Oklahoma and Texas Interdependency Along the I-35 Corridor

Kyle D. Dean, Ph.D
Associate Director and Research Economist
kyle.dean@okstate.edu
Does Oklahoma Need Texas?

- 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?

- How does growth in Texas affect the outcomes of Oklahomans?
How do we define the region?

- Geographical Proximity
  - Look for logical trade areas
- Regional Production
  - Significant trade flows
How do we define the region

- Considerable discussion of the I-35 corridor “Megalopolis”
How do we define the region?

- 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.
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

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

- 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?

Oklahoma and Texas Interdependency Along the I-35 Corridor
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)
- Canadian
- Cleveland
- Grady
- Lincoln
- Logan
- McClain
- Oklahoma
- Potawatomie
- Garvin
- Murray
- Carter
- Love
- Stephens
- Pontotoc

### Texas Counties (15)
- Collin
- Dallas
- Delta
- Denton
- Ellis
- Hunt
- Johnson
- Kaufman
- Parker
- Rockwall
- Tarrant
- Wise
- Cook
- Grayson
- Palo Pinto
# OKCDFW Demographics

| Source: U.S. Census Bureau |

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</thead>
<tbody>
<tr>
<td>I-35 Corridor</td>
<td>16,330,875</td>
<td>14,465,638</td>
<td>14.0%</td>
<td>88%</td>
<td>97</td>
<td>75,125.7</td>
</tr>
<tr>
<td>OKCDFW</td>
<td>7,771,661</td>
<td>6,706,801</td>
<td>15.9%</td>
<td>87%</td>
<td>29</td>
<td>22,743.56</td>
</tr>
<tr>
<td>Oklahoma Region</td>
<td>1,434,494</td>
<td>1,336,015</td>
<td>7.4%</td>
<td>74%</td>
<td>14</td>
<td>10,595.86</td>
</tr>
<tr>
<td>Texas Region</td>
<td>6,337,167</td>
<td>5,370,786</td>
<td>18.0%</td>
<td>90%</td>
<td>15</td>
<td>12,147.70</td>
</tr>
</tbody>
</table>
OKCDFW 2008 Production

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

* GRP Estimates from Iplan
OKCDFW 2008 Production

➛ 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

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

- 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
Preliminary Results
Preliminary Results

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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Increased Production (Millions of U.S. Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Manufacturing</td>
<td>20.9</td>
</tr>
<tr>
<td>2. Mining</td>
<td>12.0</td>
</tr>
<tr>
<td>3. Retail Trade</td>
<td>2.9</td>
</tr>
<tr>
<td>4. Real Estate &amp; Rental</td>
<td>2.6</td>
</tr>
<tr>
<td>5. Administrative &amp; Waste Services</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Preliminary Results

- 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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Increased Production (Millions of U.S. Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Real Estate &amp; Rental</td>
<td>44.4</td>
</tr>
<tr>
<td>2. Manufacturing</td>
<td>25.4</td>
</tr>
<tr>
<td>3. Finance &amp; Insurance</td>
<td>19.8</td>
</tr>
<tr>
<td>4. Mining</td>
<td>15.9</td>
</tr>
<tr>
<td>5. Wholesale Trade</td>
<td>12.6</td>
</tr>
</tbody>
</table>
Preliminary Results - Summary

- 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