

Cross Timbers Business Report

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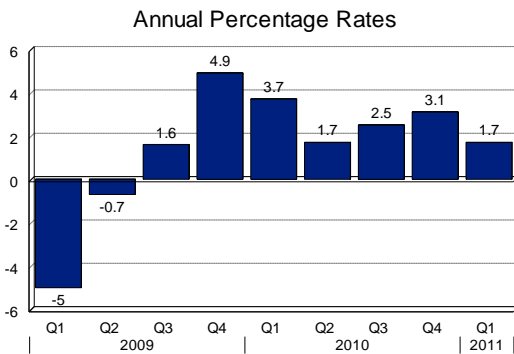
Spring 2011

GDP Growth Slows

By Kevin A. Jones

The *Wall Street Journal* reports the U.S. economic growth rate slowed considerably in the first quarter of 2011. Real gross domestic product (GDP), the value of all final goods and services produced in the U.S., which increased steadily in the past several quarters, began 2011 with a sharp slowdown. Last quarter's growth rate of 1.7 percent falls far below the previous period's 3.1 percent increase.

Changes in Real GDP



For the U.S. economy, which is trying to overcome the recent recession, the information represents a setback. However, analysts predict the recovery will get back on track in 2011's second half.

The housing market continued its decline, falling by 4.1 percent in early 2011 after a 3.3 percent rise at the end of 2010. Business spending slowed from an increase of 7.7 percent in late 2010 to a rise of only 1.8 percent this year. Exports, which increase GDP, grew by 4.9 percent in this year's beginning quarter. The ending quarter for 2010 had an impressive 8.6 percent increase. Imports increased by 4.4 percent in 2011's first quarter following a 12.6 percent decline in late 2010.

A significant decline in government spending also affected the economy. Federal spending went down 7.9 percent for this quarter compared to the 0.3 percent decrease in the report on the fourth quarter of 2010. This is said to be the largest drop in more than ten years. This decrease, along with the continued slowdown in state and local government spending, combined to create poor growth conditions in the U.S. economy.

Gross domestic product estimates are reported on a quarterly basis by the Department of Commerce. A second GDP estimate with more complete data will be released at a later date.

Kevin A. Jones is a senior marketing major at Tarleton State University. Kevin is pursuing his degree while maintaining employment with UPS.

Inflation Worsens in First Quarter

By Courtney Angell

Alarms rose from economists as annual percentage increases in consumer prices rose above their goal of inflation during 2011's first three months.

In the first quarter of 2011, prices rose at a 4.7 percent rate in January, 6.2 percent in February, and 7 percent in March. These increases are well over the maximum 4 percent goal rate for inflation set by many economists.

According to the Bureau of Labor Statistics, gasoline and food prices continued to rise and ac-

counted for almost three quarters of the consumer price increase. Gasoline prices have risen 14.4 percent in the last three months, and this trend does not appear to be slowing.

The *Wall Street Journal* noted that underlying inflation, which excludes food and energy prices, only rose by 0.1 percent from February to March.

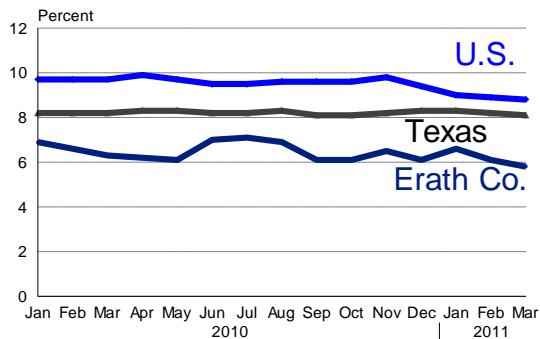
Courtney Angell is a junior majoring in Accounting at Tarleton State University.

Unemployment Rates in Slow Decline

By Veronica Welch

According to updated data published by the U.S. Bureau of Labor Statistics and the Texas Workforce Commission, U.S., Texas, and local unemployment rates are in a slow decline in the first quarter, when compared to figures reported the previous year.

UNEMPLOYMENT RATES



Sources: U.S. Bureau of Labor Statistics and Texas Workforce Commission

The U.S. unemployment rate moved from 9.0 percent in January to 8.9 percent in February, and declined further to 8.8 percent in March. The nation's unemployment rate averaged 8.9 percent in the first quarter, which compares favorably to the 9.7 percent recorded in 2010 but unfavorably to the 8.1 percent in 2009.

The Texas jobless rate declined from 8.3 percent in January to 8.2 percent in February to 8.1 percent in March. The average rate for the first quarter stood at 8.2 percent, which is identical to the 2010 figure but is significantly higher than the 6.6 percent average reported in 2009.

Bosque County had the highest unemployment rate among Cross Timbers counties in the first quarter. Bosque's unemployment rate was 9.2 percent in January, then declined to 8.9 percent in February, and decreased further to 8.7 percent in March. The county's average jobless rate for the quarter was 8.9 percent, which is slightly elevated

from the 8.8 percent reported the same quarter in 2010 and significantly higher than 6.7 percent in 2009.

Comanche County's unemployment rate was 6.9 percent in January then declined slightly to 6.8 percent in February. In March, the unemployment rate jumped to 7.2 percent. Comanche County's average jobless rate was 7.0 percent in the first quarter, which is higher than the 6.7 and 5.3 percent values reported in the same quarter in 2010 and 2009.

Eastland County experienced a drop in unemployment rates in the first quarter. The rate went from 7.9 percent in January to 7.6 percent in February, and then dropped further to 7.4 percent in March. Eastland County's average jobless rate for the quarter was 7.6 percent.

Erath County's unemployment rate for January was 6.6 percent. This figure fell to 6.1 percent in February and continued to fall to 5.8 percent in March. Erath's average jobless rate in the first quarter was 6.2 percent compared to 6.6 and 5.1 percent values reported in 2010 and 2009.

Hamilton County experienced a decrease in unemployment from 6.3 percent to 6.0 percent between January and February, and ended the quarter at 5.7 percent in March. The average for Hamilton County's first quarter stood at 6.0 percent. This value decreased from the reported 6.6 percent in 2010, but still higher than the 4.2 percent recorded in 2009.

The U.S. Bureau of Labor Statistics and the Texas Workforce Commission collect and report labor market data on a monthly basis. National and state statistics are adjusted for normal seasonal variation, while local figures remain unadjusted.

Veronica Welch is a senior majoring in business administration with a minor in management. She will graduate in the fall of 2011.

Population Trends Vary Among Cross Timbers Counties

By Meagan Meek

According to data from the Census Bureau, all five Cross Timbers counties showed increases in population over the past twenty years. Four area countries also reported gains over the past decade.

Census data for 2010 showed Erath Country experienced the greatest increase in population. The 2010 population estimate of 37,890 represents a

gain of 14.6 percent from the 2000 value and an increase of 35.4 percent over the 1990 figure.

Bosque County showed an increase of 5.7 percent in the last ten years. The population estimate of 18,212 in 2010 reveals an increase of 20.4 percent since 1990.

Comanche County's population, estimated at 13,974 for 2010, declined by 0.1 percent from 2000 but grew by 4.4 percent over the 1990 value.

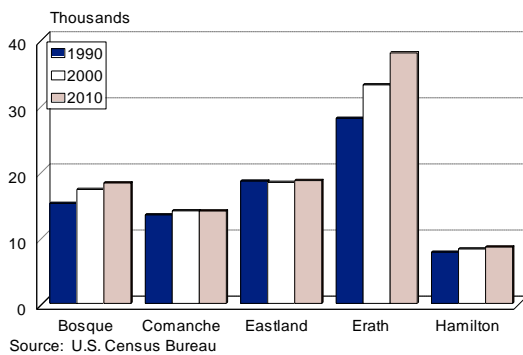
Hamilton, the least populous county in the Cross Timbers area, showed a 2010 population estimate of 8,517 revealing an increase of 3.4 percent over 2000, and a rise of 10.1 percent from 1990.

Eastland showed the slowest population growth over the last 20 years. Its estimated 2010 population of 18,583 represents a gain of 1.5 percent over the 2000 value and a rise of 0.5 percent since 1990.

Meagan Meek majors in H.R. Management and is President of the Society of Human Resource Management at Tarleton. She is a member of Delta Mu Delta and Omicron Delta Kappa.

POPULATION

Cross Timbers Counties



Sales Tax Allocations Mixed

By Kelsi McLaren

According to the economists, the United States recession ended more than a year ago. However, sales tax allocation patterns showed five Cross Timber cities are still struggling in 2011, when comparisons are made to figures two years earlier.

Comanche's \$179,314 allocation figure for the January-April period lies 4.1 percent above the same period last year. The city's 2011 allocation total is 1.8 percent above the value noted in 2009.

Eastland's allocation figure rested at \$345,831 for the first four months of this year. This value rises 8.1 percent above the 2010 figure but falls 13.2 percent below the 2009 aggregate.

Dublin's \$95,686 allocation shows a gain of 2.1 percent over the previous year. The 2011 figure lies 2.6 percent below the 2009 value.

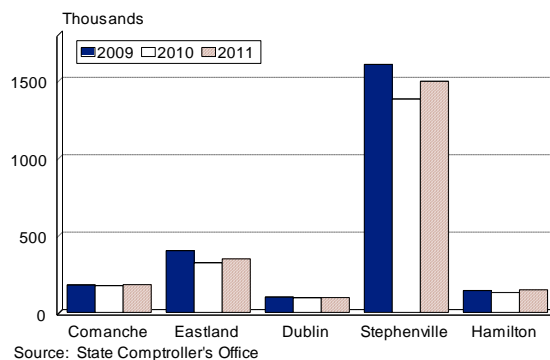
Stephenville reported \$1,491,925 in sales tax allocations for the first four months of this year. This total rests 8.4 percent above the value reported in 2010 but is 6.8 percent below the total for 2009.

Hamilton reported an allocation of \$146,040 for the period ending in April 2011. This allocation

rests 13.8 percent above the figure for 2010 and 3.6 percent above the 2009 value.

SALES TAX ALLOCATIONS

Area Cities, January - April



Sales taxes are collected and allocated to local governments by the State Controller's Office on a monthly basis. Economists use these figures to make estimates for taxable sales levels.

Kelsi McLaren is graduating in May 2011 with a BBA in Interdisciplinary Business.

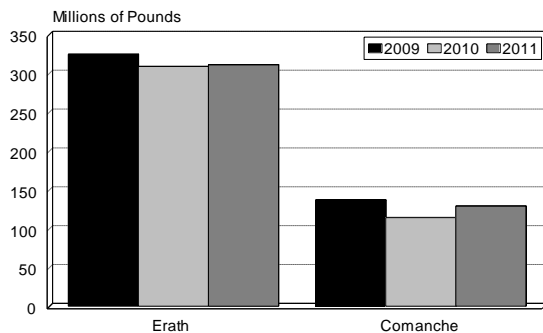
Area Counties Maintain Positions in State's Milk Production

By Tanner Shaw

In March 2011, Erath County remained number one throughout the state in wholesale milk production. Its 97.3 million pound total for the month is almost 25 million pounds greater than Castro County, the state's number two producer. Comanche County moved to number seven in Texas' milk producing counties with 46.1 million pounds in the month of March.

MILK PRODUCTION

Area Counties, January - March



Source: Market Administrator's Report

Production in Erath County stood at 310.5 million pounds in the first three months of 2011. This figure represents a 0.7 percent increase over 2010 but a 4.2 percent decrease from 2009. The number of dairies in Erath County continued to decline, down to only 81 in 2011 compared to 147 in 2000.

First-quarter milk production for Comanche County totaled 128.6 million pounds, a 12.9 percent increase over 2010, but a 5.8 percent decrease from 2009. Comanche County supported 19 milk producers in March 2011. This figure is down from 47 in 2000.

Overall milk production in the state of Texas stood at 2,348.6 million pounds in 2011's first quarter. This figure represents gains of 7.6 percent and 3.7 percent over 2010 and 2009 levels.

Tanner Shaw is a junior majoring in economics at Tarleton State University. He is a Dublin native and grew up around the dairy industry.

Special Report from the College of Business: Blended Learning Positive for Students

By Valerie Stevens

Recently, Dr. Joanna Shaw from Tarleton's College of Business Administration presented a study on students' perceptions of blended learning environments in a state-supported postsecondary institution. Blended learning is the combination of face-to-face classes with on-line class work. Shaw based her research on surveys from 656 Tarleton State University students regarding their perception of blended learning classes. The students represented three generations: baby-boomers, born between 1946 and 1960; generation X, born in the 1960s and 1970s; and generation Y, products of the 1980s to 2000s. According to her data, students from all three generations reported positive results from the blended learning courses.

Dr. Shaw concluded that using blended learning courses relieves students' concerns regarding their technological skills. Students also felt that the losses of community and personal contact in on-line courses were minimized in blended learning classes. Dr. Shaw concluded the convenience of on-

line courses combined with the stability of face-to-face classes makes blended learning a positive experience for students of all ages.

Dr. Shaw recommended blending learning should continue at Tarleton, and instructors should be offered training in blended course designs to help students adjust to this teaching innovation.

Valerie Stevens will graduate in August with a degree in economics and a minor in accounting at Tarleton State University.

The College of Business Administration at Tarleton State University presents the Cross Timbers Business Report (<http://www.tarleton.edu/cobaweb/ctbr>) as a service to area residents. It is written by the members of Delta Mu Delta, a business honor society, and other involved students. This report is distributed without charge to any interested person or organization. To make suggestions regarding this publication's content, write William L. Beaty, Editor, P.O. Box T-920, Tarleton Station, TX 76402, phone 254-968-9622, or E-mail beaty@tarleton.edu.