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# Oklahoma and Texas Interdependency Along the I-35 Corridor

Kyle D. Dean, Ph.D

Associate Director and Research Economist

[kyle.dean@okstate.edu](mailto:kyle.dean@okstate.edu)



Spears School  
**OF BUSINESS**  
Center for Applied  
Economic Research

# Does Oklahoma Need Texas?

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- ✦ With increased globalization there is heightened interest in the levels and effects of regional interdependency
- ✦ What level of regional cooperation is appropriate



# Does Oklahoma Need Texas?

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- ✦ How does growth in Texas affect the outcomes of Oklahomans?



# How do we define the region?

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- ✦ Geographical Proximity
  - Look for logical trade areas
- ✦ Regional Production
  - Significant trade flows



# How do we define the region

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- ✦ Considerable discussion of the I-35 corridor “Megalopolis”



# How do we define the region?

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- ✦ The term “Megalopolis” was coined by French geographer Jean Gottman in 1961 to describe an area of sprawling metropolises that extended from Boston Massachusetts to Washington DC
- ✦ In July 2005, a U.S. Census Bureau report identified 10 such Megalopolises
- ✦ The I-35 Corridor is one of ten “designated” U.S. Megalopolises



# Megalopolis Characteristics

- ✦ The 2005 Census report defined Megapolitan areas as having the following characteristics:
  - Combines at least two, but may include dozens of existing metropolitan areas.
  - Totals more than 10,000,000 projected residents by 2040.
  - Derives from contiguous metropolitan and micropolitan areas.
  - Constitutes an “organic” cultural region with a distinct history and identity.
  - Occupies a roughly similar physical environment.
  - Links large centers through major transportation infrastructure.
  - Forms a functional urban network via goods and service flows.
  - Creates a usable geography that is suitable for large-scale regional planning.
  - Lies within the United States.
  - Consists of counties as the most basic unit.



# U.S. Megalopolises



Megalopolis	Metro Areas Included	States Included
Cascadia	Portland, Seattle, Tacoma	OR, WA
Gulf coast	Houston, New Orleans, Gulfport, Mobile, Pensacola	AL, FL, LA, MS, TX
I-35 Corridor	Kansas City, Tulsa, Oklahoma City, Dallas, Austin, San Antonio	KS, MO, OK, TX
Midwest	Milwaukee, Chicago, Detroit, Indianapolis, Cincinnati, Columbus, Cleveland, Pittsburgh	IL, IN, KY, MI, OH, PA, WI, WV
NorCal	San Francisco, Oakland, Sacramento, Reno	CA, NV
Northeast (BosWash)	Boston, New York, Philadelphia, Baltimore, Washington DC	CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, WV, FL
Peninsula	Orlando, Tampa, Miami, Fort Lauderdale	FL
Piedmont	Birmingham, Montgomery, Charlotte, Raleigh, Columbia, Chattanooga, Knoxville	AL, GA, NC, SC, TN, VA
Southland	Los Angeles, San Diego, San Bernardino, Las Vegas	CA, NV
Valley of the Sun	Phoenix	AZ





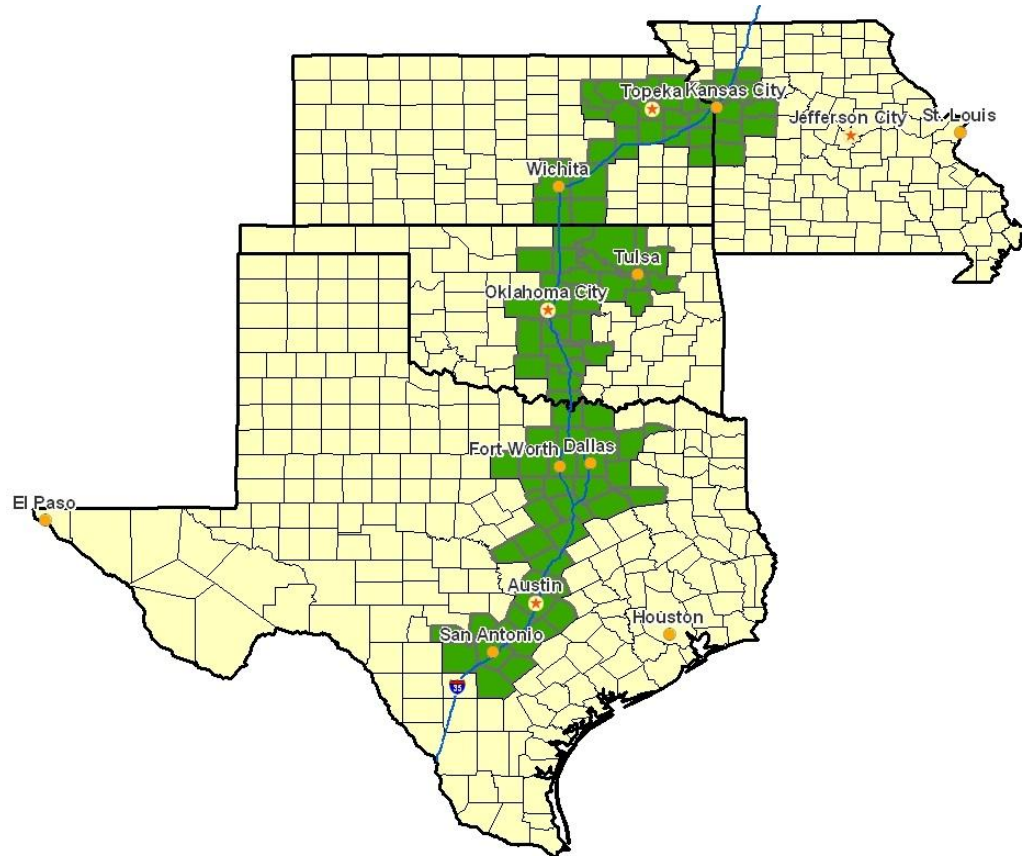
# What is the I-35 Corridor?

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- ✦ Metropolitan Areas Included: Kansas City, Tulsa, Oklahoma City, Dallas/Ft. Worth, Austin, San Antonio
- ✦ 2007 Census Population: 16,330,875



# What is the I-35 Corridor?



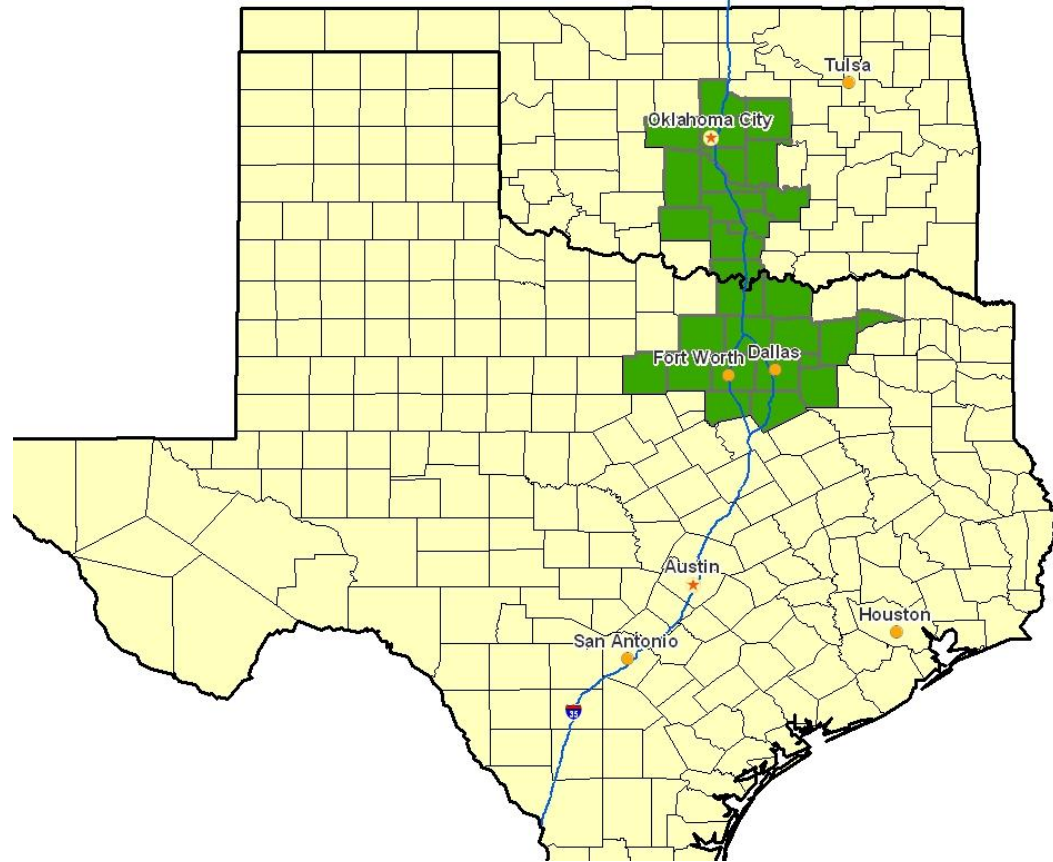
# OKCDFW Subregion

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- ✦ The region of study was narrowed to focus on the areas between the two poles of Oklahoma City and Dallas/Ft. Worth due to their close proximity and trade flows



# OKCDFW Subregion



# OKCDFW Subregion



Oklahoma Counties (14)	Texas Counties (15)
- Canadian	- Collin
- Cleveland	- Dallas
- Grady	- Delta
- Lincoln	- Denton
- Logan	- Ellis
- McClain	- Hunt
- Oklahoma	- Johnson
- Potawatomie	- Kaufman
- Garvin	- Parker
- Murray	- Rockwall
- Carter	- Tarrant
- Love	- Wise
- Stephens	- Cook
- Pontotoc	- Grayson
	- Palo Pinto



# OKCDFW Demographics



	Total Population (2007)	Total Population (2000)	Percent Change Pop 2000-2007	% Urban Population (2000 Census)	Number of Counties	Area (square miles)
I-35 Corridor	16,330,875	14,465,638	14.0%	88%	97	75,125.7
OKCDFW	7,771,661	6,706,801	15.9%	87%	29	22,743.56
Oklahoma Region	1,434,494	1,336,015	7.4%	74%	14	10,595.86
Texas Region	6,337,167	5,370,786	18.0%	90%	15	12,147.70

Source: U.S. Census Bureau



# OKCDFW 2008 Production

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- ✦ OKCDFW GRP: \$471 Billion\*
  - OK Region GRP: \$71.8 Billion
  - TX Region GRP: \$398.8 Billion

\* GRP Estimates from Implan



# OKCDFW 2008 Production

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## ✦ Top 5 Producing Industries based on GRP

### – OK Region:

- Manufacturing
- Mining
- Government
- Real Estate & Rental
- Health and Social Services

### – TX Region:

- Manufacturing
- Real Estate & Rental
- Finance & Insurance
- Professional, Scientific & Technical Services
- Information





# OKCDFW Commuting

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- ✦ Number of Oklahoma workers commuting to TX Region: 1,824
- ✦ Number of Texas workers commuting to OK Region: 641



# Study Methodology

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- ✦ The OKCDFW is a Multi-regional Input-Output model that links the two regions (OK and TX)
- ✦ Results are derived from estimated trade flows using Implan
- ✦ Preliminary results are estimated using a 1% growth scenario
  - Impacts are based on linear increases to exports based on 1% growth in the complementary region





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## Preliminary Results



# Preliminary Results

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- ✦ How does 1% growth in the TX Region impact Oklahoma?
  - Output increase of 0.08% (\$57 million)
  - Employment increase of 282.5 FTE jobs



# Preliminary Results

## Top 5 OK Industry Output Gains

Industry	Increased Production (Millions of U.S. Dollars)
1. Manufacturing	20.9
2. Mining	12.0
3. Retail Trade	2.9
4. Real Estate & Rental	2.6
5. Administrative & Waste Services	1.9



# Preliminary Results

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- ✦ How does 1% growth in the OK Region impact Texas?
  - Output increase of 0.04% (\$173 million)
  - Employment increase of 859.5 FTE jobs



# Preliminary Results

## Top 5 TX Industry Output Gains

Industry	Increased Production (Millions of U.S. Dollars)
1. Real Estate & Rental	44.4
2. Manufacturing	25.4
3. Finance & Insurance	19.8
4. Mining	15.9
5. Wholesale Trade	12.6



# Preliminary Results - Summary

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- ✦ The linkage between North TX and Southern OK is significant
  - Increased growth in each is mutually beneficial
- ✦ Northern sprawl from DFW and southern sprawl from OKC will only strengthen the dependency
- ✦ Potential cooperative relationships exist to make the region more competitive in the global economy

