



OKLAHOMA State Treasurer Todd Russ



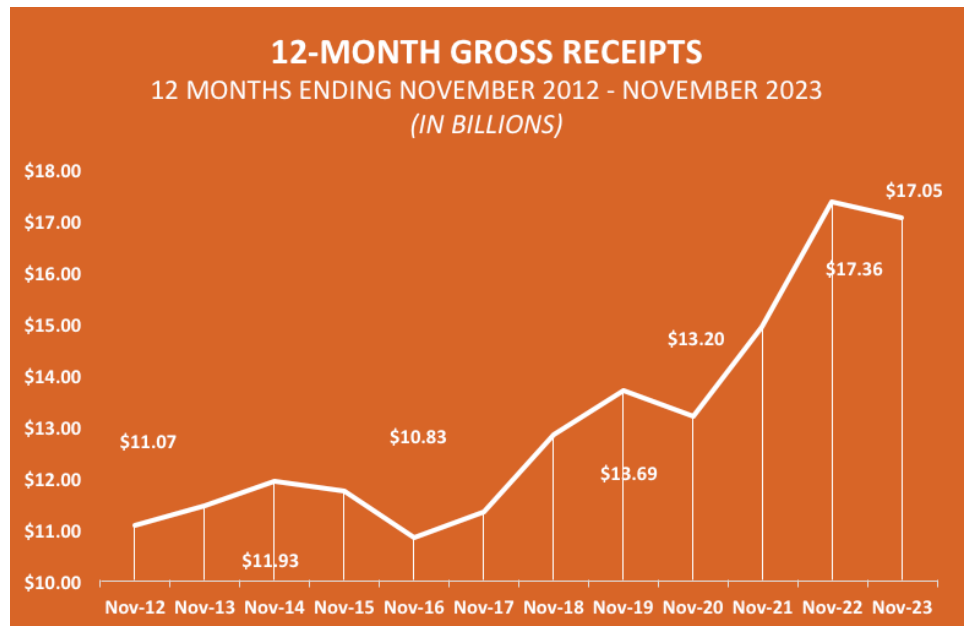
Oklahoma Economic Report November 2023

As expected, declining revenues from oil and gas production push Gross Receipts slightly down. Receipts to the Treasury for the last 12 months of \$17.05 billion are \$312 million, or 1.8 percent, below collections from the previous year.

Revenue from the state's Gross Production Tax dropped \$565 million over last 12 months, down by 29 percent for the year.

Collections from all sources in November total \$1.3 billion. Continuing recent monthly trends, the November total receipts are down by \$23 million, or 1.8 percent.

In addition, the previous month comparison shows a decline from October to November of \$113 million, or 8 percent.



Other Indicators

The Oklahoma Business Conditions Index plunged in November falling below growth neutral for the first time in three months. The November index was set at 43.2, compared to 53.0 in October.

According to the U.S. Bureau of Labor Statistics, the November unemployment rate in Oklahoma was 3.2 percent. Meanwhile, the U.S. unemployment rate rose to 3.9 percent in October, up 0.1 percent from the previous month.

As measured by the Consumer Price Index, the annual inflation rate decreased to 3.1 percent in November. The energy component of the index continued to slide downward as and the food index fell just below the overall inflation rate.



12-Month Gross Receipts

Combined gross receipts for the past 12 months compared to the prior year show:

- Gross revenue totaled \$17.05 billion, \$311.7 million, or 1.8 percent, below the previous 12 months.
 - Gross **income taxes** generated \$6 billion, an increase of \$2.5 million, or less than 0.1 percent.
 - Combined **sales tax** and **use tax** produced \$7.1 billion, an increase of \$277.2 million, or 4.1 percent.
 - Oil and gas **gross production taxes** are \$1.38 billion, a decrease of \$564.7 million, or 29.1 percent.
 - **Motor vehicle taxes** total \$877.7 million, up by \$2.8 million, or 0.3 percent.
 - **Other sources** generated \$1.64 billion, down by \$29.5 million, or 1.8 percent.

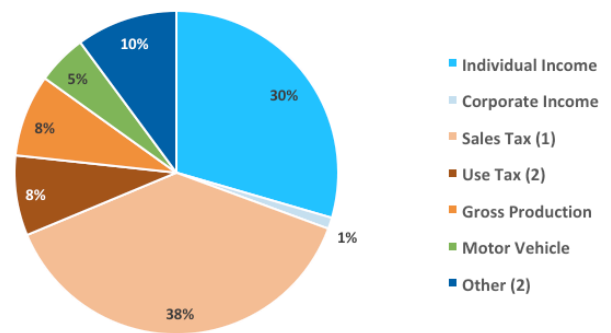
November Gross Receipts

Comparing gross receipts from November 2023 to November 2022 show:

- Total monthly revenues are \$1.3 billion, down by \$23.1 million, or 1.8 percent.
- Income taxes – a combination of **individual income taxes** and **corporate income taxes** – generated \$395.4 million, an increase of \$26.3 million, or 7.1 percent.
- **Sales tax** and **use tax** – including remittances on behalf of cities and counties – total \$595 million, an increase of \$1.8 million, or 0.3 percent.
- **Gross production taxes** on oil and natural gas total \$105.8 million, a decrease of \$44.9 million, or 29.8 percent.
- **Motor vehicle taxes** produced \$64.2 million, a decrease of \$2.8 million, or 4.2 percent.
- **Other sources**, composed of some 60 different sources, produced \$130.6 million, a decrease of \$3.5 million, or 2.6 percent.

Revenue Sources as Percentage of Whole
November 2023

(1) Includes county and municipality tax
(2) Oklahoma Tax Commission gross tax



Gross Receipts to the Treasury

Compared to last month, Gross Receipts in October decreased \$112.7 million.

About the Oklahoma Economic Report

The monthly Oklahoma Economic Report, developed by the office of State Treasurer Todd Russ, provides a timely and broad overview of the state's economy.

PREVIOUS MONTH COMPARISON				
(In \$ millions)	October-23	November-23	Variance from prior month	
			\$	%
Total Income Tax	495.8	395.4	(100.5)	-20.3%
Individual	463.8	380.9	(82.9)	-17.9%
Corporate	32.0	14.5	(17.5)	-54.7%
Sales & Use Tax (1)	590.3	595.0	4.7	0.8%
Sales Tax	498.6	491.6	(7.0)	-1.4%
Use Tax	91.7	103.4	11.7	12.8%
Gross Production	99.8	105.8	6.1	6.1%
Motor Vehicle	71.0	64.2	(6.8)	-9.6%
Other Sources (2)	146.8	130.6	(16.2)	-11.0%
TOTAL REVENUE	1,403.8	1,291.0	(112.7)	-8.0%

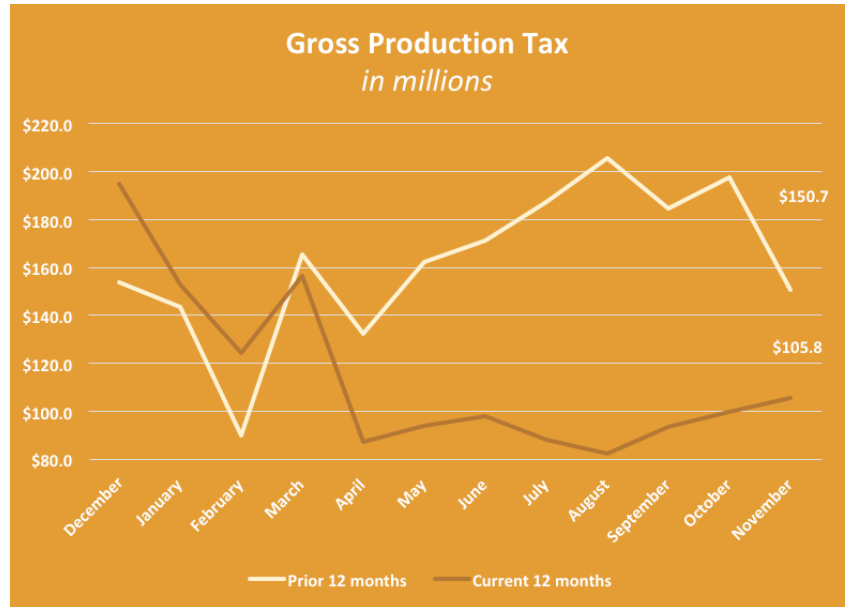


Economic Indicators

Over the last twelve months, Gross Production Tax totaled \$1.38 billion.

The graph shows the monthly receipts from the Gross Production Tax (GPT) for the past year. The GPT is the Oklahoma severance tax imposed on producers for the extraction of oil and natural gas.

The revenue received from the GPT fluctuates widely because of the volatile nature of commodity prices and production levels. In response, the Revenue Stabilization Fund was created by the Legislature in 2016 to smooth out the peaks and valleys. This fund receives deposits from the **gross production tax** and **corporate income taxes** when they are above the five-year rolling average. The savings can then be used to offset future budget shortfalls.

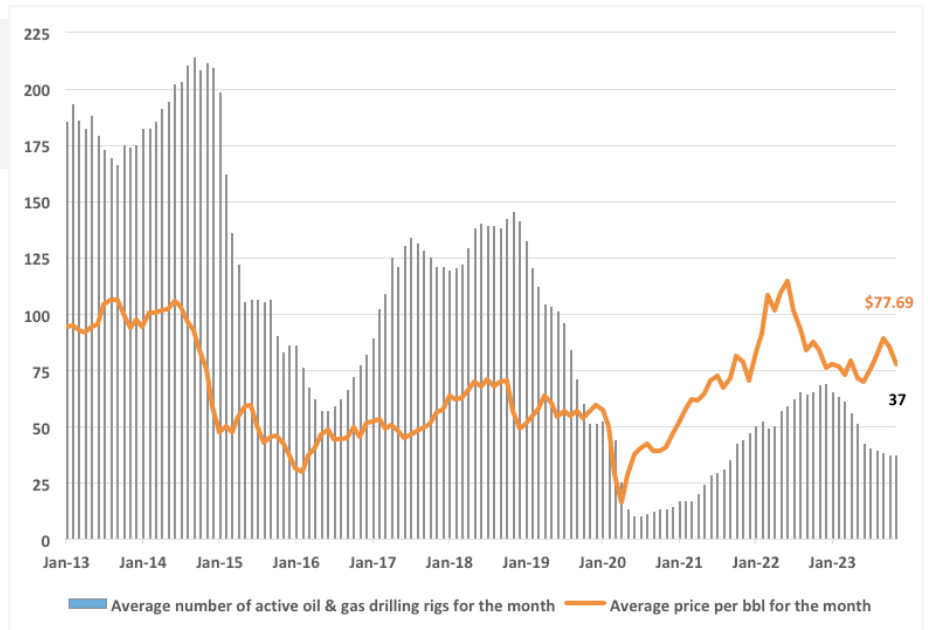


November's average WTI Crude Oil Price was down almost \$8 from the prior month, settling at \$77.69.

WTI Crude Oil Spot Price & Active Rigs in Oklahoma

By month: Jan '13 - Nov '23

While there are many important factors, the number of rigs drilling for oil and gas tends to correlate with commodity prices over time – higher prices encourage more drilling activity. Hitting benchmark oil prices, such as over \$100 or below \$25 per barrel, usually has a major effect on drilling activity for the next six to twelve months.



Sources: U.S. Energy Information Administration & Baker Hughes



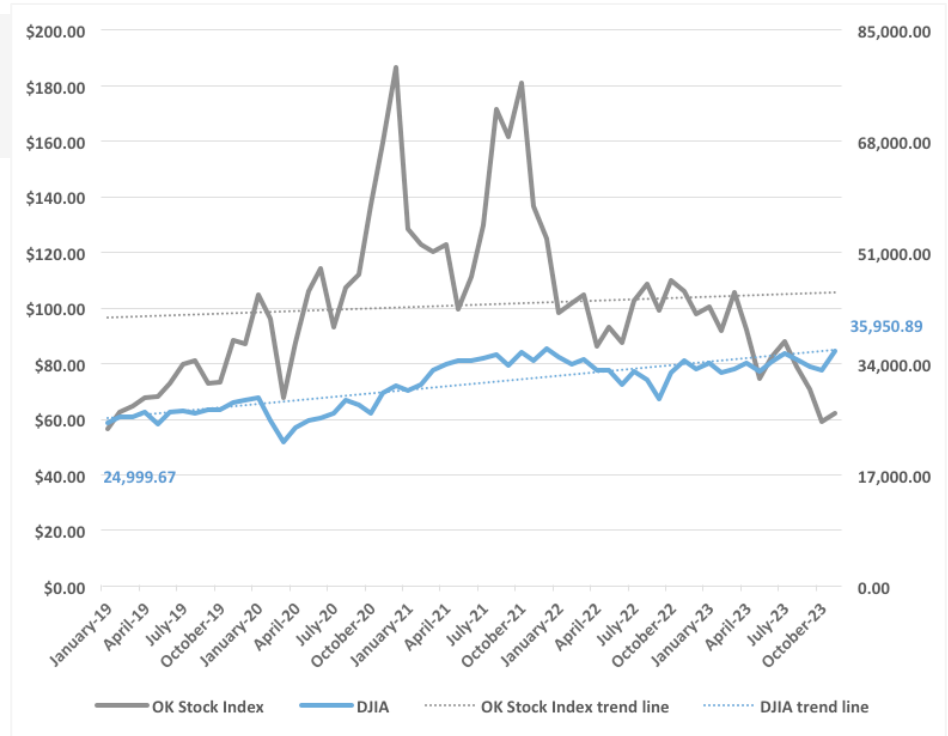
As of the end of November, the Dow closed at 35,950.89.

Oklahoma Stock Index vs. Dow Jones Industrial Average

By month: Jan '19 - Nov '23

The Oklahoma Stock Index tracks the performance of Oklahoma based companies trading on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.

The Dow Jones Industrial Average, or the Dow, is a stock market index. As one of the oldest and most frequently followed indexes, the Dow tracks 30 major blue chip companies trading on the NYSE or NASDAQ to monitor the performance of the equities market in the United States.



The Oklahoma component of the Index also dropped in November, slipping to 43.2 from 53.0 the previous month.

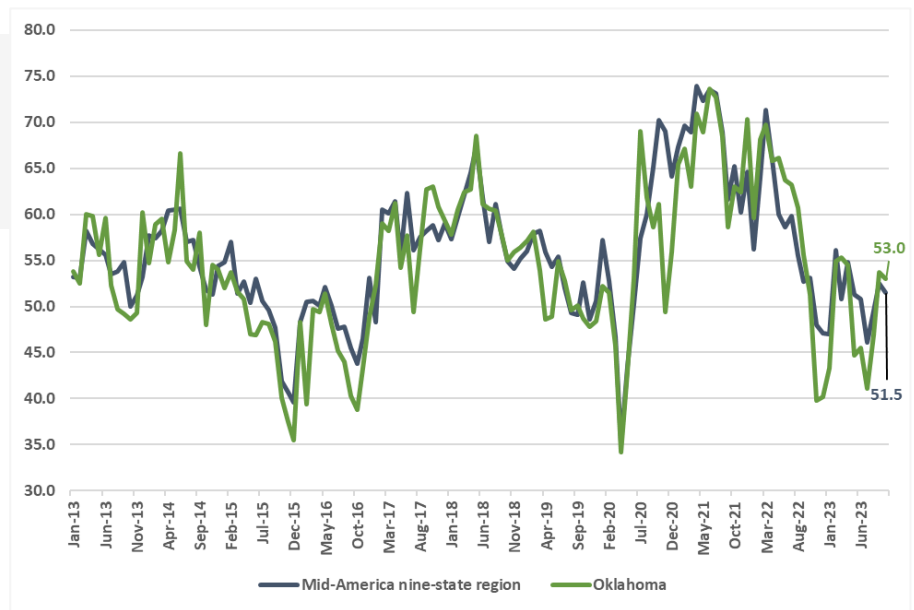
Business Conditions Index

By month: Jan '23 - Nov '23

A number over 50 indicates expansion over the next three to six months.

The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north. At 51.5 for the region, the Index decreased modestly in October from 52.5 the previous month. The Index ranges between 0 and 100 with 50 being the point of growth neutrality.

As a result, the regional November reading is forecasting moderate economic growth over the next three to six months.



Source: Creighton University

The Business Conditions Index is based on the methodology of the Institute of Supply Management, which identifies and analyzes the significant resources necessary for organizations to operate.

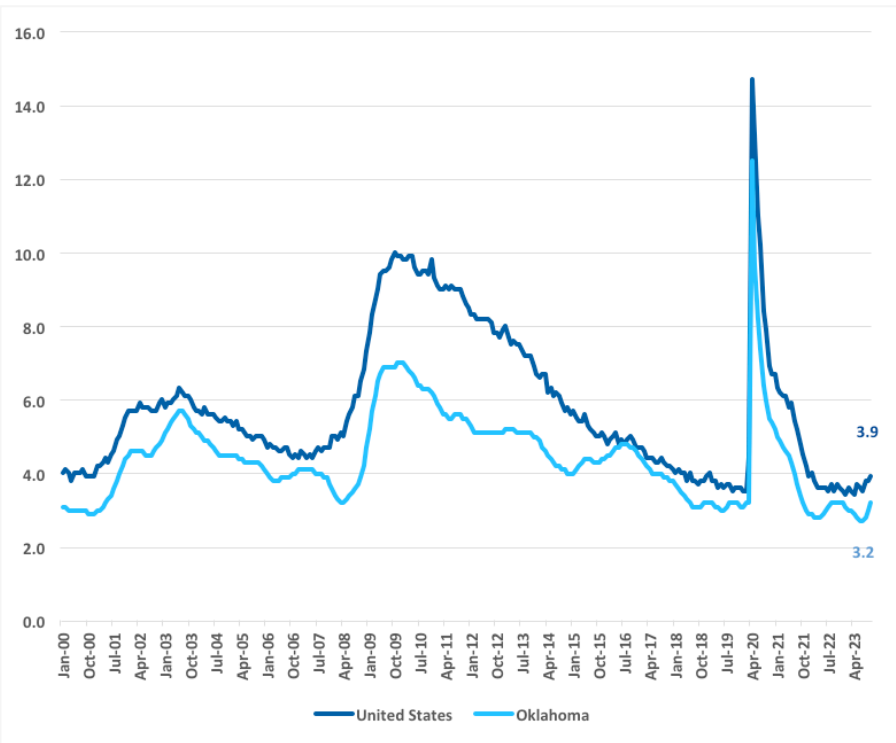
The most up-to-date data shows the U.S. jobless rate rose 0.1 percent to 3.9 percent in October, while Oklahoma's unemployment increased for the month ending at 3.2 percent, up by 0.2 percent.

Unemployment Rate

By month: Jan '00 - Oct '23

The unemployment rate is the percentage of the labor force that are actively pursuing employment but currently do not have a job. As shown in the graph, Oklahoma has maintained an unemployment rate below the national average.

Unemployment is one of the most significant factors economists, business executives and political leaders use to measure the health of the economy. As a general rule, a high unemployment rate depicts a contracting economy. Meanwhile, a low unemployment rate signals an expanding economy, as companies hire more workers to meet rising consumer demand for products and services.



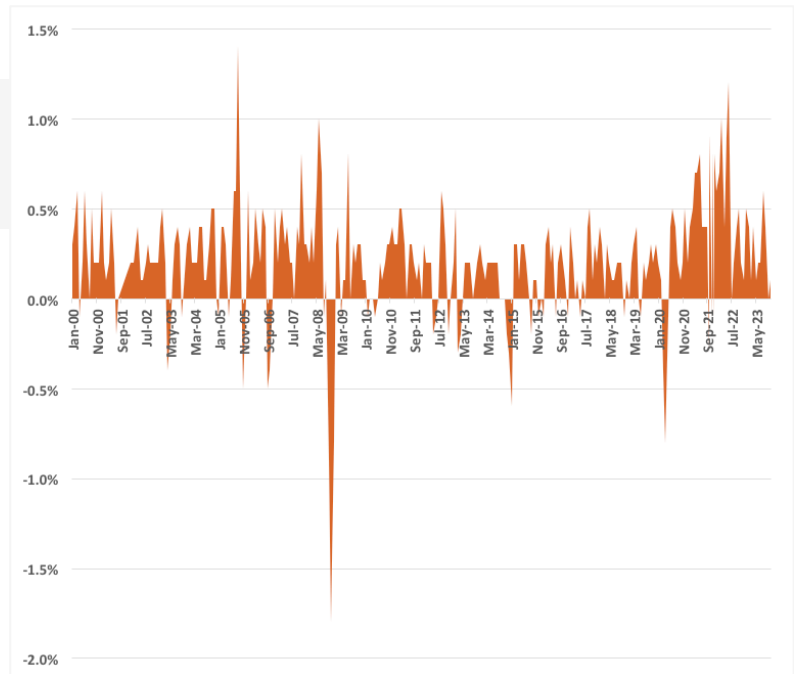
The U.S. Bureau of Labor Statistics reports the annual inflation rate remained at 3.1 percent in November. The energy component of the index showed a substantial decline while the food index fell slightly below the overall inflation rate.

Consumer Price Index 1-Month Percent Change

By month: Jan '00 - Nov '23

The Consumer Price Index (CPI) is a key economic measure of inflation experienced by consumers in the prices paid for goods and services. The percentage of change in CPI over time is referred to as the inflation rate.

All items in graph are seasonally adjusted.



As of November, the national average price was \$3.238 per gallon, with the lowest regional rates found in the Midwest and Southeast and the highest costs seen on the West Coast.

Weekly Average Price for U.S. Retail Gasoline per Regular Gallon

By week: Jan '00 - Nov '23

The U.S. Retail Gas Price is the average price that consumers pay per gallon at the pump, for all grades and formulations.

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Source: U.S. Energy Information Administration

Average 30-year fixed rate mortgage from January 2000 through November 2023.

Weekly Average U.S. 30-Year Fixed Rate Mortgage

By week: Jan '00 - Nov '23

Mortgage rates are the interest charged for home loans. Mortgage rates are based on a spread over U.S. Treasury bond yields as well as other economic factors. Rates are displayed as a percentage in graph.

Each week, Freddie Mac surveys lenders on the rates and points for their most popular 30-year fixed-rate mortgage products. Lenders in the survey are a mix of lender types – credit unions, commercial banks and mortgage lending companies. The displayed rate is roughly proportional to the level of mortgage business that each type commands nationwide.

