, 3.1 percent.

Retail Sales

YEAR	TULSA	CHANGE	TULSA MSA	CHANGE	OK	CHANGE	US	CHANGE
1992	\$3,220,891,541		\$4,460,376,530		\$17,232,976,580		\$2,007,927,000,000	
1993	\$3,309,081,904	2.7%	\$4,559,731,231	2.2%	\$17,763,139,802	3.1%	\$2,146,108,000,000	6.9%
1994	\$3,410,978,748	3.1%	\$4,744,520,681	4.1%	\$18,723,386,974	5.4%	\$2,321,863,000,000	8.2%
1995	\$3,580,848,219	5.0%	\$4,853,062,371	2.3%	\$19,240,216,421	2.8%	\$2,441,080,000,000	5.1%
1996	\$3,807,081,141	6.3%	\$5,194,225,702	7.0%	\$20,195,840,760	5.0%	\$2,593,158,000,000	6.2%
1997	\$3,968,319,979	4.2%	\$5,438,083,000	4.7%	\$20,922,652,458	3.6%	\$2,714,035,000,000	4.7%
1998	\$4,159,349,645	4.8%	\$5,640,784,448	3.7%	\$21,453,519,796	2.5%	\$2,844,521,000,000	4.8%
1999	\$4,218,976,626	1.4%	\$5,988,369,721	6.2%	\$22,736,774,427	6.0%	\$3,082,970,000,000	8.4%
2000	\$4,542,130,317	7.7%	\$6,420,537,331	7.2%	\$23,828,985,995	4.8%	\$3,288,734,000,000	6.7%
2001	\$4,672,391,887	2.9%	\$6,840,795,490	6.5%	\$24,603,648,280	3.3%	\$3,387,964,000,000	3.0%
2002	\$4,529,025,515	-3.1%	\$6,468,370,588	-5.4%	\$24,532,370,204	-0.3%	\$3,473,659,000,000	2.5%
2003	\$4,440,102,643	-2.0%	\$6,802,291,515	5.2%	\$24,983,644,606	1.8%	\$3,624,794,000,000	4.4%
2004	\$4,575,642,203	3.1%	\$7,032,688,660	3.4%	\$26,742,218,729	7.0%	\$3,901,739,000,000	7.6%

Retail Sales Projections

Retail sales in 2005 in the Tulsa MSA and city are expected to be up over 2004 sales by 4.5 percent and 3.7 percent, respectively. As business investment expenditures and hiring continue to expand throughout the 2005-2009 forecast period, retail spending is expected to grow. Average annual growth through 2009 should be 3.5 percent for the Tulsa MSA and 2.9 percent for the City of Tulsa, narrowing the gaps between the state and the nation, whose retail sales are expected to grow 4.5 percent and 5.4 percent, respectively.



source: Center for Management and Economic Research, Tulsa Metro Chamber

Projections

YEAR	CITY OF TULSA	ANNUAL AVERAGE GROWTH	TULSA MSA	ANNUAL AVERAGE GROWTH	OKLAHOMA	ANNUAL AVERAGE GROWTH	US	ANNUAL AVERAGE GROWTH
2005	4,745,757,107	3.7%	7,352,549,916	4.5%	28,394,500,455	6.2%	4,171,397,850,181	6.9%
2006	4,893,321,583	3.1%	7,632,231,734	3.8%	29,729,477,639	4.7%	4,407,469,203,985	5.7%
2005-2009		2.9%		3.5%		4.5%		5.4%

Residential Real Estate

Record-low interest rates and room to build have continued to contribute to a booming real estate and residential construction market. The number of residential building permits issued in the Tulsa MSA in 2004 grew 5.2 percent to 4,686. The value of permits in 2004 fell 8.7 percent, indicating that a new home in 2004

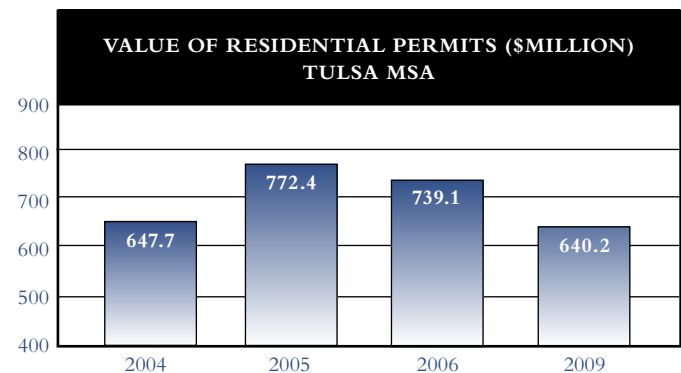
was smaller and a more modest construction than in 2003. In 2005 the year-end total number of residential permits is expected to reach 5,386, a 14.9-percent increase over 2004. Accompanying the increase in number of permits in 2004 will be an increase in value of permits of 19.3 percent.

New Residential Building Permits, Tulsa MSA

YEAR	NO. RESIDENTIAL BUILDING PERMITS	CHANGE	VALUE (\$MILLION)	CHANGE
1997	3241	-9.7%	374.035	-8.1%
1998	5427	67.5%	483.585	29.3%
1999	5382	-0.8%	557.454	15.3%
2000	3775	-29.9%	536.890	-3.7%
2001	4196	11.2%	607.126	13.1%
2002	4648	10.8%	613.560	1.1%
2003	4455	-4.2%	709.392	15.6%
2004	4686	5.2%	647.676	-8.7%

Residential Real Estate Projections

The number of residential building permits in the Tulsa MSA is expected to decline in forecast years 2005-2009 by an average annual rate of 3.0 percent. Over the same period, permit values will decline by 0.2 percent.



source: Bureau of the Census, Economy.com, Tulsa Metro Chamber

Projections, Tulsa MSA

YEAR	PERMITS	ANNUAL AVG GROWTH	VALUE OF PERMITS	ANNUAL AVG GROWTH
2005	5,386	14.9%	772.392	19.3%
2006	5,004	-7.1%	739.119	-4.3%
2005-2009		-3.0%		-0.2%

*Includes Multi-Family Units
source: Bureau of the Census, Economy.com, Tulsa Metro Chamber

Non-Residential Real Estate

After two years of declining value in the Tulsa MSA, the value of new non-residential building permits in the Tulsa MSA remained virtually unchanged in 2004 at \$442.4 million, reflecting the

growing strength of the Tulsa MSA and business decisions to act on Tulsa's low cost of doing business and accommodate its growing employment in business and professional services.

New Non-Residential Building Permits

YEAR	NON-RESIDENTIAL PERMIT VALUE (\$MILLION)	CHANGE
1997	323.8	52.9%
1998	348.4	7.6%
1999	415.6	19.3%
2000	476.4	14.6%
2001	515.6	8.2%
2002	472.8	-8.3%
2003	442.6	-6.4%
2004	442.4	0.0%

Non-Residential Real Estate Projections

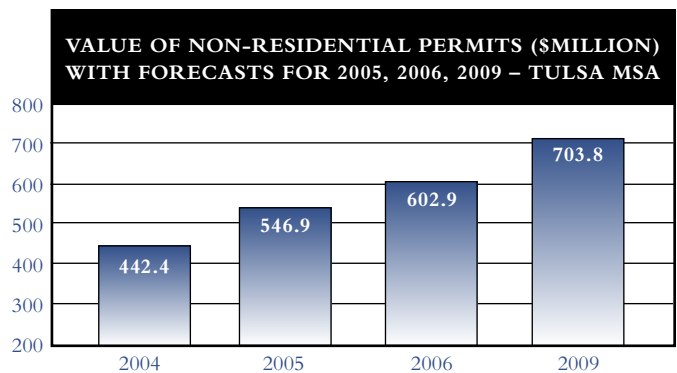
New non-residential construction will grow between 7.0 percent and 10 percent annually over the forecast period 2005-2009. (Values

in the table for 2005 and after are forecasts for the seven-county MSA; values before 2005 are for the five-county MSA definition.)

Projections

YEAR	PERMIT VALUE (\$MILLION)	ANNUAL AVG GROWTH
2005	546.9	23.60%
2006	602.9	10.20%
2005-2009		9.73%

source: McGraw-Hill, Economy.com, Tulsa Metro Chamber



source: McGraw-Hill, Economy.com, Tulsa Metro Chamber

Total Bankruptcies

Bankruptcy filings are highly correlated with the business cycle. The number of bankruptcy filings in the U.S. rose 19 percent in 2001, the year of the last recession. Similarly, bankruptcies in Northeastern Oklahoma rose 18.1 percent in the same year. The growth rate in the number of U.S. and Northeastern Oklahoma bankruptcies declined through 2003 and the actual number of bankruptcies declined in

2004 for the first time since year 2000.

A change late in 2005 in bankruptcy law, which makes filing for bankruptcy more difficult, prompted a surge of bankruptcy filings in 2005 prior to the change. For 2005, through November, the year-over-year change is 15.1 percent for the U.S., 44.6 percent for Northeastern Oklahoma.

Total Bankruptcy Filings

YEAR	NE OK	Change	U.S.	Change
1992	4,466	-6.0%	971,517	2.9%
1993	4,167	-6.7%	875,202	-9.9%
1994	3,872	-7.1%	832,829	-4.8%
1995	4,151	7.2%	926,601	11.3%
1996	5,303	27.8%	1,178,555	27.2%
1997	5,988	12.9%	1,404,145	19.1%
1998	5,407	-9.7%	1,442,549	2.7%
1999	4,988	-7.7%	1,319,465	-8.5%
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%	1,566,358	5.0%
2003	7,638	15.5%	1,660,245	6.0%
2004	7,456	-2.4%	1,597,462	-3.8%
2005*	10,783	44.6%	1,410,484	15.1%

* NE OK data through October 2005; U.S. data through third quarter 2005. Source: U.S. bankruptcy courts.

Business Bankruptcies

The business-bankruptcy component of total bankruptcies constituted about 3.0 percent of all bankruptcies in Northeastern Oklahoma in 2004. Through third-quarter 2005, before the change in bankruptcy law went into effect, business bankruptcies accounted for 3.4 percent of all bankruptcies in the region. Through November 2005 (after the change went into effect), the ratio remained the same.

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 make 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 from 488 in 2001 to 224 in 2004 is a 54.1 percent decline. The employment forecast of a 1.12 percent average annual growth in 2005–2009 and a growing gross product reflect a healthy turn in the business cycle that should keep business bankruptcies at a manageable level of 250 to 280 annually through the forecast period.

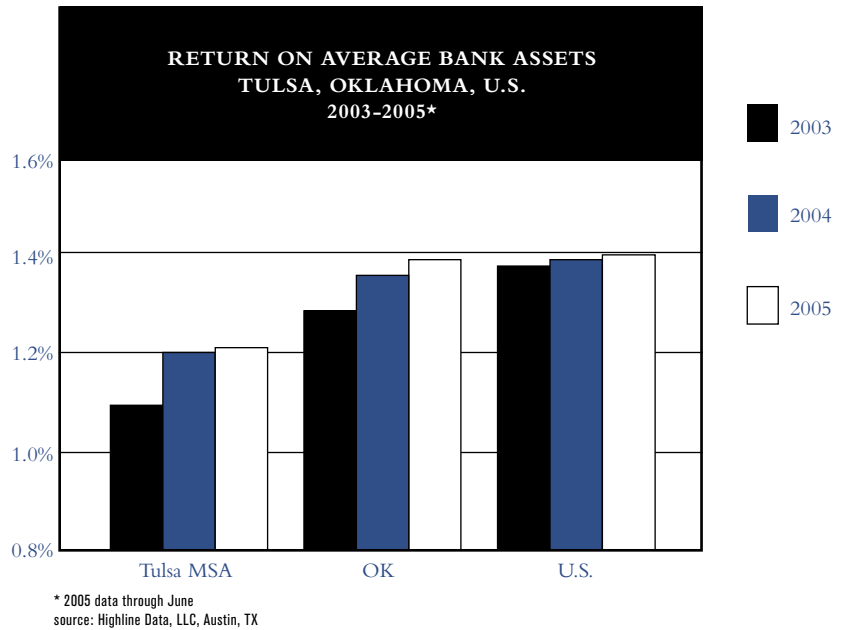
Business Bankruptcy Filings

YEAR	NE OK	Change	U.S.	Change
1992	490	-27.9%	69,964	-1.5%
1993	480	-2.0%	61,969	-11.4%
1994	403	-16.0%	52,277	-15.6%
1995	389	-3.5%	51,878	-0.8%
1996	565	45.2%	53,465	3.1%
1997	642	13.6%	53,930	0.9%
1998	453	-29.4%	44,196	-18.0%
1999	325	-28.3%	44,367	0.4%
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*	362	61.6%	26,275	-0.4%

* NE OK data through third quarter 2004; U.S. data through first quarter 2004. Source: U.S. bankruptcy courts.

Banking

The 2004 Tulsa economy grew 1.4 percent in terms of gross product and 0.4 percent in employment, enough to reflect a turning point in what had been a weak economy since 2002. Return on assets for banks statewide and nationally in 2004 were 1.32 percent and 1.36 percent, respectively, and Tulsa banks' return on assets grew from 1.12 percent to 1.20 percent. Through June 2005, returns improved from a year earlier for the state, increasing to 1.37 percent. Tulsa banks' returns remained virtually unchanged from year-end 2004 at 1.21 percent. Returns are expected to continue to rise for state and Tulsa banks as the economy continues to expand.



Return on Average Bank Assets

YEAR	TULSA MSA	OK	U.S.
1991	0.58%	0.92%	0.56%
1992	1.04%	1.15%	0.93%
1993	1.14%	1.19%	1.16%
1994	1.00%	1.10%	1.16%
1995	0.87%	1.07%	1.16%
1996	0.87%	1.09%	1.24%
1997	1.32%	1.18%	1.30%
1998	1.38%	1.18%	1.23%
1999	1.30%	1.11%	1.36%
2000	1.25%	1.09%	1.22%
2001	1.18%	1.18%	1.25%
2002	1.28%	1.25%	1.35%
2003	1.12%	1.25%	1.34%
2004	1.20%	1.32%	1.36%
2005*	1.21%	1.37%	1.39%

Travel Industry

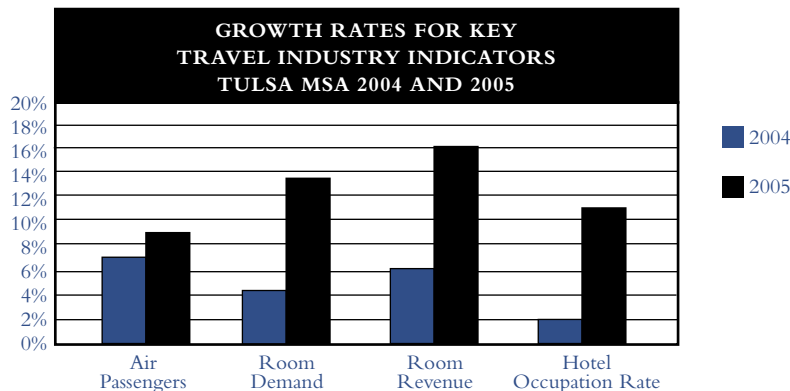
Air traffic, hotel-room demand, hotel revenue and hotel occupancy all showed good growth in 2004 in the Tulsa MSA after all four indicators declined in 2003. Through November 2005, the year-to-date count of total air passengers was up 8.9 percent over the first eleven months of 2004. The demand for hotel rooms for the same period was up 13.4 percent; room revenue, up 16.2 percent;

and the hotel occupancy rate, up 11.1 percent through November 2005. As the Tulsa MSA economy continues its expansion in 2006, the travel industry will continue to grow, albeit at lower rates than in 2005, especially if energy prices remain high and are reflected in higher air fares.

Travel Industry

YEAR	AIR PASSENGERS	ROOM DEMAND	ROOM REVENUE	HOTEL OCCUPATION RATE
1990	2,991,213	1,919,619	\$78,485,379	60.1
1991	2,842,601	1,909,179	\$81,756,943	59.2
1992	2,951,864	1,783,607	\$80,248,717	55.9
1993	2,942,806	1,804,287	\$82,862,660	56.6
1994	3,163,974	1,857,881	\$88,525,140	58.2
1995	3,143,042	1,892,470	\$93,347,252	58.3
1996	3,387,803	1,965,612	\$101,666,964	58.8
1997	3,414,301	2,060,449	\$110,257,395	58.1
1998	3,463,214	2,160,469	\$119,950,769	60.4
1999	3,419,975	2,070,551	\$119,986,017	57.7
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	49.3
2005*	2,881,411	2,488,366	\$151,068,676	56.0

*Air passengers data and hotel data through November 2005. source: City of Tulsa, Smith Travel Agency



* 2005 growth year-to-date through November for air passengers; through November for hotel statistics source: City of Tulsa, Smith Travel Research

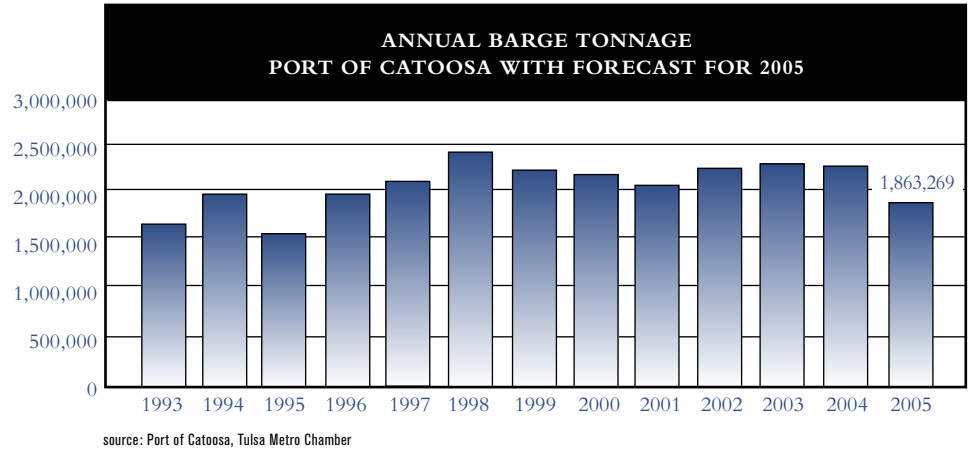
Port of Catoosa

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 seasonal-

ity, agricultural crop conditions and agricultural and foreign trade policy. In 2003, barge tonnage through the Port was 2,250,139 tons, up 1.2 percent from 2002. Tonnage in 2004 was down 1.3 percent to 2,220,871 tons. Barge tonnage through 2005 is estimated to be 1,863,269, down 16.1 percent with shipments having dropped significantly since hurricanes Katrina and Rita.

Barge Tonnage, Port of Catoosa

YEAR	TONS	CHANGE
1993	1,666,979	-19.10%
1994	1,944,263	16.60%
1995	1,581,424	-18.70%
1996	1,961,197	24.00%
1997	2,160,948	10.19%
1998	2,417,537	11.87%
1999	2,242,850	-7.23%
2000	2,210,061	-1.46%
2001	2,046,692	-7.39%
2002	2,223,103	8.62%
2003	2,250,139	1.22%
2004	2,220,871	-1.30%
2005	1,863,269	-16.10%



2005 Estimate of Annual Median Base Salaries (\$), Tulsa MSA (1)

Accountant	40,238	Internal Auditor.	42,930
Accounting Clerk	24,858	Janitor	19,184
Administrative Assistant.	29,178	Librarian	33,794
Aircraft Mechanic	43,049	Light Truck Driver	21,693
Automobile Mechanic	33,540	Machine Tool Operator.	28,545
Bank Teller	20,615	Machinery Mechanic.	27,148
Benefits Analyst.	35,523	Maintenance Worker	25,710
Biologist	31,355	Market Research Analyst.	38,185
Bookkeeper.	24,710	Materials Handler	22,294
Bus Driver.	27,367	Mechanical Engineer	52,119
Buyer/Purchasing Agent	40,549	Medical Lab Technician.	28,238
Carpenter (Gen/Maint)	27,576	Millwright.	37,297
Cashier	19,452	Office Manager	37,696
Chemical Engineer	54,004	Order Clerk.	25,514
Chemical Technician.	34,014	Painter.	28,364
Chemist.	39,382	Payroll Clerk	27,392
Civil Engineer.	44,314	PC Specialist	37,875
Computer Operator.	27,849	Personnel Analyst	35,581
Computer Programmer	50,588	Personnel Clerk	26,244
Computer Programmer, Lead	61,868	Pharmacist.	73,215
Construction Worker.	27,626	Physical Therapist	41,941
Controller, Top Corporate (2)	105,665	Physician	115,918
Corporate Attorney	63,872	Physician's Assistant	60,739
Cost Estimator.	39,924	Physicist, PhD	59,681
Data Entry Operator	22,023	Plumber.	33,215
Dental Assistant	24,675	Primary School Teacher.	30,948
Dental Hygienist	47,150	Production Supervisor	42,922
Drafter.	30,274	Property Manager	35,230
Electrical Engineer	53,240	Receptionist	19,387
Electrician, Certified.	40,493	Registered Nurse	41,090
Electronics Assembler	19,259	Sales Representative	42,063
Electronics Technician.	35,236	Secondary School Teacher	33,135
Engineering Technician.	35,599	Secretary	24,965
Executive Secretary	35,850	Secretary to CEO	39,802
File Clerk	19,603	Security Guard	21,236
Food Service Worker.	17,923	Shipping Clerk.	22,973
Fork Lift Operator.	20,791	Stationary Engineer	36,324
Gate Guard	18,746	Systems Analyst	47,664
General Clerk	22,140	Systems Analyst, Lead	64,286
General/Institution Cook	19,158	Tool & Die Maker	36,923
Graphic Designer.	34,243	Warehouse Worker	21,817
Heavy Truck Driver	26,704	Welder.	30,728
Insurance Claims Adjuster	34,975	Word Processor	24,589

(1) For employee with three years' experience.

(2) For controller of company with \$100 million revenue.

source: Economic Research Institute, Redmond, WA, December 31, 2005



TULSA METRO CHAMBER

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