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ANALYSIS OF RETAIL TRENDS AND TAXABLE SALES FOR CLINTON, OKLAHOMA AND CUSTER COUNTY

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ABSTRACT

The goal of this paper is to provide an analysis of taxable sales for Clinton and Custer County. Basic data is used to provide estimates of trade area capture and pull factors. Reported sales tax data is also used to analyze trends in the county and area.

ANALYSIS OF RETAIL TRENDS AND TAXABLE SALES FOR CLINTON, OKLAHOMA AND CUSTER COUNTY

INTRODUCTION

Oklahoma communities have been concerned with all aspects of economic development for the past several years. Creating new jobs and additional income is of concern to rural communities and urban areas alike. Often, retailing is viewed as a "service" sector dependent on the "basic" sectors such as oil, manufacturing, and agriculture. Export sectors produce goods and services sold outside the local or regional economy. Service sectors tend to circulate existing local dollars rather than attracting "new" outside dollars. The retail sector is important, though, as retail activity reflects the general health of a local economy. Retail sales also produce sales tax dollars that support municipal service provision. Many local communities are promoting a "shop at home" campaign to keep local retail dollars in the community. It will not be possible to stop all out-of-town spending or sales leakage for a local economy. Opportunities for improvement do frequently exist, however. Key areas can be identified for improvement. Analysis of retail trends can identify emerging trade centers. Local leaders in Clinton requested the following taxable sales analysis. The specific objectives of the study are:

1. Utilize reported sales tax data to analyze trends in the county and area.
2. Provide estimates of trade area capture and market attraction.
3. Provide estimates of market attraction, broken out by SIC code.

METHODOLOGY AND DATA SOURCES

A trade area analysis model frequently used is "trade area capture." Trade area capture is calculated by dividing the city's retail sales by state per capita retail sales. The figure is adjusted by income differences between the state and relevant local area. The specific equation utilized is:

$$TAC_C = \frac{RS_C}{\frac{RS_S}{P_S} X \frac{PCI_C}{PCI_S}}$$

Where:

TACc=Trade Area Capture by city,
RSc=Retail Sales by city,
RSs=Retail Sales for the state,
Ps=State Population,
PCIc=Per Capita Income by county, and
PCIs=Per Capita Income for the state.

Trade area capture figures incorporate both income and expenditure factors, which may be influencing retail trade trends. An underlying assumption of the trade area capture estimate is that local tastes and preferences are similar to that of the state as a whole. If a trade area capture estimate is larger than city population then two explanations are possible: 1) the city is attracting customers outside its boundaries or 2) residents of the city are spending more than the state average.

Trade area capture figures can be utilized to estimate the amount of sales going to outside consumers. To do this, a pull factor, which is a measure of an economy's retail sales gap, is derived using trade area capture figures and city population:

$$PF_C = \frac{TAC_C}{P_C}$$

Where:

PFc=City Pull Factor, and
Pc=City Population.

A pull factor of 1.0 means the city is drawing all its customers from within its boundaries but none from the outside. A pull factor of 1.50 means the city is drawing non-local customers equal to 50 percent of the city population. A pull factor of less than one means the city is not capturing the shoppers within its boundaries or they are spending relatively less than the state average. This is considered leakage of retail sales or a retail sales gap. Additional discussion of trade area capture and pull factors can be found in the references cited in this report (Barta and Woods; Harris; Stone and McConnon; Hustedde, Shatter, and Pulver). The Oklahoma Cooperative Extension Service has been conducting pull factor/gap analysis and sales tax analysis since 1991 (Woods, 1991).

City pull factors and trade area capture figures are calculated for fiscal years 1980 through 2005. Data used were sales tax returns as reported by the Oklahoma Tax Commission. These figures do not include all retail sales (only taxable sales) in an area but provide a proxy. Population data were obtained from the Oklahoma State Data Center and were consistent with figures from the1980, 1990, and 2000 Census. Income figures were taken from Bureau of Economic Analysis estimates for counties. Similar income data for cities were not available so county income was used as a proxy.

IMPORTANT: readers should note that BEA continually updates its estimates—sometimes for all years back to 1969, which was the case with a recently released data set. These updates affect the values for trade area capture and pull factors. Because of this, trade area capture and pull factor values in this report will differ slightly from values previously published in older versions of this report, if applicable.

TAXABLE SALES ANALYSIS

Sales tax returns as reported by the Oklahoma Tax Commission for Clinton are listed in Table 1 for the fiscal years 1980 to 2006. Sales tax returns are important to a city because they reflect the general health of a local economy and also represent significant revenue for the city budget. In FY 2005, Clinton collected $3.99 million in sales tax at a tax rate of 4.0%. This translates into over $99.76 million in retail sales. Sales are estimated from the sales tax returns and the sales tax rate that is reported. Estimates for collections in FY 2006 are also shown in Table 1, but should be considered preliminary. Preliminary data suggest that sales tax collections for Clinton have increased to over $4.32 million for FY 2006. Figure 1 plots estimated taxable sales in both actual dollars and inflation-adjusted dollars (1980$). The Consumer Price Index is used to adjust for inflation. When taxable sales have been adjusted for inflation, Figure 1 shows that "real" sales held steady from about 1988 to 2003; however, they may currently be experiencing an increase.

Table 2 lists trade area capture figures for Clinton from 1980 to 2006. The trade area capture for Clinton was at a maximum of 21,627 occurring in 1983. This means that in 1983 Clinton "captured" the retail sales of 21,627 persons. Figure 2 presents a graphic of these same trade area capture figures. As with inflation-adjusted sales, trade area capture held relatively steady from 1988 to about 2002. After a bit of a dip in 2003-2004, trade area capture has increased for 2005-2006. Currently, trade area capture for Clinton is about 13,000 (although this is based on preliminary sales tax data.)

Table 3 lists pull factors for Clinton for the years 1980 to 2006. The pull factor for Clinton ranges from 1.261 to 1.966. Clinton's pull factor is currently about 1.556. The interpretation is that Clinton is capturing a number of shoppers that is equal to its own population, plus is attracting non-local shoppers equal to about another 55.6% of its own

population. This doesn't necessarily mean that Clinton residents never shop elsewhere, but it does imply that any of this kind of retail leakage is more than offset by the attraction of non-local shoppers to the Clinton economy.

Table 3 also shows pull factors for cities and towns in Custer County with a reported sales tax. Figure 3 plots these pull factors. Arapaho is the county seat of Custer County, but has a smaller population that either Clinton or Weatherford. Its pull factor for 2006 is 0.633. The cities of Butler and Thomas have similar pull factors. Custer City's pull factor has dropped below the 0.50 mark in recent years.

Clinton and Weatherford show interesting trend lines. Weatherford's population is slightly more than Clinton's making it the largest city in Custer County. The two cities have very similar pull factors although Weatherford's are slightly higher. What is noticeable about these two cities is that their trend lines move together, which suggests that these two cities depend on each other. Weatherford is home to Wal-Mart. Clinton is home to K-Mart. It is difficult for an objective observer to know which city should be called the "center of trade" for the county, but since they are located just 15 miles apart on Interstate 40 and exhibit such similar pull factor trends, it seems logical to assume that the Weatherford-Clinton combined area is the center of trade for the county.

Figure 4 shows pull factors for 460+ cities that have sales tax return information available. The pull factors are presented as a group average by city size. For 2005, the highest pull factors fall in the size category 25,001 to 50,000, with the 10,001 to 25,000 category a close second. The 5,001 to 10,000 category is in third place considering it experienced a bit of a drop in the last 2 years. The smallest pull factors fall in the range for cities less than 1,000 in population. Figure 5 plots Clinton's pull factor compared to other cities with population 5,000 to 10,000. Clinton posts pull factors that are slightly higher than average for other cities of similar size. In general, it appears that Clinton is a relatively typical city of its size.

Table 1
Tax Returns, Clinton, Oklahoma, FY 1980-2006

Year	Collections	Tax Rate	Taxable Sales
1980	$1,044,141.80	2.0%	$52,207,090.00
1981	$1,277,616.50	2.0%	$63,880,825.00
1982[(1)]	$131,311.70	2.0%	$6,565,585.00
1982 [(11)]	$2,590,044.62	3.0%	$86,334,820.67
1983	$2,947,539.10	3.0%	$98,251,303.33
1984	$2,418,807.87	3.0%	$80,626,929.00
1985	$2,280,308.93	3.0%	$76,010,297.67
1986	$2,100,009.61	3.0%	$70,000,320.33
1987	$1,885,797.11	3.0%	$62,859,903.67
1988	$1,844,212.84	3.0%	$61,473,761.33
1989	$1,963,237.15	3.0%	$65,441,238.33
1990	$2,003,784.29	3.0%	$66,792,809.67
1991	$2,066,211.86	3.0%	$68,873,728.67
1992	$2,243,517.87	3.0%	$74,783,929.00
1993	$2,281,590.39	3.0%	$76,053,013.00
1994	$2,330,715.95	3.0%	$77,690,531.67
1995	$2,423,905.25	3.0%	$80,796,841.67
1996	$2,446,249.14	3.0%	$81,541,638.00
1997	$2,571,272.12	3.0%	$85,709,070.67
1998	$2,624,781.19	3.0%	$87,492,706.33
1999	$2,633,716.45	3.0%	$87,790,548.33
2000[(11)]	$2,509,762.47	3.0%	$83,658,749.00
2000[(1)]	$298,657.66	4.0%	$86,334,820.67
2001	$3,900,267.93	4.0%	$97,506,698.25
2002	$3,926,154.61	4.0%	$98,153,865.25
2003	$3,715,543.18	4.0%	$92,888,579.50
2004	$3,846,364.32	4.0%	$96,159,108.00
2005	$3,990,573.59	4.0%	$99,764,339.75
2006†	$4,322,414.82	4.0%	108,060,370.50

[(*)] Data are for * months of the year.
† 2006 data have not been formally reported by the Oklahoma Tax Commission; thus data for FY 2006 should be considered preliminary.

Figure 1. Estimated Retail Sales for Clinton, OK: Actual and Inflation-Adjusted, 1980-2006

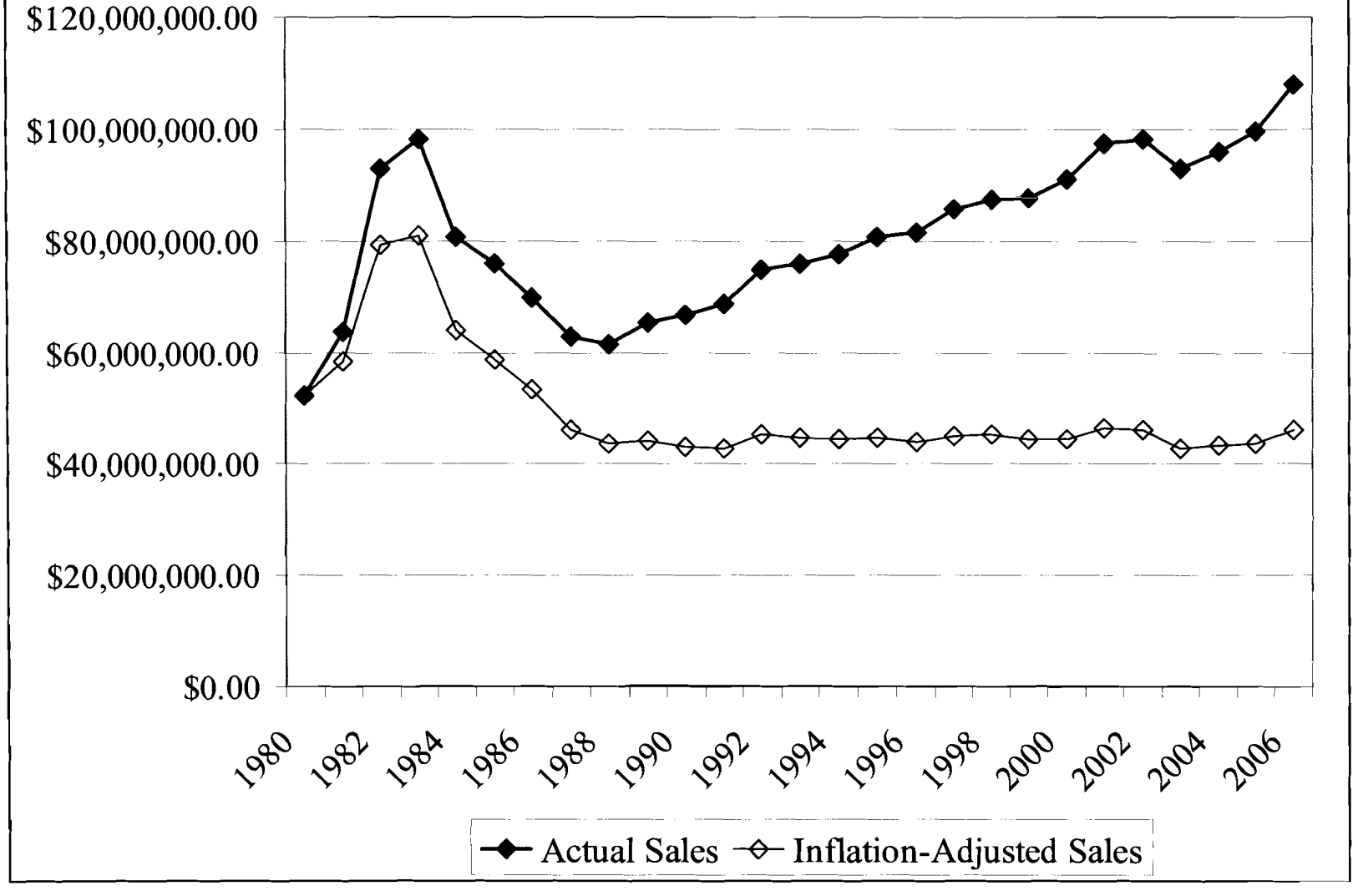


Table 2
Trade Area Capture, Clinton, Oklahoma, 1980-2006

Year	Trade Area Capture	Population
1980	13,857	8,796
1981	14,162	9,700
1982	18,775	10,550
1983	21,627	11,000
1984	15,655	11,400
1985	15,137	10,550
1986	14,438	10,100
1987	13,059	9,900
1988	12,042	9,550
1989	12,698	9,950
1990	12,407	9,288
1991	12,424	9,159
1992	13,388	9,141
1993	13,223	9,074
1994	12,862	9,093
1995	12,999	9,018
1996	12,596	8,863
1997	12,839	8,765
1998	12,672	8,687
1999	12,614	8,649
2000	12,308	8,833
2001	12,771	8,598
2002	13,038	8,446
2003	12,408	8,364
2004	11,949	8,368
2005[†]	12,011	8,363
2006[†]	13,009	8,363

[†] Values for 2005 and 2006 should be considered preliminary since they rely on 2004 BEA data.

Figure 2. Trade Area Capture for Clinton, OK 1980-2006

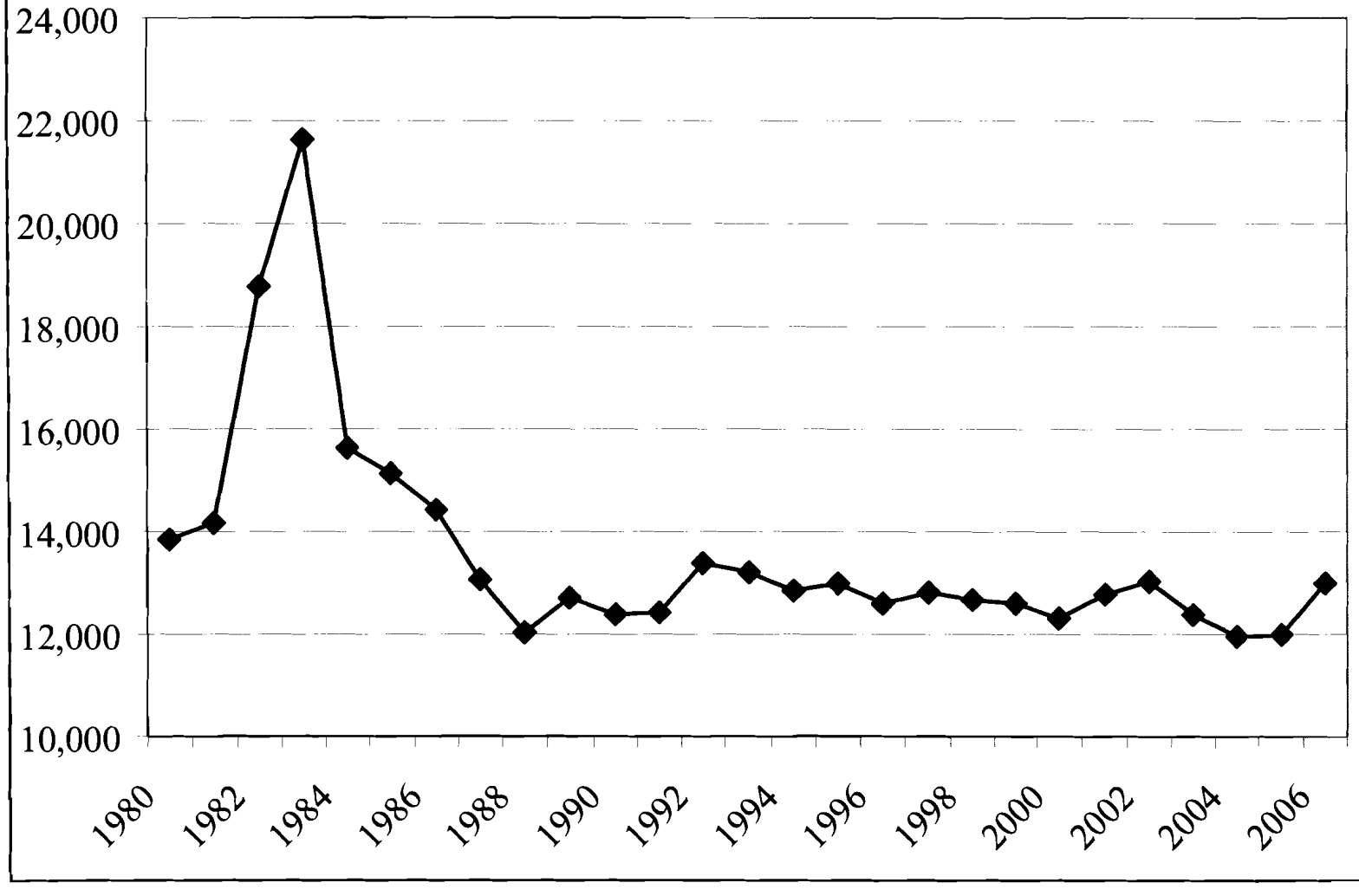


Table 3
Pull Factors, Clinton, OK and Other Towns in Custer County, 1980-2006

	Arapaho	Butler	Clinton	Custer City	Thomas	Weatherford
1980	0.202	0.367	1.575	0.600	0.719	1.223
1981	0.220	0.303	1.460	0.488	0.628	1.174
1982	0.265	0.481	1.780	0.480	0.713	1.502
1983	0.228	0.500	1.966	0.547	0.693	1.645
1984	0.198	0.367	1.373	0.390	0.547	1.230
1985	0.225	0.334	1.435	0.424	0.591	1.340
1986	0.240	0.350	1.430	0.362	0.645	1.426
1987	0.332	0.329	1.319	0.399	0.614	1.348
1988	0.279	0.431	1.261	0.349	0.572	1.318
1989	0.244	0.338	1.276	0.440	0.542	1.271
1990	0.265	0.617	1.336	0.663	0.697	1.403
1991	0.245	0.396	1.357	0.587	0.728	1.447
1992	0.287	0.459	1.465	0.517	0.689	1.414
1993	0.230	0.437	1.457	0.553	0.677	1.437
1994	0.244	0.434	1.414	0.557	0.633	1.492
1995	0.192	0.423	1.441	0.494	0.561	1.506
1996	0.261	0.412	1.421	0.688	0.577	1.481
1997	0.178	0.468	1.465	0.607	0.528	1.520
1998	0.224	0.398	1.459	0.447	0.658	1.476
1999	0.226	0.495	1.458	0.552	0.600	1.510
2000	0.217	0.463	1.393	0.497	0.535	1.511
2001	0.380	0.467	1.485	0.836	0.635	1.548
2002	0.352	0.547	1.544	0.726	0.616	1.630
2003	0.543	0.513	1.483	0.593	0.648	1.629
2004	0.545	0.603	1.428	0.389	0.618	1.583
2005	0.558	0.683	1.436	0.446	0.585	1.685
2006†	0.633	0.665	1.556	0.458	0.674	1.739

† Data for 2006 should be considered preliminary.

Figure 3. Pull Factors for Cities and Towns in Custer County, 1980-2006

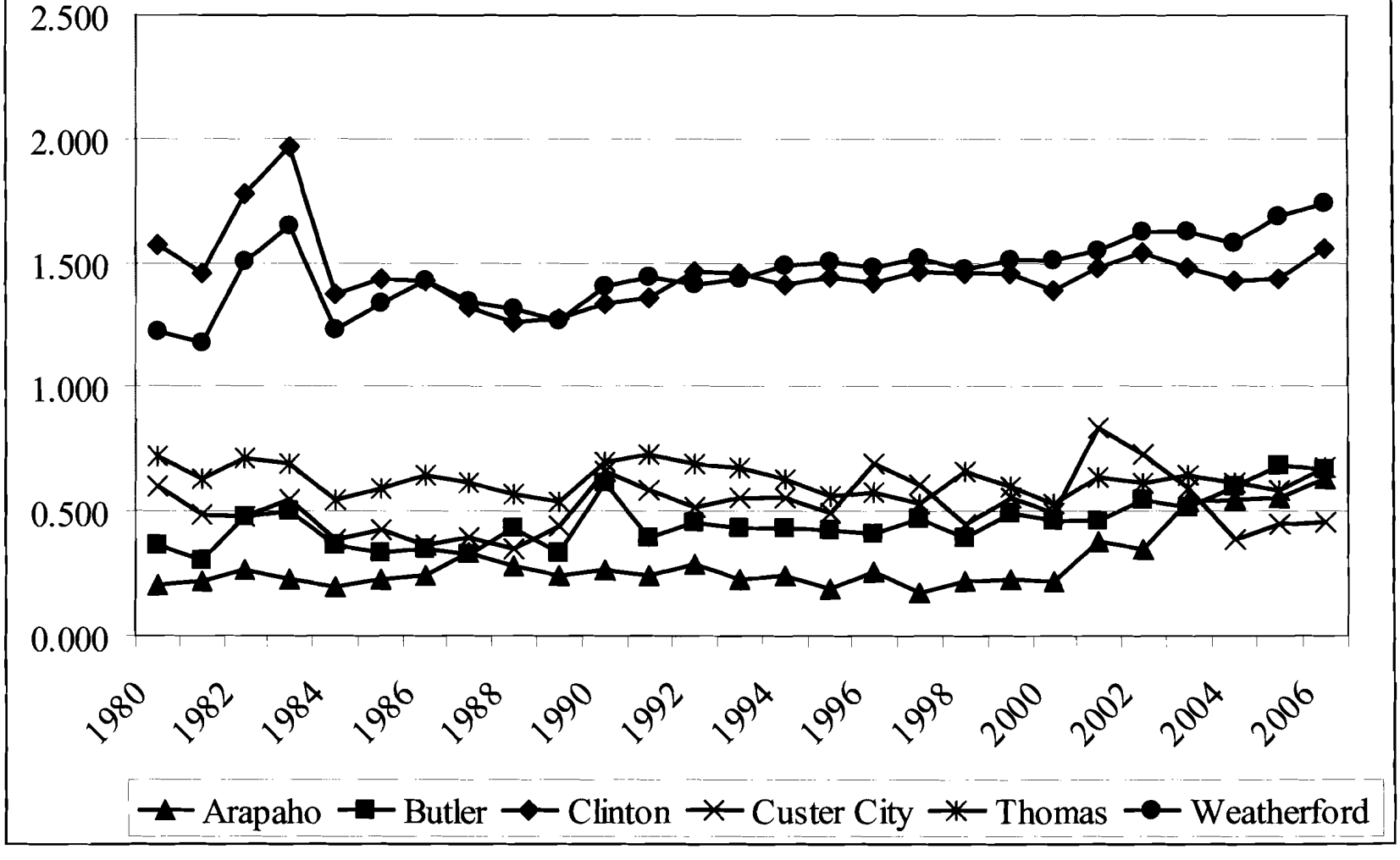


Figure 4. Average Pull Factor by City Size, 1980-2005

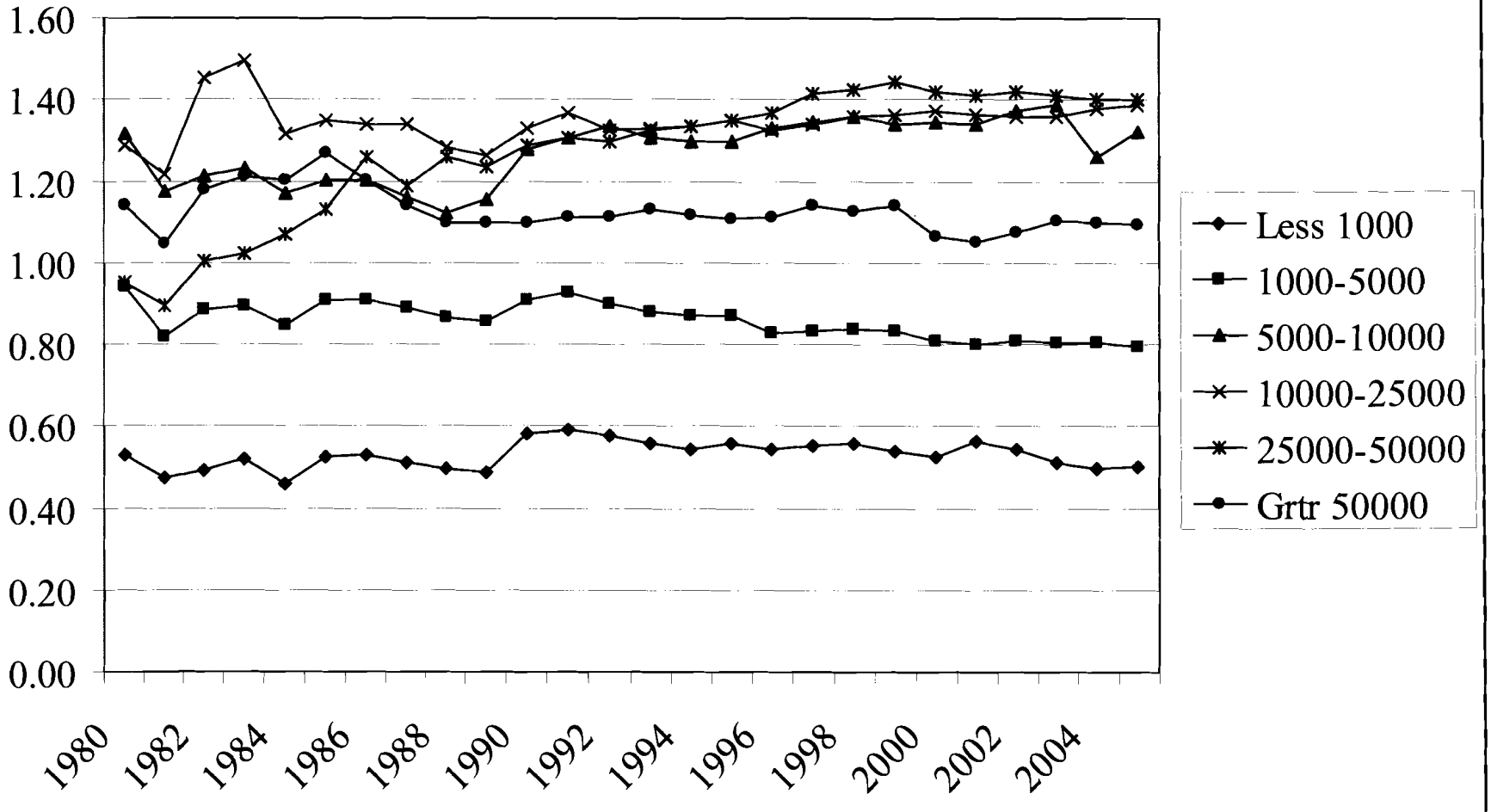
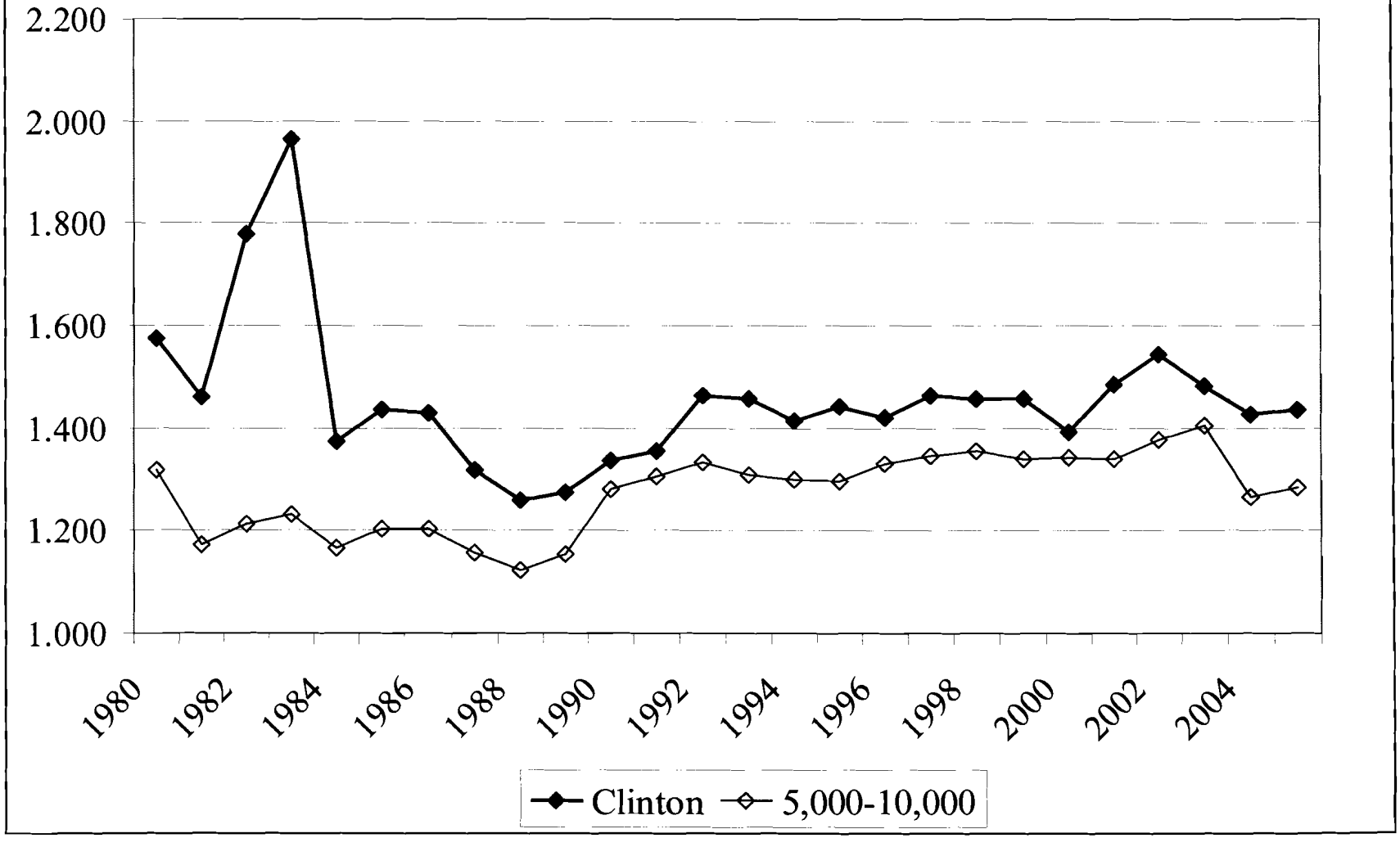


Figure 5. Pull Factors for Clinton vs. Other Cities with Population 5,000-10,000



SALES GAP ANALYSIS FOR CLINTON, OK

For purposes of this study, a sales gap analysis refers to a pull factor study that has been analyzed by SIC code for the 8 retail sectors. Sales gap coefficients may be interpreted in exactly the same manner as are pull factors. See Table 4 for Clinton's sales gap analysis. Table 5 provides a detailed description of the 8 retail SIC categories.

For Clinton's Building and Gardening Materials, the number of shoppers has been up and down. The number was lowest in 2000 at 5,332, and is the highest in 2006 at 7,723. (See top half of Table 4.) Clinton's population is about 8,400; thus, in 2006, this sector was capturing about 92.3% of the town's population. This is a relatively strong pull factor that is not supported by a Lowe's or Home Depot. In fact, the nearest major home improvement store is about 70 miles away in either Lawton or Oklahoma City. This suggests that Clinton (and Weatherford) residents make most of their hardware and building materials purchases locally due to necessity. (See Appendix A to see Weatherford's gap coefficients for 2006.)

The category of General Merchandise tends to be dominated by Wal-Mart. Wal-Mart reports all its sales under this category (even though it sells clothing, grocery items, etc. as well). In general, towns that have a Wal-Mart will post sales gap coefficients that are greater than 1.0 for this category, and those that do not have a Wal-Mart will post sales gap coefficients that are less than 1.0. Clinton is a bit of an exception to this rule. Clinton does *not* have a Wal-Mart Store, but their gap coefficient in this category is 1.486 in FY 2006. Recall the unique situation that Custer County has in that the Clinton-Weatherford combination serves as the center of trade for the county. Weatherford is home to a Wal-Mart, and Clinton is home to a K-Mart.

Grocery stores in Clinton had a gap coefficient of 1.527 in 2006. Consumers tend to appreciate the convenience of shopping for groceries close to home. In addition, most residents outside of the city

limits will travel into the small town grocery store to shop; consequently, it is common to find that even very small towns post high gap coefficients for this sector. Clinton's relatively high gap coefficient (1.527) for groceries appears to reflect this tendency.

SIC category 55 is difficult to interpret because motor vehicle and gasoline sales are exempt from municipal sales tax in Oklahoma. Most of the sales tax collection reported under this category appears to stem from auto parts stores and other retail sales from gas stations. For instance, most gas stations sell snack items, tires, some auto parts, oil, anti-freeze, etc. Sales tax collections for Clinton in this category indicate that these types of businesses attracted a number of shoppers equal to about 1.170 times the size of the town's population. A value greater than 1.0 is probably expected given that the community sits right along Interstate 40.

Apparel sales are reported under SIC 56. It is very difficult for small to medium sized towns to post high sales coefficients in the category of apparel. Many small towns have nearly zero sales in this category, and it is common to see sales gap coefficients that are less than 0.10 in these towns. Cities with large malls tend to be the most successful at capturing the market. Clinton's apparel stores captured a total of 4,024 shoppers in FY 2006 for a gap coefficient of 0.481. This may seem a bit low, so it may not surprise the reader to know that Weatherford's gap coefficient in this category is over 2.0 for 2006. Weatherford seem to be capturing the bulk of the apparel part of the economy.

SIC 57 reports Furniture and Home Furnishings. Also included are appliance and electronics stores, drapery and floor covering stores, and music stores. This category is often viewed from the perspective that many furniture purchases are made in either Tulsa or Oklahoma City. Oklahoma City, for example, has a large cluster of retail furniture stores centralized in one geographic area. Clinton residents probably purchase some of their furniture in Oklahoma City and some in Lawton. Even so, Clinton does relatively well in this category with a gap coefficient for 2006 of 0.815.

Eating and Drinking Places, SIC 58, is one of the most straightforward retail sectors. It contains restaurants and bars. Restaurants and bars in Clinton captured 11,408 customers in FY 2006. Restaurants in Clinton tend to attract a number of shoppers that is equal to about 1.364 times the town's population. This is a category that has been growing since 2000.

SIC 59, or Miscellaneous Retail, contains a host of retail activity, including pharmacies, florists, liquor stores, and antique stores. These are often the downtown or "Main Street" merchants. In 2006, Clinton attracted 8,066 shoppers in this category for a strong gap coefficient of 0.965.

Table 4
Retail Sales Gap Analysis by Standard Industrial Classification (SIC) Code, Clinton: FY 2000-2006

TRADE AREA CAPTURE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Building, Gardening & Merchandise (52)	5,332	6,479	7,288	6,125	5,509	5,900	7,723
General Merchandise (53)	10,257	13,278	13,654	12,414	11,654	11,932	12,428
Food Stores (54)	12,482	16,056	14,835	13,787	12,162	13,144	12,771
Automobile Dealers & Gas Stations (55)	7,968	10,215	10,283	9,184	9,255	9,306	9,782
Apparel & Accessory Stores (56)	5,288	6,607	7,106	5,563	4,580	4,674	4,024
Furniture & Home Furnishings (57)	5,367	7,413	7,398	6,058	8,205	5,520	6,813
Eating & Drinking Places (58)	7,224	9,351	10,288	9,804	9,692	10,797	11,408
Miscellaneous Retail (59)	6,309	8,532	8,647	7,799	7,908	7,326	8,066
SALES GAP COEFFICIENT *	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**	**FY 2006**
Building, Gardening & Merchandise (52)	0.604	0.753	0.866	0.730	0.659	0.705	0.923
General Merchandise (53)	1.161	1.544	1.622	1.480	1.393	1.427	1.486
Food Stores (54)	1.413	1.867	1.762	1.644	1.454	1.572	1.527
Automobile Dealers & Gas Stations (55)	0.902	1.188	1.221	1.095	1.106	1.113	1.170
Apparel & Accessory Stores (56)	0.599	0.768	0.844	0.663	0.547	0.559	0.481
Furniture & Home Furnishings (57)	0.608	0.862	0.879	0.722	0.981	0.660	0.815
Eating & Drinking Places (58)	0.818	1.087	1.222	1.169	1.158	1.291	1.364
Miscellaneous Retail (59)	0.714	0.992	1.027	0.930	0.945	0.876	0.965

* For purposes of this paper, when analyzed by SIC code, the pull factor is referred to as the sales gap coefficient.

TABLE 5
TYPES OF BUSINESSES
DESCRIBED BY THE RETAIL SIC CODES

52 Building Materials
- Lumber yards including home centers
- Paint and wallpaper stores
- Glass stores
- Hardware stores
- Retail Nurseries
- Lawn and garden supply stores
- Mobile Home dealers

53 General Merchandise Stores
- Variety stores
- Department stores
- Warehouse clubs
- General combination merchandise stores

54 Food Stores
- Grocery stores (Supermarkets)
- Convenience stores both with and without gasoline
- Meat and fish markets
- Fruit and vegetable markets
- Candy, nut and confectionery stores
- Dairy stores
- Retail Bakeries

55 Automotive Dealers and Gasoline Service Stations
- Motor vehicle dealers (new and used)
- Tire stores
- Auto supply stores
- Gasoline stations
- Boat dealers
- RV dealers
- Motorcycle dealers

56 Apparel and Accessory Stores
- Men and boys apparel
- Women's apparel and accessories
- Children and infant's wear
- Family apparel
- Shoe stores
- Custom tailor and seamstresses

57 Furniture and Home Furnishings Stores
- Furniture stores
- Floor covering stores
- Drapery, curtains and upholstery stores
- Pottery and crafts made and sold on site
- Household appliance stores
- Radio and TV and consumer electronics stores
- Computer and computer software stores
- Record and prerecorded tapes stores
- Musical instruments stores

58 Eating and Drinking Places

59 Miscellaneous Retail
- Drug and proprietary stores
- Liquor Stores
- Used merchandise stores including antique stores and pawn shops
- Sporting goods stores
- Book stores
- Stationary stores
- Jewelry stores
- Hobby, toy, and game shops
- Camera and photographic supplies stores
- Gifts, novelties and souvenirs
- Luggage and leather goods stores
- Sewing, needlework, and piece goods stores
- Catalog and mail order sales (includes e-commerce stores)
- Vending machine operators and direct selling establishments
- Fuel oil dealers
- Bottled gas dealers
- Florists
- Tobacco Stores
- Newsstands
- Optical goods stores
- Cosmetic stores
- Pet and pet supply stores
- Hearing aid and artificial limb stores
- Art dealers
- Telephone and typewriter stores

BUSINESS DEVELOPMENT STRATEGIES

Retail trade trends reflect the overall health of a local economy. All out shopping or sales leakage cannot be stopped. Often, larger economic trends (State-National-Global) overwhelm retail opportunities. There are programs and actions that can assist retail trade activities, however.

Concerned leaders and business persons can focus on business development by forming a business assistance committee to begin implementing some of the assistance activities or working with the existing chamber of commerce. The following activities were in part of a retail trade improvement program. These activities can improve the climate for business and show the community's commitment to support local business.

1. Analyze the local business sector to identify needs and opportunities to be pursued by the program. Businesses often do not have the resources to study the economy (local, regional, and national) and how they fit in. They need practical data and analysis that will help in their individual business decision-making. In particular, economic analysis can identify voids in the local or regional market that can possibly be filled by expanding or new business. Examples of analysis include the pull factor analysis reported here and consumer surveys to identify needs and opportunities.

   In addition to economic analysis, information is needed on the needs or problems of individual businesses and of the business district as a whole. As needs are identified, action can be taken to improve the situation. For example, a business may need help in preparing a business plan to qualify for financing. Perhaps the appearance of buildings and vacant lots is detrimental to attracting people to be business district, or perhaps poorly coordinated store hours are a hindrance. Once these needs are identified, a business development program can

initiate action. A periodic survey of local business needs can form the basis of a business development program's work plan.

2. Provide management assistance and counseling to improve the efficiency and profitability of local businesses. Many local businesses are owner-operated, earn low profits, and have difficulty in obtaining financing. Businessmen often need additional education and training in improving business management skills like accounting, finance, planning, marketing, customer, relations, merchandising, personnel management, or tax procedures. This assistance and counseling can be provided through seminars and one-to-one aid. Sources of assistance include the Service Corps of Retired Executives (SCORE), Small Business Development Center program sponsored by the Small Business Administration, Universities, Technology Centers, Oklahoma Department of Commerce, and the Cooperative Extension Service. The intent is to aid small businesses in becoming more competitive.

3. Assist new business start-up and entrepreneurial activity by analyzing potential markets and local skills and matching entrepreneurs with technical and financial resources. Establishing a business incubator is another way to assist new businesses. An incubator is a building with shed space or service requirements that reduce start-up costs for new businesses. Incubators have been successful in many locations but are not the right answer for every town. A successful incubator must have long-range planning, specific goals, and good management in order to identify markets and entrepreneurs.

4. Promote the development of home-based enterprises. Home-based work by individuals is increasing because of the flexibility offered and because in some areas, it may be the most

realistic alternative. Home-based enterprises can include a great variety of full or part-time occupations such as food processing, quilting, weaving, crafts, clothing assembly, mail order processing, or assembling various goods.

5. Provide assistance in identifying and obtaining financing. Small businesses often have difficulty obtaining long-term bank financing for expansion because they lack assets to mortgage, cannot obtain affordable terms or rates, or cannot present a strong business plan. A business development program can identify public loan programs and package them with private loans to make projects feasible.

6. Provide assistance in undertaking joint projects such as:

   - improved appearance
   - improved management of the commercial area
   - building renovation
   - preparation of design standards
   - joint promotions and marketing
   - organizing independent merchants
   - special activities and events
   - fund raising
   - improved customer relations
   - uniform hours of operation

Undertaking these projects requires cooperation, good organization, and efficient management. These projects can improve a business district's competitive position and

attract new customers. The Oklahoma Main Street Program provides many good examples of towns working together for economic revitalization. The Main Street Program developed by the National Trust for Historic Preservation, is build around the four points of organization, design, promotion, and economic restructuring.

7. Develop a one-stop permit center. There is great deal of red tape involved in starting a business including registering a name, choosing a legal form, and determining what licenses, permits, or bonds are needed. Other concerns include internal revenue service requirements, unemployment insurance, sales tax permits, and state withholding taxes. Having this type of information available in one location will make life easier for potential businesses.

8. Involve active organizations and the media. Groups such as the chamber of commerce, civic clubs, etc. can encourage a healthy business climate. The local media can also support small business and aid in developing awareness of the importance of local business.

SUMMARY

This report has analyzed taxable sales trends for the City of Clinton and Custer County. The level of taxable sales in Clinton has certainly grown in nominal since 1988, but has been relative steady after controlling for inflation. Arapaho is the county seat for Custer County, but is not considered the center of the trade for the county (which is somewhat unusual).

Custer County has a bit of a unique situation in that the two cities of Clinton and Weatherford, located just 15 miles apart on Interstate 40, appear to serve as a combined center of trade for the county. The existence of a Wal-Mart store can often create center of trade status for a community, but in the case of Custer County, Weatherford is home to Wal-Mart and Clinton is home to K-mart. Together, the two cities pull in shoppers from surrounding areas. Over time, Clinton and Weatherford's pull factors have been similar and have moved together, suggesting a certain degree of dependence upon each other. The interpretation certainly suggests that when one city does well then so will the other city.

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APPENDIX A
FY 2006 Gap Coefficients for Weatherford, OK

Retail Sector	GAP Coefficient
Building, Gardening & Merchandise (52)	1.193
General Merchandise (53)	1.957
Food Stores (54)	1.272
Automobile Dealers & Gas Stations (55)	1.068
Apparel & Accessory Stores (56)	2.085
Furniture & Home Furnishings (57)	0.912
Eating & Drinking Places (58)	1.906
Miscellaneous Retail (59)	1.297