



**OKLAHOMA**  
**State Treasurer**  
 Todd Russ



## Oklahoma Economic Report December 2023

The Office of the State Treasurer is pleased to issue the monthly economic report, developed internally to provide a timely, broad overview of the state's economy.



**GROSS PROD. TAX** ▼  
 Down \$2.9M, 2.8%.



**INCOME TAX** ▲  
 Up \$92.3M, 23.4%.



**SALES & USE TAX** ▲  
 Up \$27.2M, 4.6%.



**VEHICLE TAX** ▲  
 Up \$500K, 0.7%.



**OTHER TAX** ▼  
 Down \$900K, 0.7%.



## Economic Indicators

After three positive months, December saw a decline in overall **Gross Production Tax** revenues to **\$102.9 million**.

**GPT** continues a lower trend since plummeting last April. The US Energy Information Administration **forecasts lower oil prices, expecting production to outpace demand**.

**Gross Production Tax (GPT)** is the Oklahoma severance tax imposed on producers for the extraction of oil and natural gas.

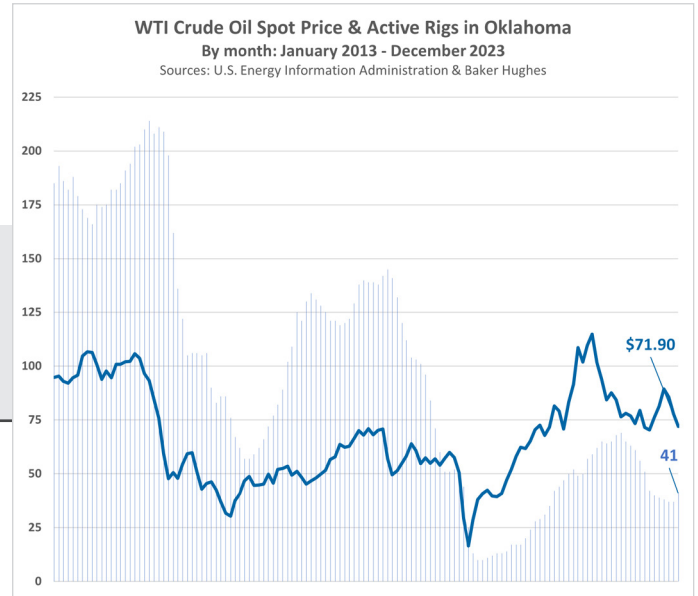
Tax fluctuates widely from the volatile nature of commodity prices and production levels. The Revenue Stabilization Fund smooths out peaks and valleys. This fund receives deposits from the **gross production tax** and **corporate income tax** when above the five-year rolling average.



**Average WTI Crude Oil Price is down \$6 from last month, settling at \$71.90. The average rig count is up to 42, breaking a three month running decline.**

Since peaking in October, weekly average U.S. gasoline prices end at **\$3.116** for all regular formulations, continuing a downhill trajectory for three months straight.

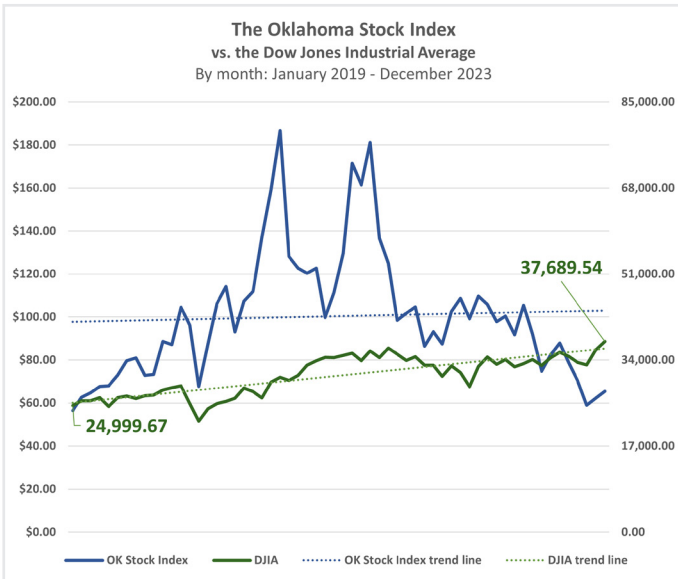
Number of rigs drilling for oil and gas tends to correlate with commodity prices. Higher prices encourage more drilling activity over time. Hitting benchmark oil prices, such as over \$100 or below \$25 per barrel, usually has a major effect on drilling activity for the next six to twelve months.



**Oklahoma Stock Index and Dow Jones Industrial Average up for second month, with figures of \$65.45 and \$37,689 respectively.**

Growing along with the Dow, the Oklahoma Stock Index continues it's upward climb in December. The index includes such sectors as energy, financials and utilities.

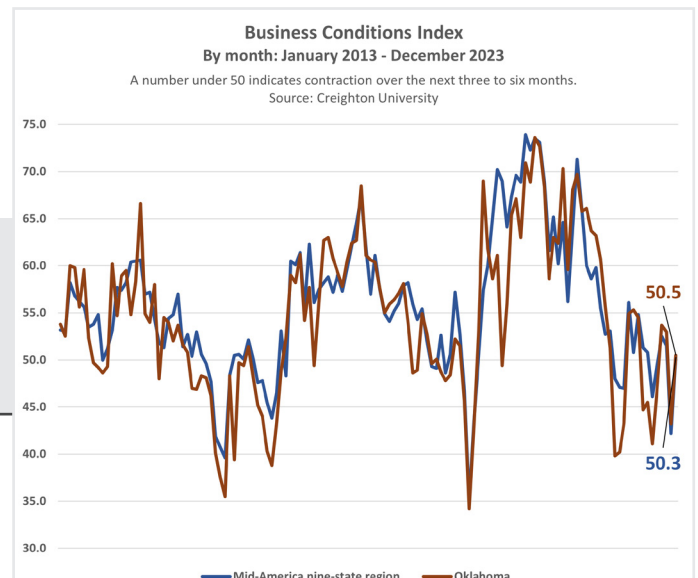
The Oklahoma Stock Index tracks the performance of Oklahoma based companies that trade on the New York Stock Exchange (NYSE) or NASDAQ. The Index is weighted by market capitalization and uses the closing stock prices from the last trading day each month.



**Creighton University's Business Conditions Index of 50.5 is up from last month after a previous decline, increasing almost 7 points.**

Growing above growth neutral, the index ends 2023 a 50-50 split, when reaching three to six month forecasts of expansion or contraction.

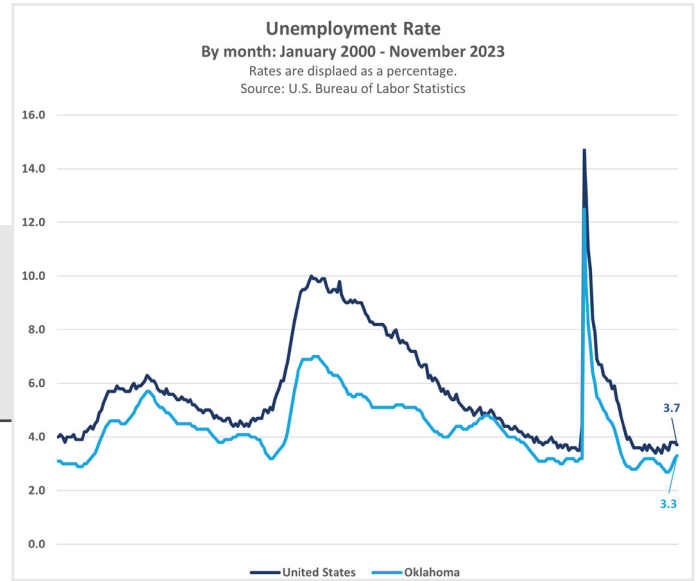
The nine states making up Creighton University's Mid-America Business Conditions Index stretch from Oklahoma and Arkansas in the south to North Dakota and Minnesota in the north.



**The Oklahoma Unemployment Rate is 3.3% up 0.1% from last month, while US rates also up, continuing its rise since last summer.**

Bouncing around **3 percent** since the fall of 2021, the jobless rate continues to plateau while national unemployment benefits and applications fell to lowest levels in 3 months.

The unemployment rate is the percentage of the labor force who are actively pursuing employment but currently don't have a job. Oklahoma maintains an unemployment rate below the national average.



**Consumer prices rose 0.3% in December, higher than expected, pushing the annual rate to 3.4%. Much of increase due to rising shelter costs.**

Excluding volatile food and energy prices, the so-called core CPI also rose **0.3%** for the month and **3.9%** from a year ago, compared with respective estimates of **0.3%** and **3.8%**.

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

**The December Average 30-Year Fixed Rate Mortgage is 6.61%, down from last month, hitting its lowest drop since last May.**

Rates are approaching more stable levels for the most popular 30-year fixed-rate mortgage products, continuing its decline since October and portends to a favorable buyer trend in 2024.

Mortgage rates are the interest charged for home loans, based on prevailing economic conditions, and leads to a spread over U.S. Treasury bond yields

