

Oklahoma Restaurant Employment and All Industry Employment:

A 10-year Trend Analysis Comparison – Phase I



OKLAHOMA

**Oklahoma Employment Security Commission
Economic Research and Analysis Division**



Oklahoma Restaurant Employment and All Industry Employment: A 10-year Trend Analysis Comparison

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Introduction

While economic conditions at that time of this writing (Nov 2016) may have altered the landscape somewhat for the restaurant industry, the significance of its employment growth for the past decade should not be marginalized. In recent years, both state and national restaurant associations have noted employment increases in their industry. This general restaurant industry employment increase has also been observed by both workforce and commerce analysts and also by state restaurant establishment managers. The following analysis uses Quarterly Census of Employment and Wages (QCEW) data for Oklahoma to compare NAICS 7225 Restaurants and other eating places and total, all industries employment over a 10-year period from 1st quarter 2006 to 4th quarter 2016. This analysis will also examine industry employment growth in different geographic regions of Oklahoma, including Metropolitan Statistical Areas (MSAs) as well as the non-MSA portion of the state. The results are summarized in a brief report.

This analysis will attempt to answer two particular research questions. First, is restaurant industry employment in Oklahoma growing faster than total statewide employment? Second, if it is growing faster than total employment, where is it growing faster? The first question will be initially addressed.

Statewide Trends: 2006-2015

Table 1, below, displays restaurant and total annual employment growth in Oklahoma from 2006 to 2015.

Table 1: Oklahoma Average Annual Employment: 2006 to 2015
Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	1,506,613			104,899		
2007	1,535,062	28,449	1.9	105,841	942	0.9
2008	1,550,632	15,570	1.0	107,522	1,681	1.6
2009	1,497,843	-52,789	-3.4	107,624	102	0.1
2010	1,485,532	-12,311	-0.8	105,156	-2,468	-2.3
2011	1,507,820	22,288	1.5	108,238	3,082	2.9
2012	1,540,169	32,349	2.1	111,809	3,571	3.3
2013	1,560,998	20,829	1.4	115,597	3,788	3.4
2014	1,582,687	21,689	1.4	119,048	3,451	3.0
2015	1,594,140	11,453	0.7	122,857	3,809	3.2
2006-2015 Employment Change		87,527	5.8		17,958	17.1

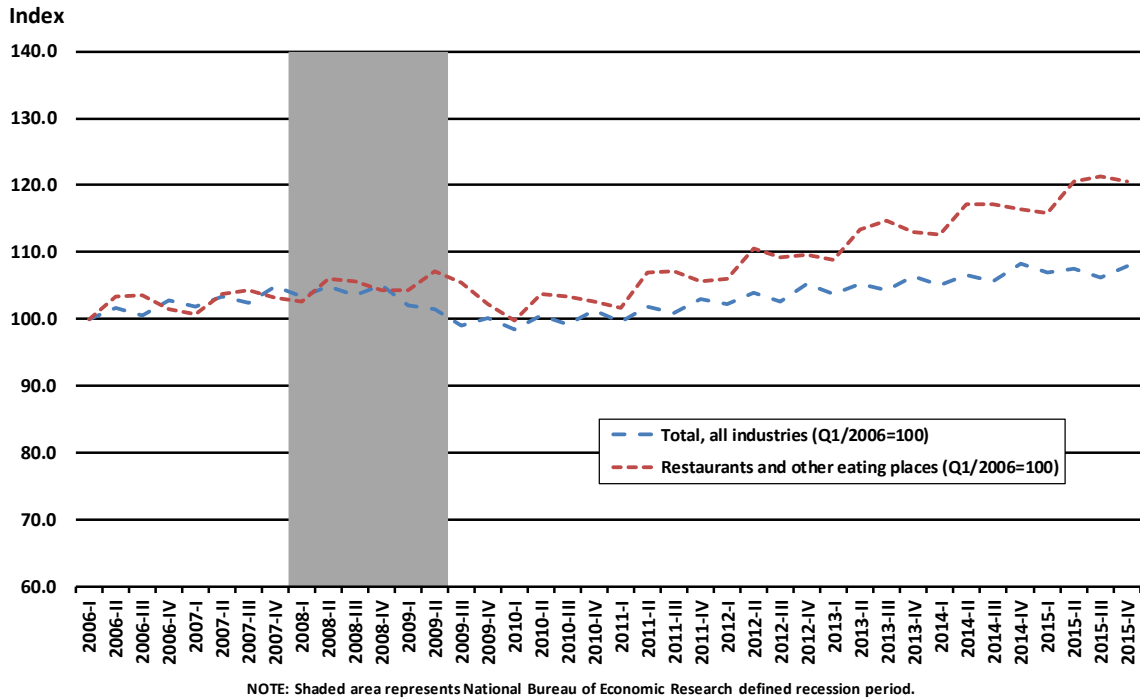
SOURCE: Quarterly Census of Employment & Wages (QCEW), U.S. Department of Labor, Bureau of Labor Statistics.
 *12-month averages

Table 1 shows the 10-year restaurant employment growth at 17.1 percent compared to 5.8 percent for all industry employment. The restaurant employment growth over the ten-year period is over 11 percentage points larger than total employment growth in Oklahoma.

Chart 1, on the following page, illustrates the same Oklahoma 10-year employment growth for restaurants and all industries by quarter, indexed to 1st quarter 2006. Chart 1 clearly shows that Oklahoma state restaurant employment is growing faster than total employment, initially diverging in the 4th quarter 2008 and especially so since the 3rd quarter 2010, ending with a better than a 9-

point index gap in the 4th quarter of 2015.

Chart 1: Oklahoma Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100



State Metropolitan Area Trends: 2006-2015

The second question is where, geographically, has Oklahoma restaurant industry growth occurred? Table 2 shows the 10-year restaurant and all industry annual employment trends for Lawton MSA.

Table 2: Lawton MSA Average Annual Employment: 2006 to 2015
Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	41,892			3,013		
2007	43,070	1,178	2.8	3,213	200	6.6
2008	43,762	692	1.6	3,440	227	7.1
2009	43,964	202	0.5	3,548	108	3.1
2010	44,209	245	0.6	3,639	91	2.6
2011	43,451	-758	-1.7	3,607	-32	-0.9
2012	43,008	-443	-1.0	3,623	16	0.4
2013	43,907	899	2.1	3,798	175	4.8
2014	43,877	-30	-0.1	3,862	64	1.7
2015	44,548	671	1.5	3,973	111	2.9
2006-2015 Employment Change		2,656	6.3		960	31.9

SOURCE: Quarterly Census of Employment & Wages (QCEW), U.S. Department of Labor, Bureau of Labor Statistics.

Table 2 shows the 10-year restaurant employment growth for Lawton MSA as 31.9 percent compared to 6.3 percent for all industries. Restaurant employment growth during the ten-year period is over 25 percentage points larger than employment growth for all industries in the Lawton MSA.

Chart 2 displays the 10-year employment growth for restaurants and all industries by quarter, for the Lawton MSA indexed to 1st quarter 2006.

Chart 2: Lawton MSA Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100

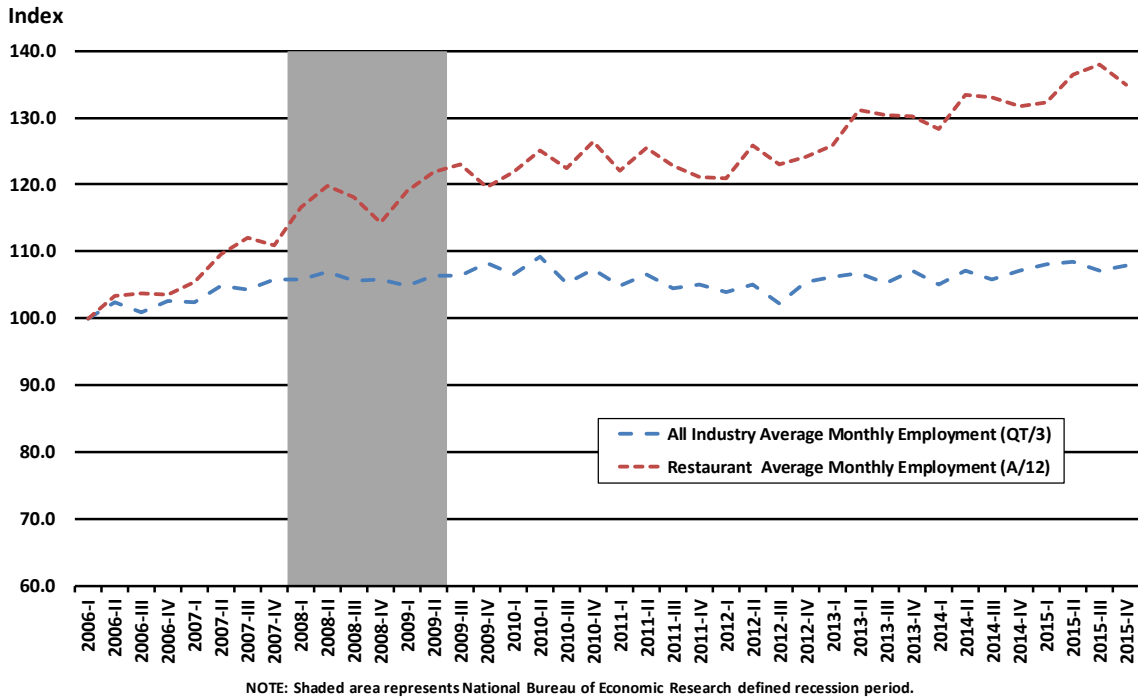


Chart 2 clearly shows that restaurant employment in the Lawton MSA is growing much faster than total employment, with the two growth rates diverging initially in the 2nd quarter of 2006 and ending with a more than 27-point index gap in the 4th quarter of 2015.

Table 3, on the following page, shows the 10-year restaurant and all industry annual employment and percent growth for Oklahoma City MSA.

Table 3 shows the 10-year restaurant employment growth for Oklahoma City MSA at 19.1 percent compared to 8.9 percent for all industries. Restaurant employment growth over this ten-year period was over 10 percentage points larger than total, all industry employment.

Table 3: Oklahoma City MSA Average Annual Employment: 2006 to 2015
Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	549,194			42,289		
2007	555,584	6,390	1.2	41,228	-1,061	-2.5
2008	558,559	2,975	0.5	42,097	869	2.1
2009	542,606	-15,953	-2.9	42,447	350	0.8
2010	540,291	-2,315	-0.4	42,118	-329	-0.8
2011	553,333	13,042	2.4	44,104	1,986	4.7
2012	566,963	13,630	2.5	45,495	1,391	3.2
2013	578,573	11,610	2.0	47,569	2,074	4.6
2014	589,181	10,608	1.8	49,171	1,602	3.4
2015	598,279	9,098	1.5	50,352	1,181	2.4
2006-2015 Employment Change		49,085	8.9		8,063	19.1

SOURCE: Quarterly Census of Employment & Wages (QCEW), U.S. Department of Labor, Bureau of Labor Statistics.

Chart 3 displays the same 10-year employment growth trends for restaurants and all industries by quarter, for the Oklahoma City MSA indexed to 1st quarter 2006.

Chart 3: OKC MSA Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100

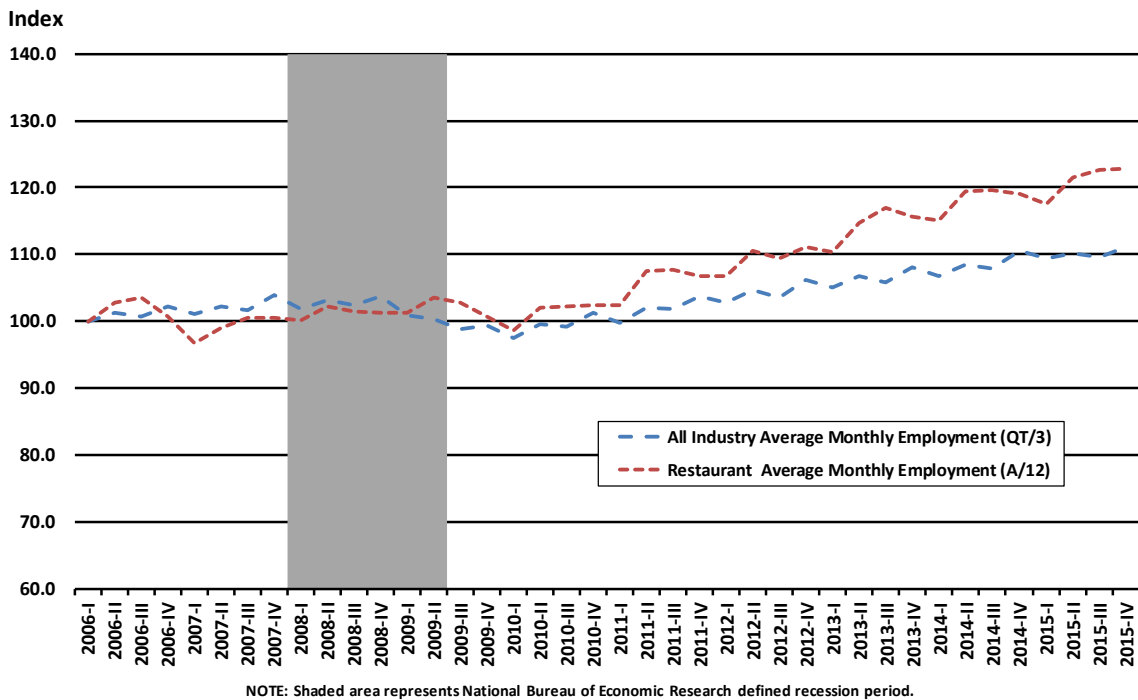


Chart 3 clearly shows that Oklahoma City MSA restaurant employment is growing faster than total employment, with the two growth rates diverging initially in 1st quarter 2009, ending with a better than an 11-point index gap in the 4th quarter of 2015.

Table 4, below, shows the 10-year restaurant and all industry annual employment levels and growth for the Tulsa MSA.

Table 4: Tulsa MSA Average Annual Employment: 2006 to 2015

Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	408,686			28,411		
2007	415,929	7,243	1.8	28,723	312	1.1
2008	421,374	5,445	1.3	29,182	459	1.6
2009	401,509	-19,865	-4.7	29,413	231	0.8
2010	394,505	-7,004	-1.7	28,057	-1,356	-4.6
2011	396,617	2,112	0.5	28,370	313	1.1
2012	405,776	9,159	2.3	29,425	1,055	3.7
2013	411,261	5,485	1.4	30,265	840	2.9
2014	419,280	8,019	1.9	31,602	1,337	4.4
2015	425,047	5,767	1.4	33,042	1,440	4.6
2006-2015 Employment Change		16,361	4.0		4,631	16.3

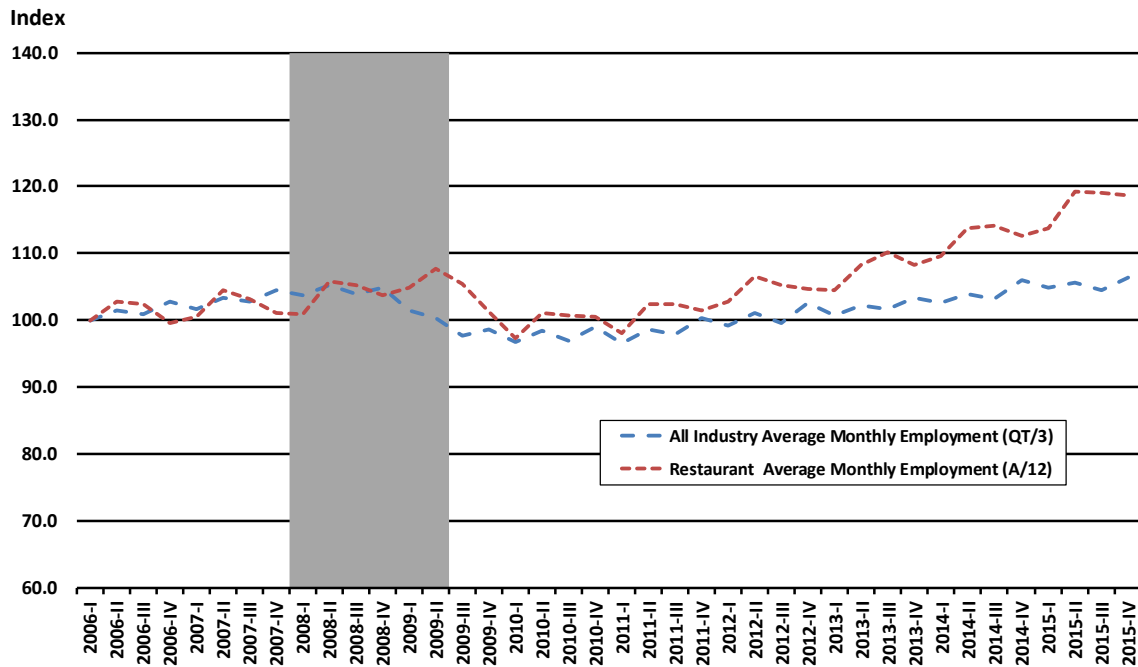
SOURCE: Quarterly Census of Employment & Wages (QCEW), U.S. Department of Labor, Bureau of Labor Statistics.

Table 4 shows that Tulsa MSA restaurant employment growth from 2006 to 2015 was 16.3 percent compared to 4.0 percent for all industries. Restaurant employment growth over the 10-year period was over 12 percentage points greater than all industries in this metro area.

Chart 4, on the following page, displays the same 10-year employment growth for restaurants and all industries by quarter, for the Tulsa MSA indexed to 1st quarter 2006.

Chart 4 clearly shows that the Tulsa MSA restaurant employment is growing faster than employment in all industries, with the two growth rates diverging initially in 1st quarter 2009 and ending with a better than 12-point index gap in the 4th quarter of 2015.

Chart 4: Tulsa MSA Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Table 5, below, shows the 10-year restaurant and all industry annual employment and percent growth for Enid MSA.

Table 5: Enid MSA Average Annual Employment: 2006 to 2015
Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	24,128			1,585		
2007	24,605	477	2.0	1,577	-8	-0.5
2008	25,280	675	2.7	1,587	10	0.6
2009	24,707	-573	-2.3	1,634	47	3.0
2010	24,984	277	1.1	1,609	-25	-1.5
2011	25,322	338	1.4	1,713	104	6.5
2012	26,055	733	2.9	1,791	78	4.6
2013	26,368	313	1.2	1,768	-23	-1.3
2014	26,925	557	2.1	1,829	61	3.5
2015	26,694	-231	-0.9	1,776	-53	-2.9
2006-2015 Employment Change		2,566	10.6		191	12.1

SOURCE: Quarterly Census of Employment & Wages (QCEW), U.S. Department of Labor, Bureau of Labor Statistics.

Table 5 shows the 10-year restaurant employment growth for Enid MSA was 12.1 percent compared to 10.6 percent for all industries. The restaurant growth for these ten years is only slightly larger, less than 1.5 percentage points than all industries in this MSA.

Chart 5 displays the same 10-year growth for restaurant and all industries by quarter, for Enid MSA indexed to 1st quarter 2006.

Chart 5: Enid MSA Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100

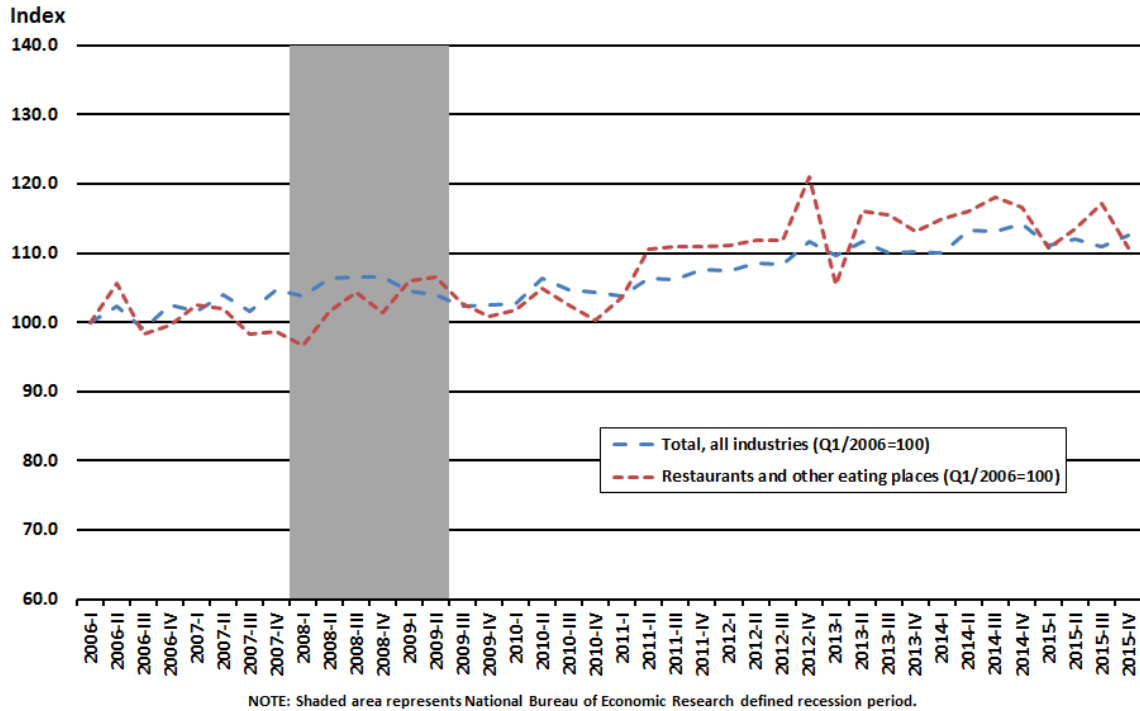


Chart 5 clearly establishes that Enid MSA overall restaurant employment change was almost the same as that of all industries in the MSA, for the years 2006 to 2015.

State Non-Metropolitan Area Trends: 2006-2015

Table 6, on the following page, shows the 10-year restaurant and all industry annual employment levels and growth for all Oklahoma Non-MSA counties.

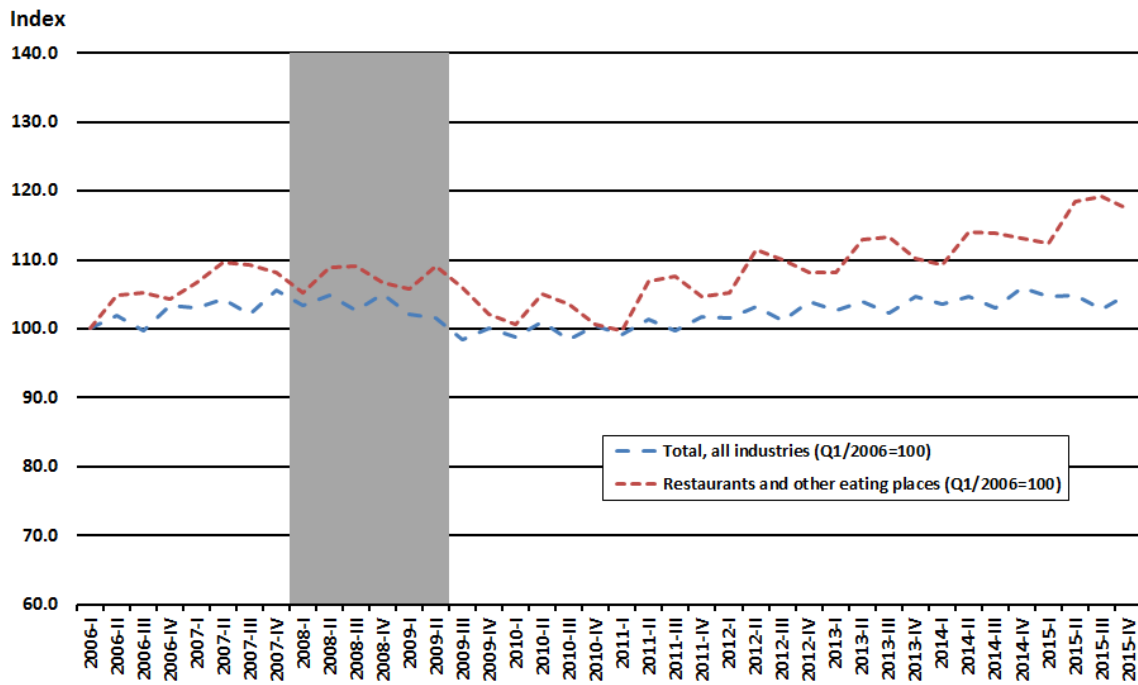
Table 6 shows the 10-year restaurant employment growth for Oklahoma’s Non-MSA counties was 12.7 percent compared to 3.0 for all industries. The restaurant growth during this 10-year period was better than 9 percentage points greater than all industries in the Oklahoma Non-MSA counties.

Table 6: Oklahoma Non-MSA Average Annual Employment: 2006 to 2015
Total, All Industries and Restaurants & Other Eating Places

Year	Total, All Industries Average Annual* Employment	Change	Percent Change	Restaurants & Other Eating Places Average Annual* Employment	Change	Percent Change
2006	459,652			29,365		
2007	470,848	11,196	2.4	30,727	1,362	4.6
2008	471,955	1,107	0.2	30,456	-271	-0.9
2009	456,534	-15,421	-3.3	29,963	-493	-1.6
2010	452,545	-3,989	-0.9	29,024	-939	-3.1
2011	456,198	3,653	0.8	29,681	657	2.3
2012	465,123	8,925	2.0	30,816	1,135	3.8
2013	469,516	4,393	0.9	31,503	687	2.2
2014	473,609	4,093	0.9	31,907	404	1.3
2015	473,647	38	0.0	33,107	1,200	3.8
2006-2015 Employment Change		13,995	3.0		3,742	12.7

Chart 6, below, shows 10-year growth trends for restaurants and all industries by quarter, for Oklahoma Non-MSA counties indexed to the 1st quarter 2006.

Chart 6: Oklahoma Non-MSA Counties Average Quarterly Employment: 2006 to 2015
Total, All Industries vs. Restaurants and Other Eating Places
 Index: Q1/2006 = 100



NOTE: Shaded area represents National Bureau of Economic Research defined recession period.

Chart 6 clearly shows that the Oklahoma Non-MSA counties restaurant employment is growing faster than all industries employment, with the two growth rates diverging initially in the 2nd quarter 2006, ending with a better than 12-point index gap in the 4th quarter of 2015.

Summary

Restaurant employment growth was faster than total employment growth in Oklahoma as well as in the metropolitan areas of Lawton MSA, Oklahoma City MSA, and Tulsa MSA and in Oklahoma Non-MSA counties. Although restaurant employment did not grow faster than total employment in the Enid MSA, we would add the following caveat to the any conclusions concerning Enid MSA employment growth rates. Although Enid MSA restaurant employment growth did not grow significantly faster than all industries employment in that metro area, it did grow faster (in the same MSA) than all industries employment in all the other five geographical comparison areas. Implying that all industries employment grew faster in the Enid MSA than it did elsewhere and it almost matched that of restaurant employment growth in the Enid MSA.

Conclusion to Question 1: Yes, restaurant employment growth over the ten years, (2006 to 2015), was greater than the growth of all industries employment.

Conclusion to Question 2: Restaurant employment growth from 2006 to 2015 was greater than the growth of all industries employment in Oklahoma, and the geographical areas of Lawton MSA, Oklahoma City MSA, Tulsa MSA, and Oklahoma Non-MSA counties. Restaurant employment growth in Enid MSA almost matched that of all industries employment growth, due to the faster growth of the latter in that metropolitan area.

Other conclusions: Restaurant employment in Oklahoma, and the geographical areas of Lawton MSA, and Tulsa MSA grew faster than any other area. All industry employment in Oklahoma Non-MSA counties grew the slowest (3.0 percent) and in Tulsa MSA grew at the second slowest rate (4.0 percent over the 10-year interval).