Since energy comprises one of the largest sectors of the Wichita Falls and North Texas region, the BBGR also constructs a Weighted Average Oil and Gas Price Index (WAGPI). Though the WAGPI dropped significantly in 2008, it began climbing steadily through the first quarter of 2014. As Chart 4 indicates, the index began falling rather precipitously in the fourth quarter of 2014.

For the Wichita Falls MSA, the oil and gas industry accounted for more than 25 percent of output in 2013. In 2014, the oil and gas industry produced almost $1.9 billion of the MSA’s $7 billion output. A single dramatic event, like oil prices dropping by one-third for an entire year, would reduce local output (income) by just over $500 million in a single year.