



**OKLAHOMA**  
State Treasurer

# Economic Outlook

April 2026

# Revenues See Tax Season High

## APRIL VS. MARCH 2026



### Gross Production Tax

▲ \$1.3M or 1.2%



### Income Tax

▲ \$992.0M or 185.9%



### Sales & Use Tax

▲ \$57.4M or 10.1%



### Motor Vehicle Tax

▼ \$2.6M or 3.3%



### Other Tax Sources

▲ \$25.1M or 21.1%

“Oklahoma’s economy continues to show resilience through strong energy revenues and stable employment conditions. While inflation and broader economic uncertainty remain challenges, the state’s financial outlook remains steady heading into the second quarter of 2026.”

**STATE TREASURER**

Todd Russ



# Oil and natural gas revenue holds elevated pace into spring

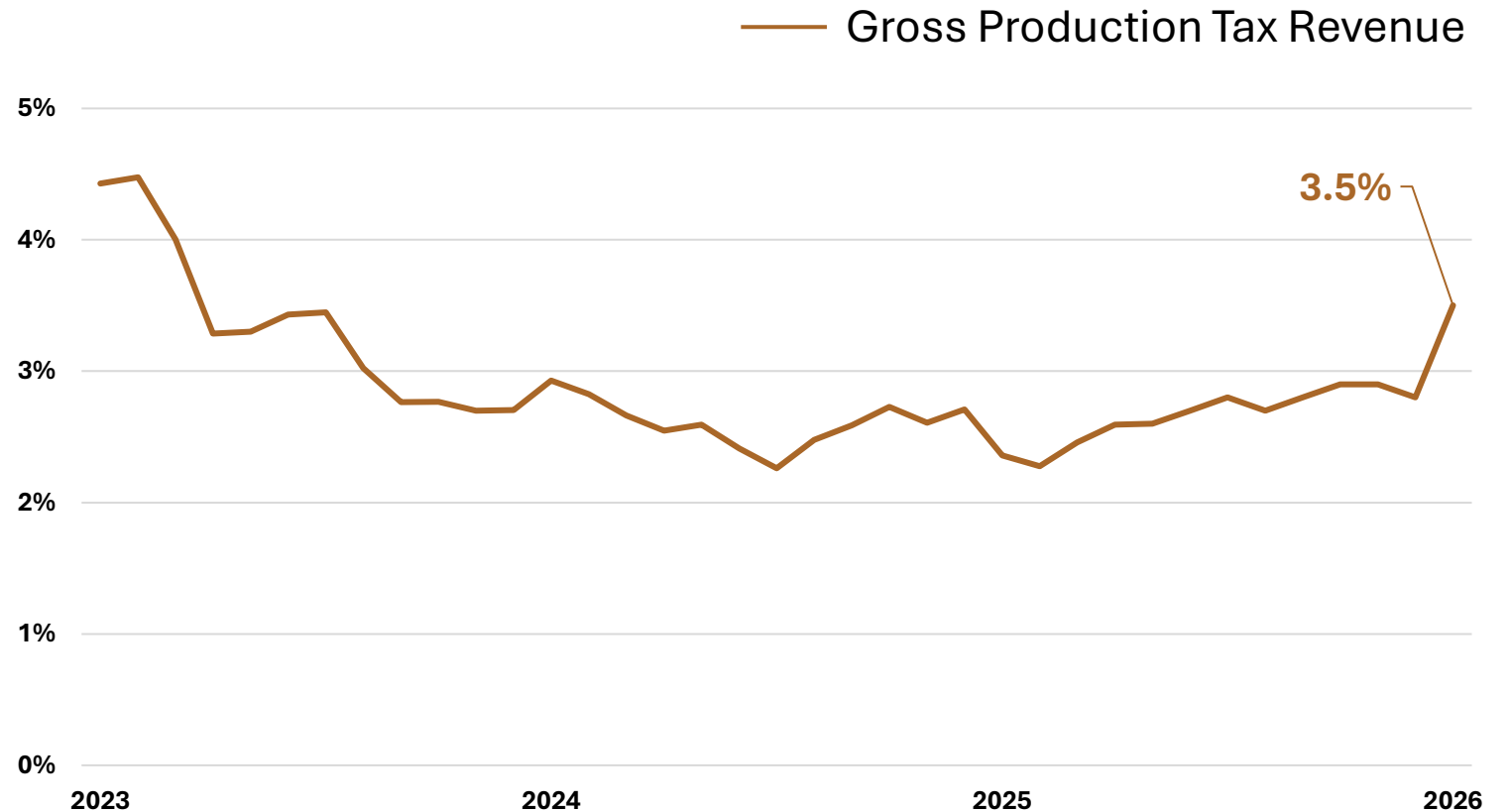
April reflected continued strength in Oklahoma's oil and natural gas sector as Gross Production Tax revenue maintained a steady pace and posted another strong year-over-year gain. Recent months suggest activity has stabilized at a healthy level, supported by consistent production and improved conditions compared to last year. The continued pace of revenue reinforces the industry's important role in supporting Oklahoma's economy and energy-producing communities. Stable revenue trends also provide a reliable foundation for budgeting and long-term economic planning across the state.



# Inflation accelerates to 3.5% in March

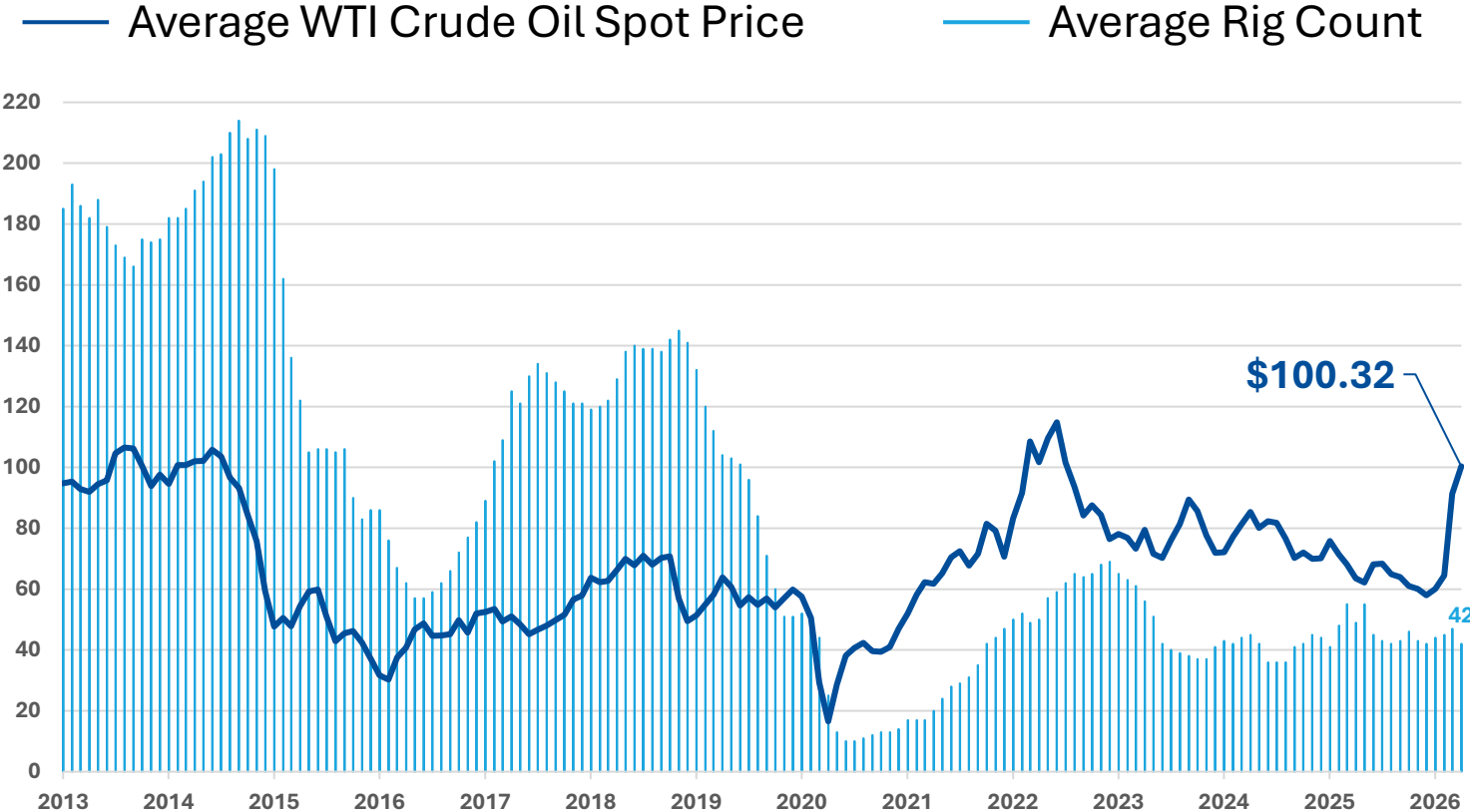
The Personal Consumption Expenditures (PCE) index rose 3.5% in March compared to one year ago, marking a notable increase in inflationary pressure after several months of relative stability. The higher reading signals that price growth remains a challenge for the broader economy and may influence how quickly the Federal Reserve moves on future interest rate decisions.

While one month does not define a trend, the uptick will be closely watched for signs of whether inflation pressures are re-emerging. Continued volatility in price levels underscores the importance of maintaining a cautious, data-driven approach to monetary policy.



# Higher energy prices continue to support Oklahoma's oil and gas industry

April marked another month of accelerating energy market strength, with crude oil prices moving above the \$100 threshold for the first time since July 2022. At the same time, rising gasoline prices are placing renewed pressure on consumers and could contribute to broader inflation concerns in the months ahead. Even with some moderation in drilling activity, producers appear focused on maintaining efficient output while capitalizing on stronger pricing conditions. Overall, the energy sector remains a major driver of economic momentum for Oklahoma entering the second quarter of 2026.

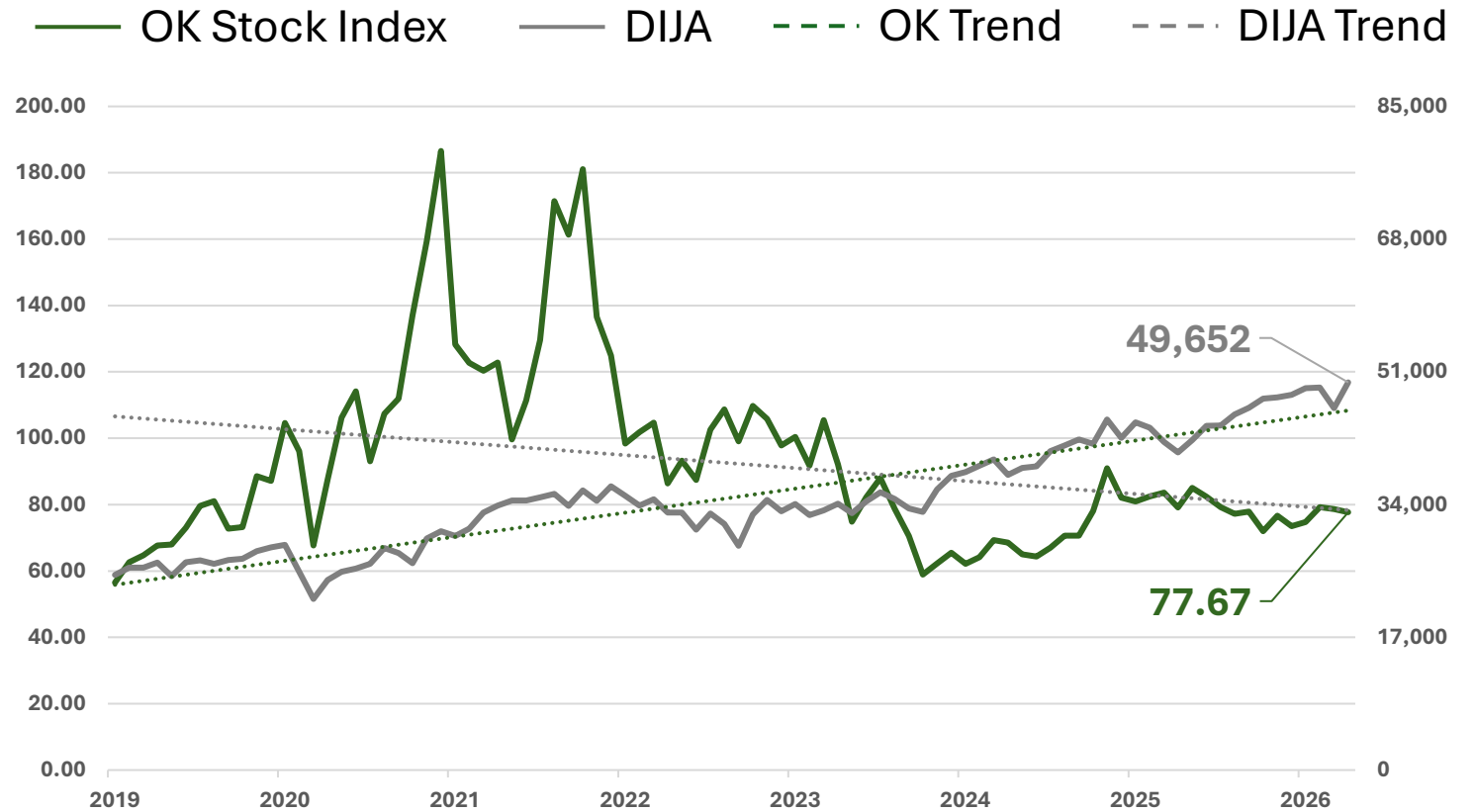


Graph Sources: Energy Information Administration and Baker Hughes

# Markets regain momentum as investors watch economic signals

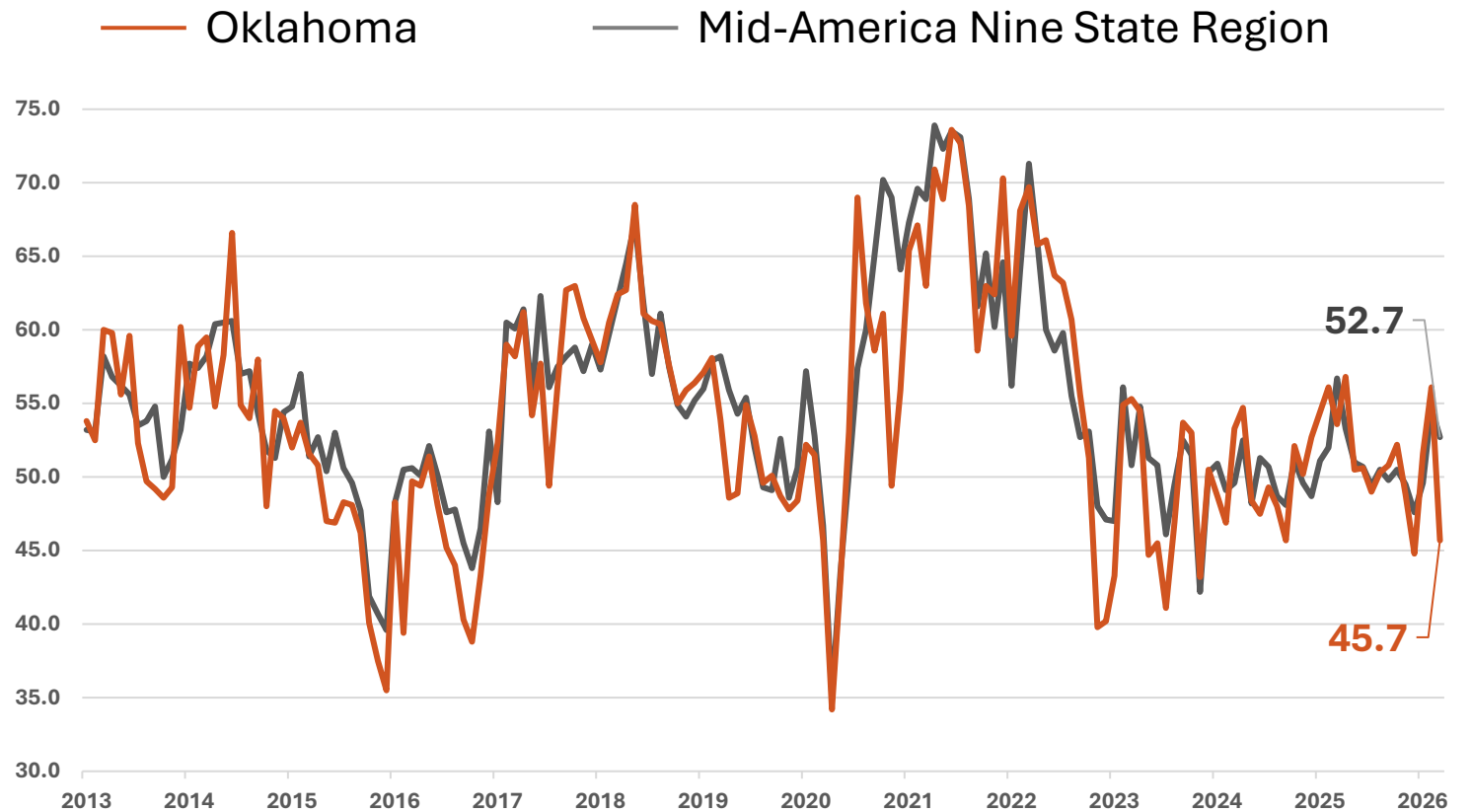
Nationally, markets rebounded in April, with the Dow reaching new highs as investors responded positively to strong corporate earnings and easing concerns over inflation. Attention remains focused on economic data and Federal Reserve guidance as markets look for signs of future interest-rate direction.

Locally, the Oklahoma Stock Index moved slightly lower, reflecting continued caution among regional investors. Energy markets, commodity prices, and regulatory pressures remain important factors influencing sentiment and whether the index can regain stronger momentum in the months ahead.



# Manufacturing activity pulls back following February surge

March's sharp drop below growth neutral reflects a pullback in manufacturing activity following February's strong gains. The decline was driven largely by lower inventories and softer production, suggesting firms are adjusting output after earlier stock building. Shorter delivery times also point to easing supply chain pressures and cooling demand conditions. Despite the decline, new orders remained strong and employment continued to expand, indicating underlying demand has not fully weakened. However, unemployment claims suggest growing caution among manufacturers and emerging labor market stress heading into the spring.

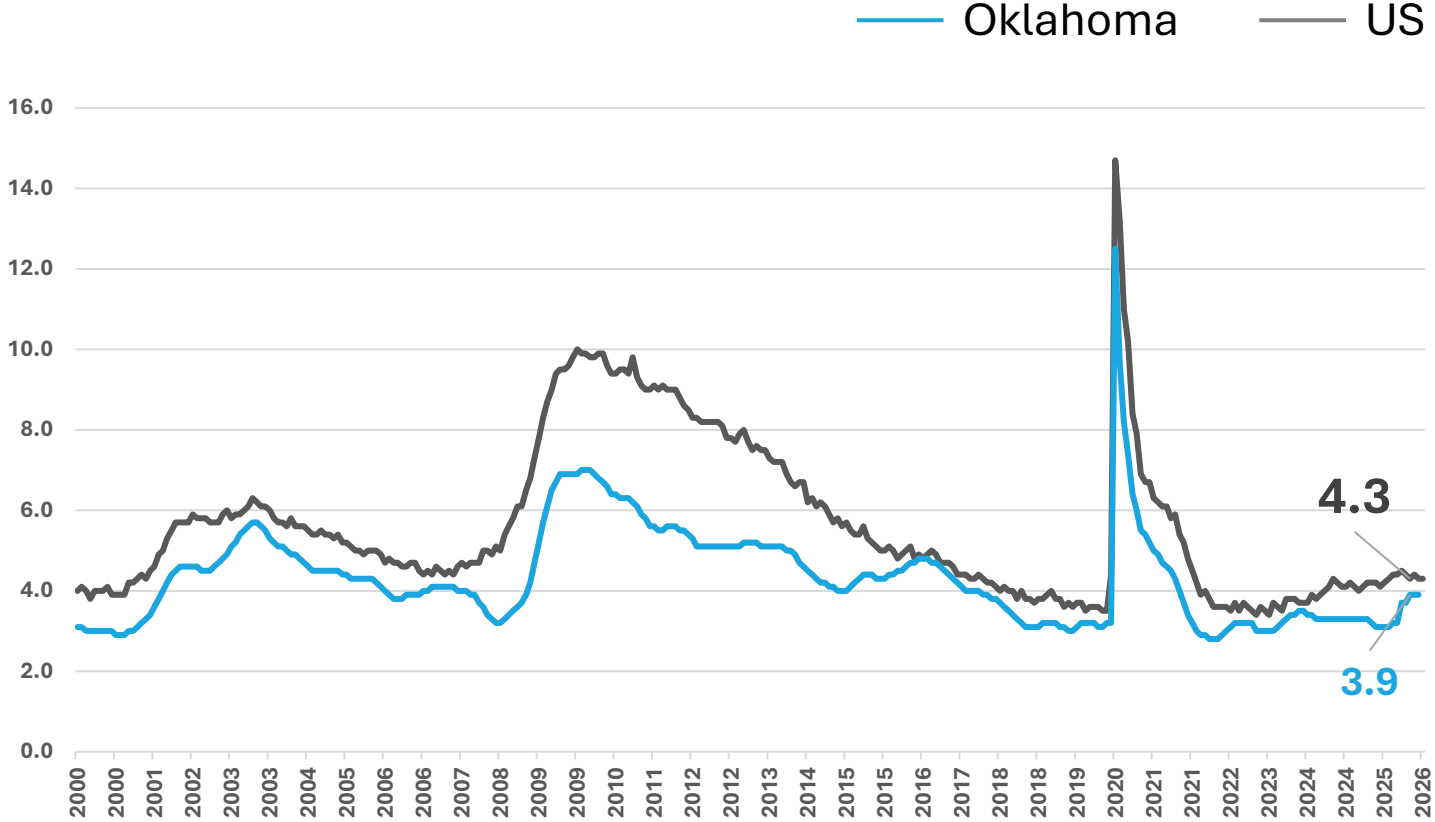


# Labor market stability continues into spring

The unemployment rate for both the U.S. and Oklahoma remained unchanged in April at 4.3% and 3.9%, respectively.

Labor market conditions continue to show stability as non-farm payroll employment expands at a slower but steady pace nationwide. While hiring activity has moderated compared to prior years, overall employment levels remain resilient despite softer manufacturing and business activity indicators entering the second quarter of 2026.

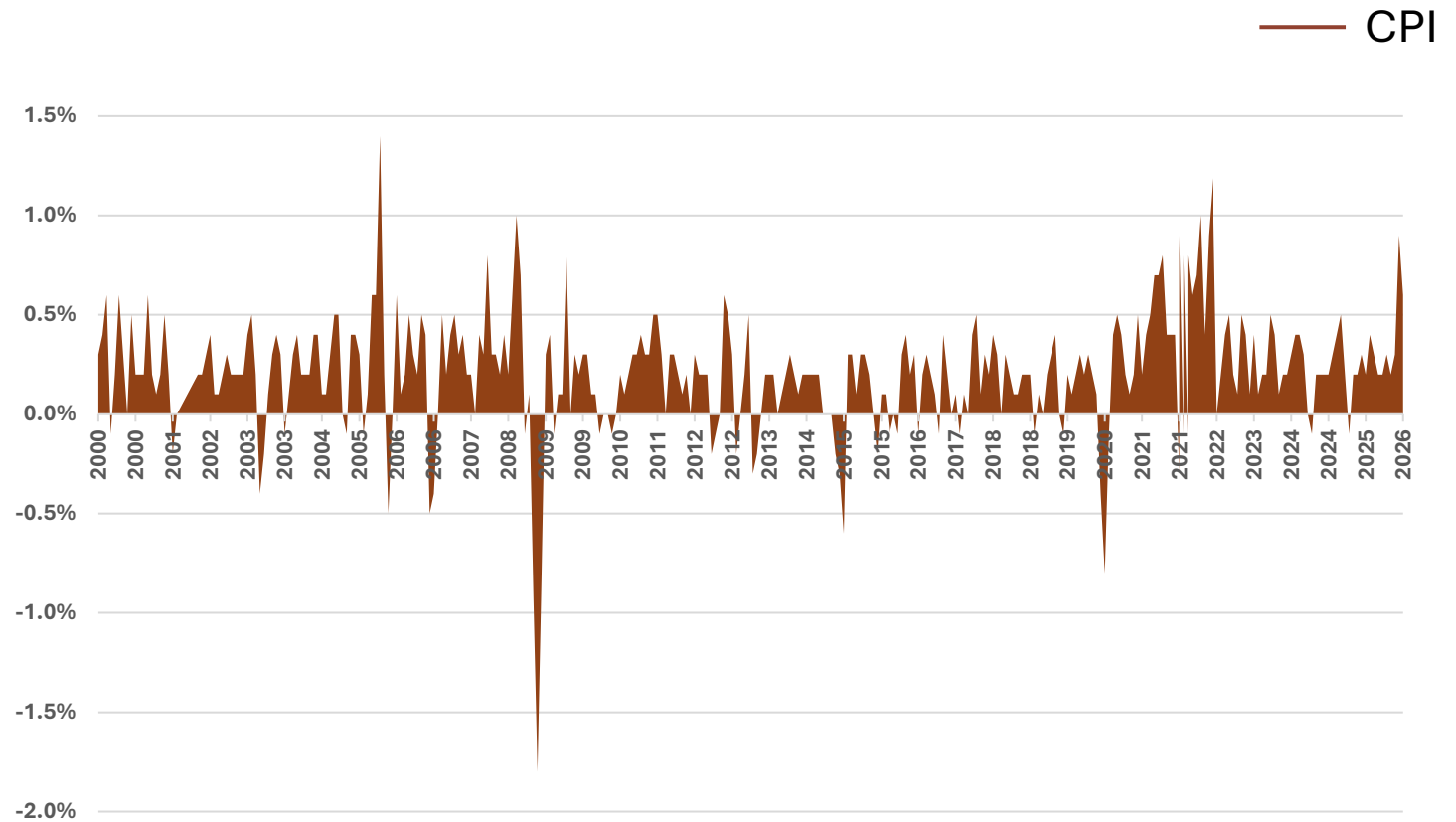
Consumer spending and service-sector employment continue to support broader economic activity, helping offset weakness in manufacturing and other interest rate-sensitive industries.



Graph Source: US Bureau of Labor Statistics

# Inflation holds elevated as price pressures persist over 13 months

CPI hit 3.8% in April, an increase of 0.6%, marking the 13th consecutive monthly increase. Inflation pressures remain broad-based, with shelter, food, and energy continuing to drive higher consumer costs across households. While some categories posted more moderate gains or slight declines, they were not enough to offset overall upward pressure in prices. Core inflation remains elevated, signaling that underlying price growth is still persistent across both goods and services. The sustained multi-month rise underscores continued inflationary momentum as 2026 progresses, keeping household budgets under pressure.



# Mortgage rates edge lower after early-April high

The average 30-year fixed-rate mortgage ended at 6.30% in April 2026 lower than its early-month high, after briefly rising before gradually easing through the final weeks. Overall movement was relatively contained compared to prior periods, suggesting a more stable but still responsive rate environment. Borrowing costs remain below 2025 levels, though affordability and buyer caution continue to weigh on demand. Following the Fed's rate cuts in September and October 2025, mortgage rates have generally trended lower, with recent movements reflecting ongoing adjustments to inflation expectations and future policy outlooks in 2026.

