



OKLAHOMA
State Treasurer

Economic Outlook

September 2026

Oklahoma revenue growth continues across major tax sources

September 2025 VS. 2026



Gross Production Tax

▲ \$5.7M or 6.3%



Income Tax

▲ \$101.1M or 15.5%



Sales & Use Tax

▲ \$71.4M or 12.8%



Motor Vehicle Tax

▲ \$0.9M or 1.3%



Other Tax Sources

▲ \$2.9M or 2.3%

“Oklahoma’s revenue performance continues to show growth across major tax sources, while manufacturing and energy activity remain important contributors to the state’s economy. At the same time, rising fuel costs and ongoing inflation pressures reinforce the importance of monitoring economic conditions.”

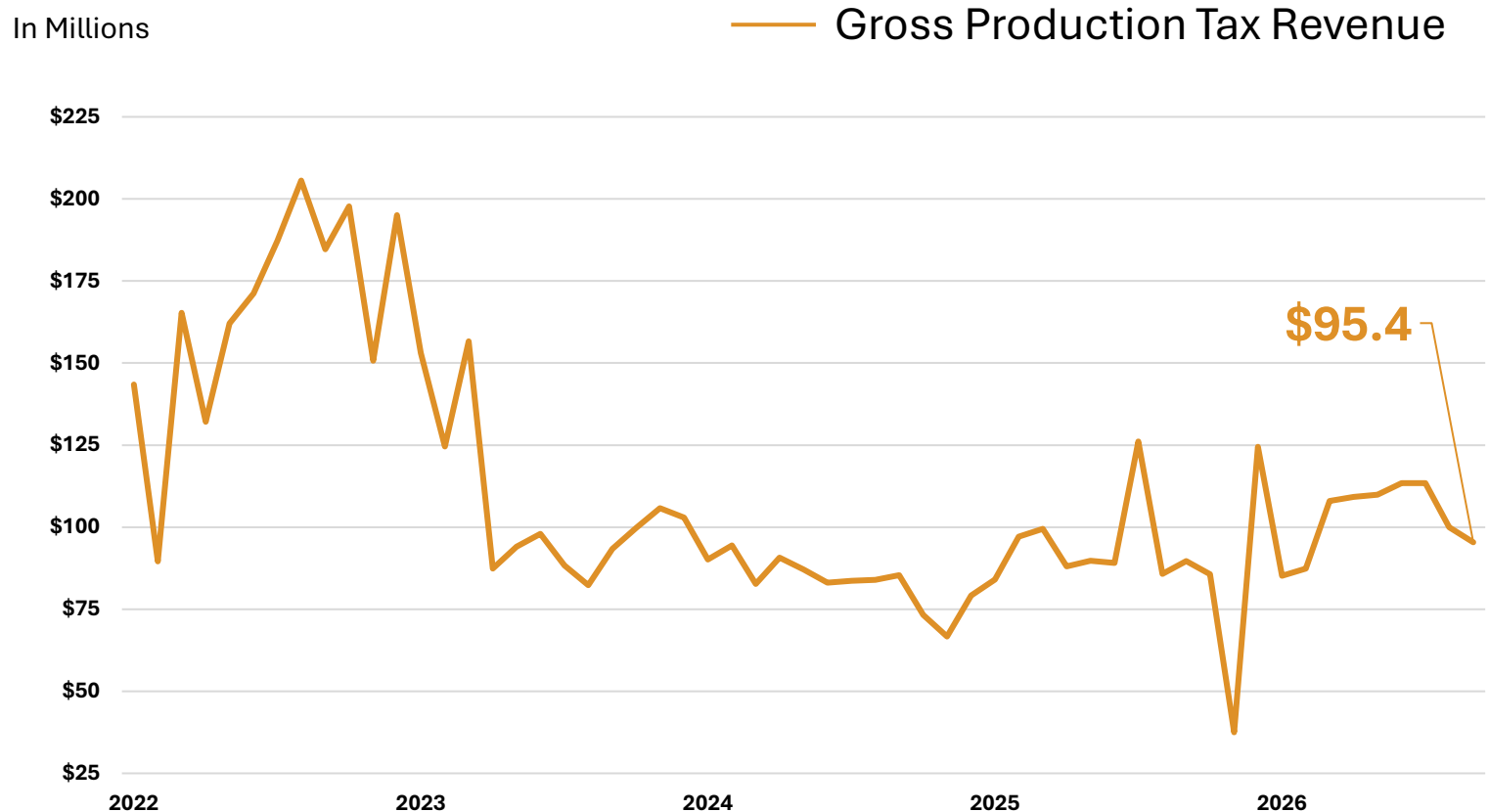
STATE TREASURER
Todd Russ



Oil and natural gas revenues maintain strong year-over-year growth

September Gross Production Tax revenue remained above year-ago levels, continuing the broader upward trend in Oklahoma's oil and natural gas sector. Although revenue declined from August, the rolling 12-month total **continued to show sustained growth** compared with the prior year.

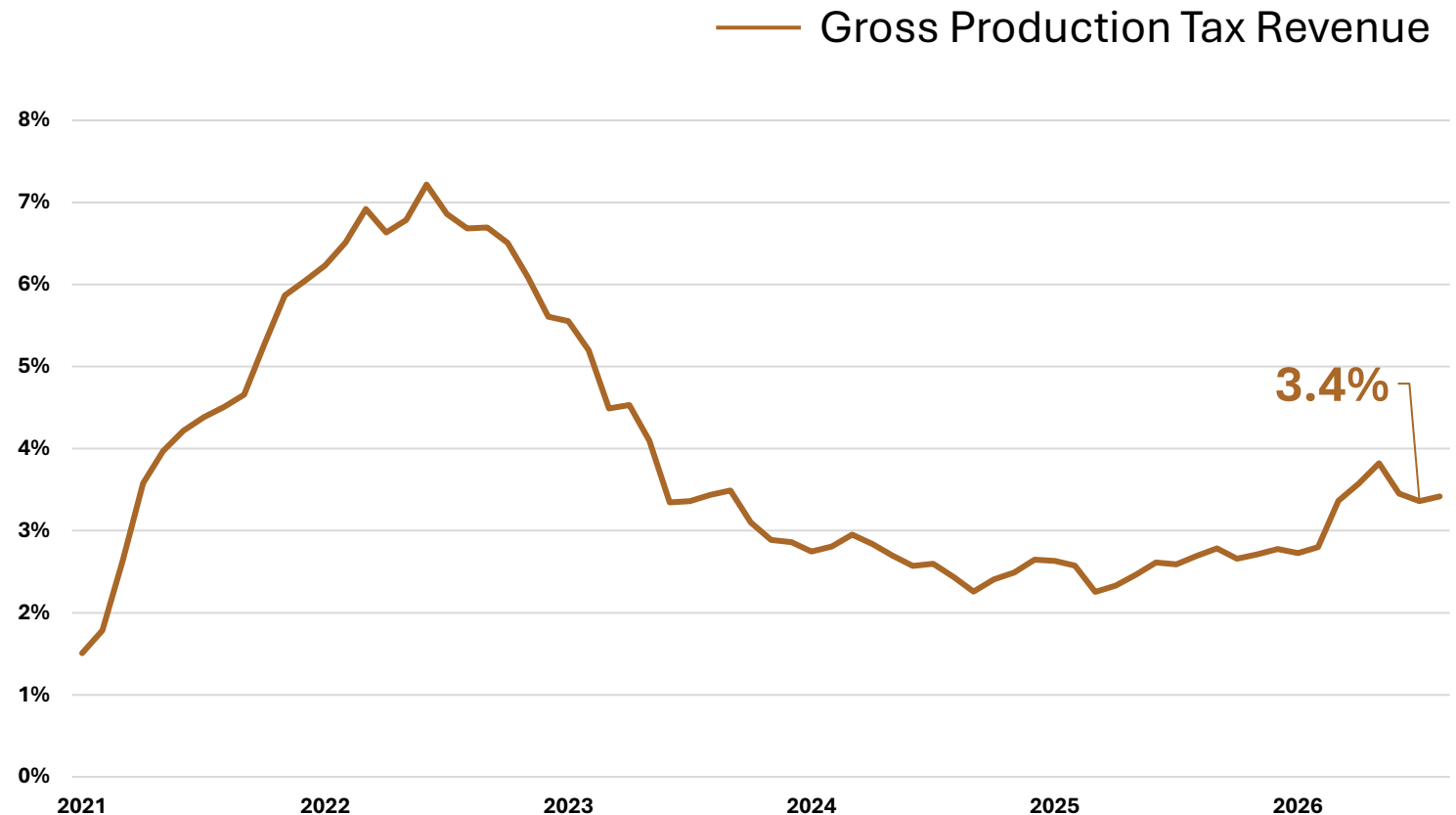
The longer-term trend points to **stronger overall revenue performance**, reinforcing the industry's continued contribution to Oklahoma's economy and state resources.



PCE inflation holds steady at 3.4% in August

The Personal Consumption Expenditures (PCE) price index increased 3.4% in August compared with the same month last year, matching July's revised rate. The **latest figures reflect a moderation** from earlier in the year, although inflation remains above the Federal Reserve's 2% target.

The steady reading suggests annual **price growth has leveled off in recent months**, but continued inflation pressures remain a consideration for monetary policy. Future reports will help determine whether inflation resumes its decline toward the Fed's target.

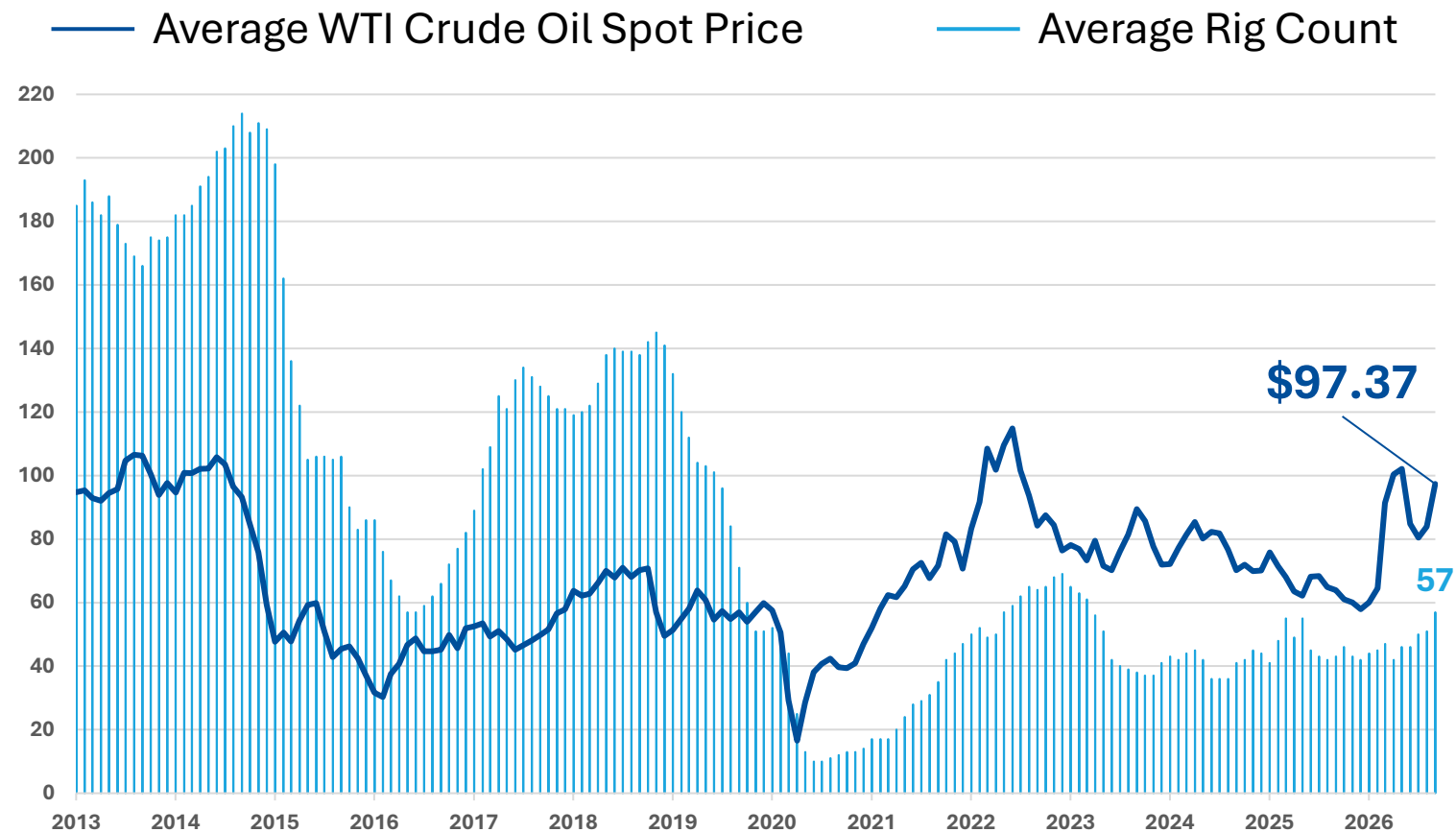


Energy sector strengthens as fuel costs rise

September brought renewed strength to Oklahoma's energy sector, supporting producer revenues and the outlook for gross production tax (GPT) revenue.

Higher oil prices and increased drilling activity point to continued momentum in the industry, which remains an important contributor to Oklahoma's economy and state finances.

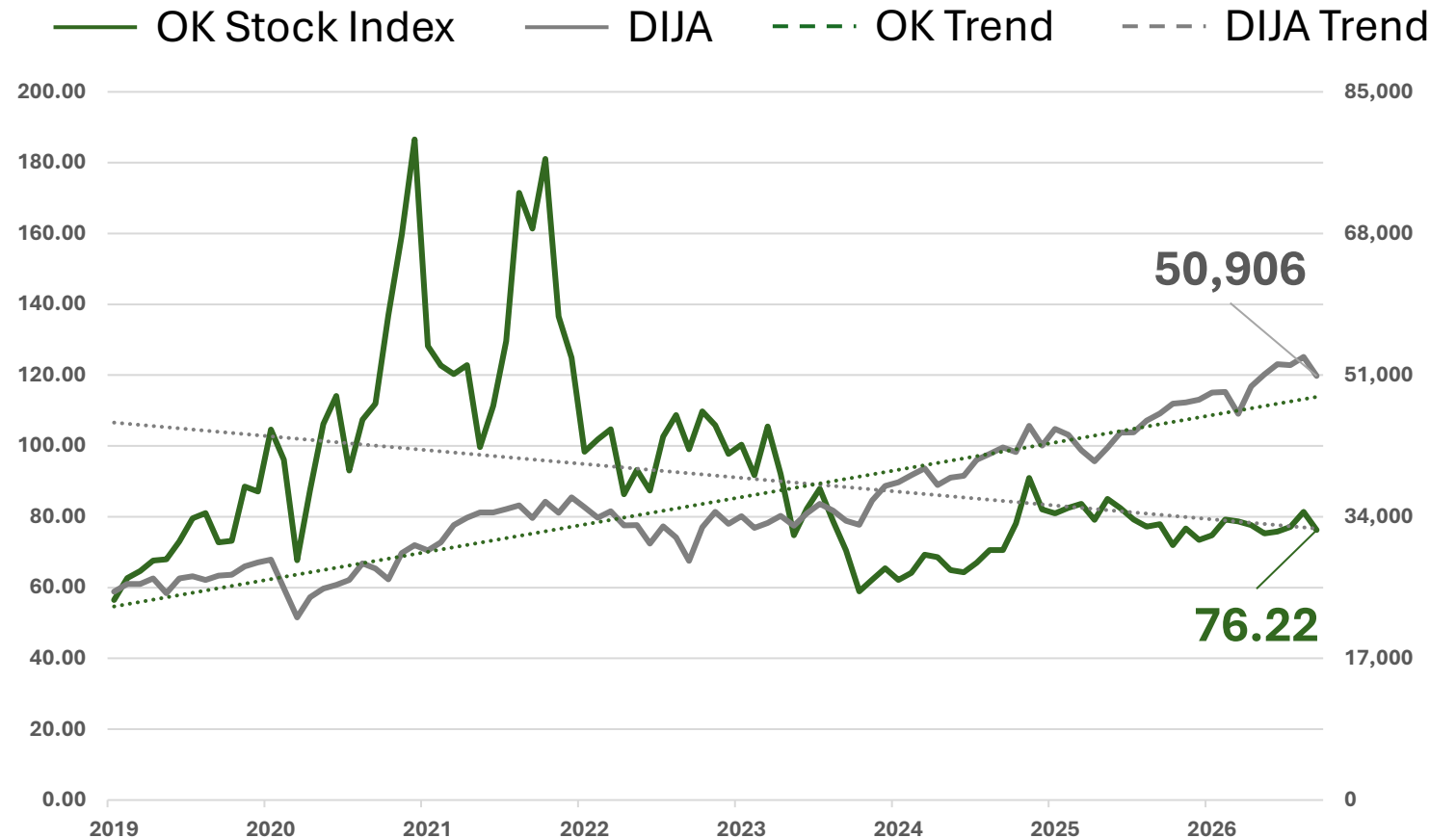
Stronger energy-sector conditions may provide additional support for state revenue in the months ahead. At the same time, **rising gasoline prices place additional pressure on household budgets** and may contribute to broader inflation.



Markets pull back as Oklahoma index declines

Nationally, markets retreated from recent highs, with the Dow Jones Industrial Average declining amid **shifting investor sentiment and continued attention to economic data** and Federal Reserve policy. Investors remain focused on corporate earnings, inflation and the outlook for interest rates.

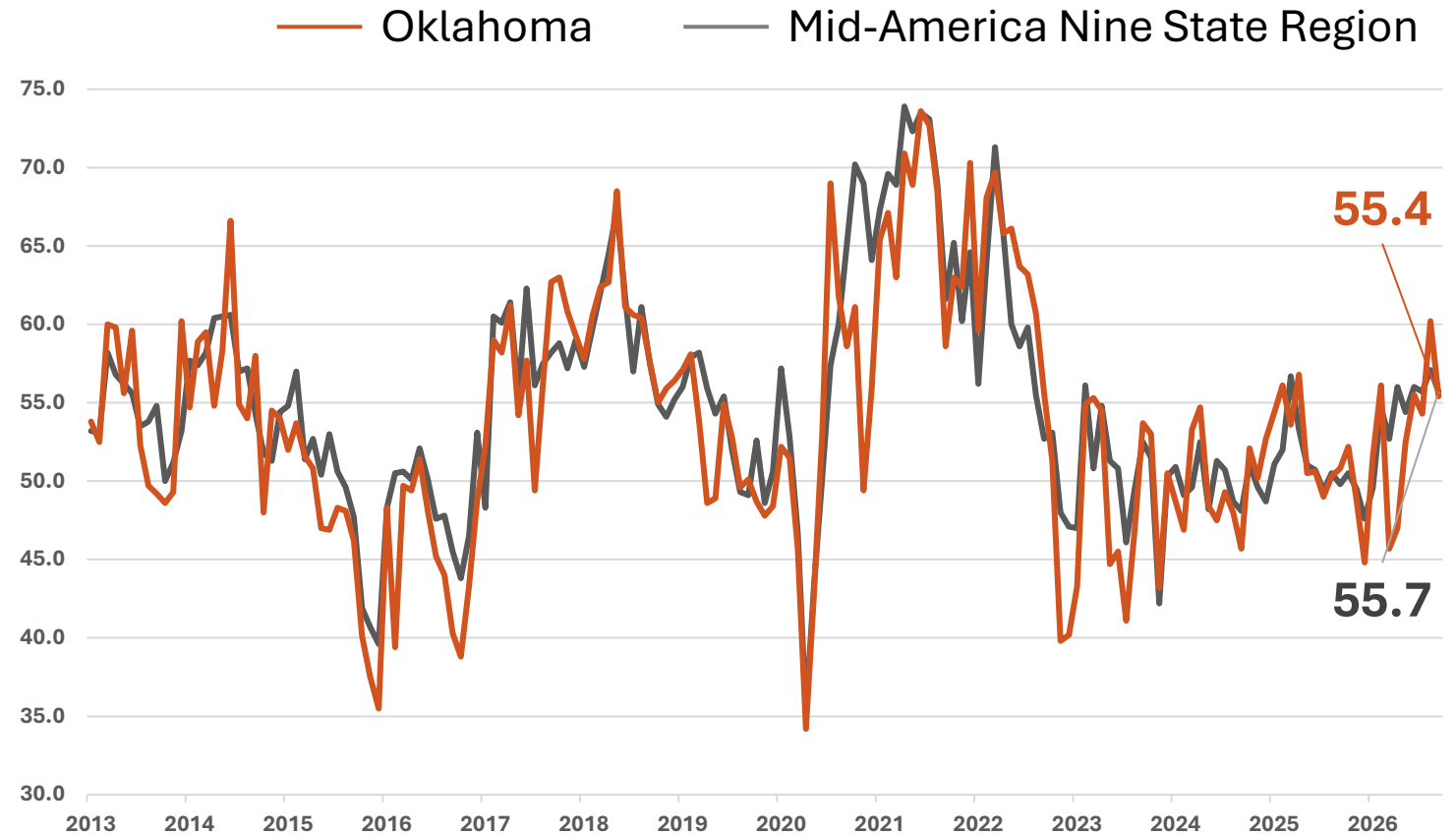
Locally, the Oklahoma Stock Index also declined, giving back some of its recent gains. Energy prices, **commodity trends and regulatory developments remain important influences** on Oklahoma-based companies and will help shape the index's direction in the months ahead.



Manufacturing growth remains strong in September

September's Business Conditions Index remained well above growth neutral, signaling continued expansion in Oklahoma's manufacturing sector. Production and new orders continued to grow, while employment also moved into expansion, suggesting **improving conditions for manufacturers**. Inventories remained stable, indicating businesses are keeping stock levels aligned with rising activity.

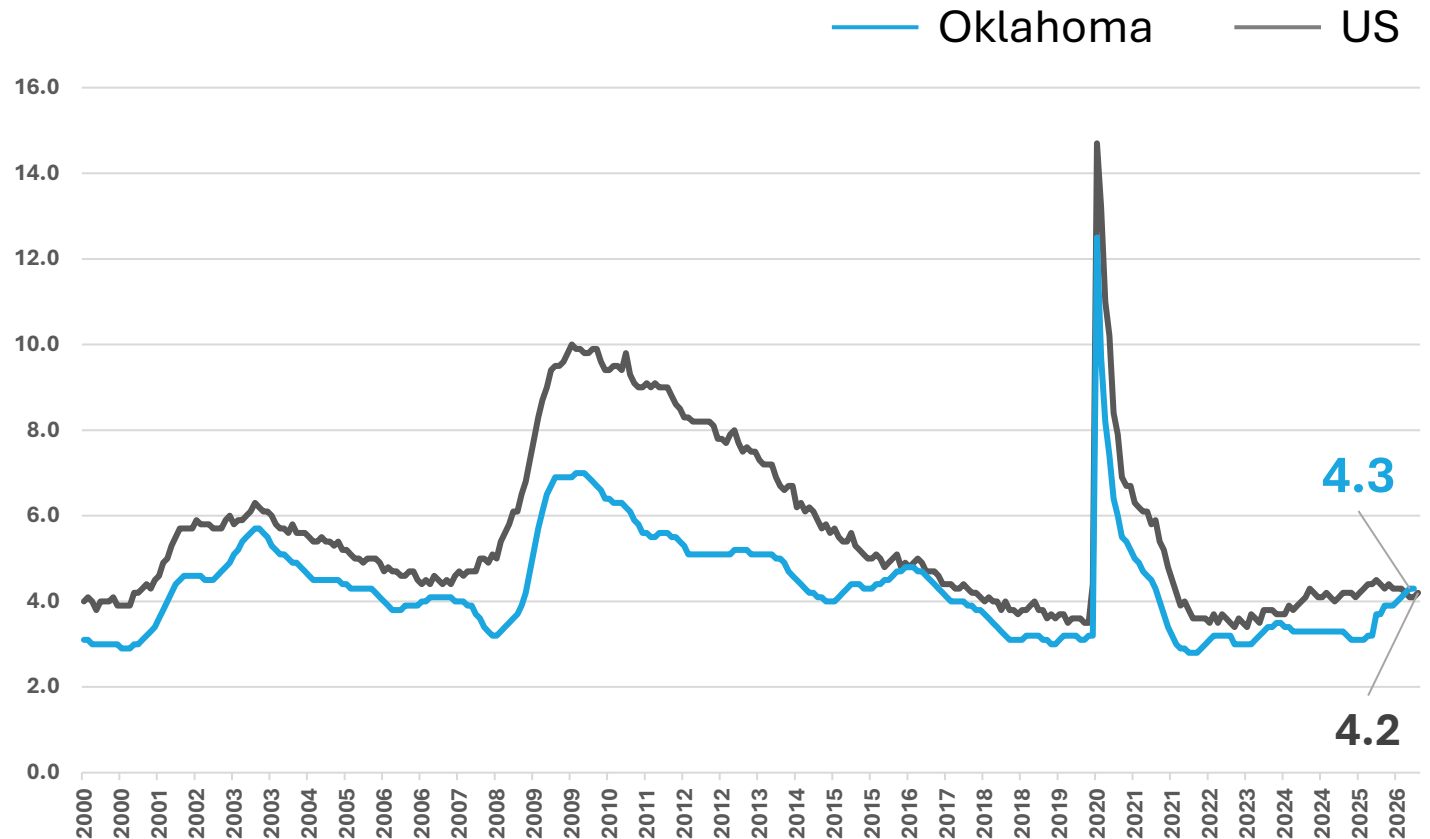
Strong **export growth adds to the positive outlook**, with manufactured goods exports up 16.3% from the same period in both 2025 and 2024.



Labor market remains resilient amid gradual cooling

The national unemployment rate increased slightly in September, while Oklahoma's September rate has not yet been released. Labor **market conditions remain relatively stable**, though job growth has moderated and hiring has slowed from the pace seen in recent years.

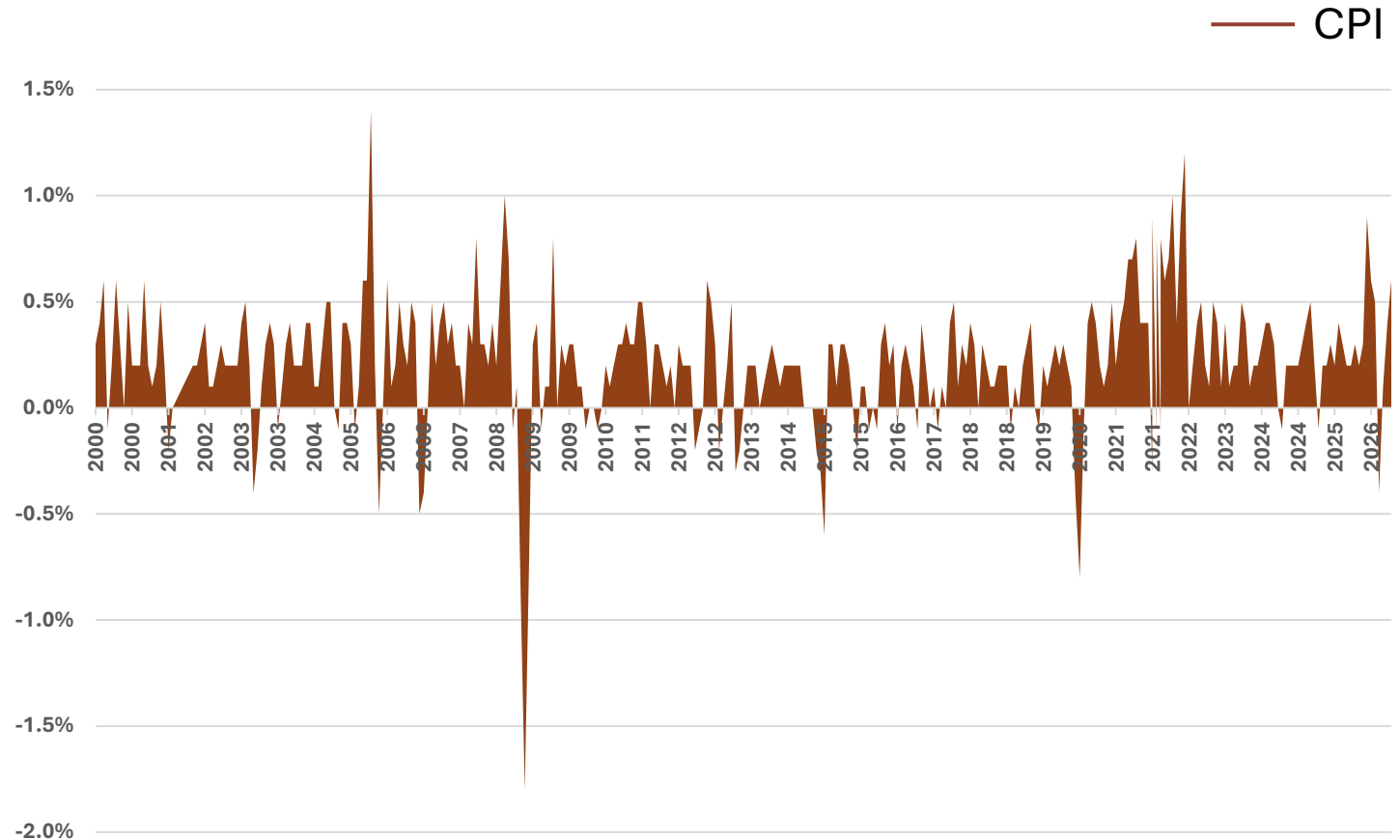
National employment trends point to a **gradual cooling in the labor market rather than a sharp downturn**. Businesses continue to adjust to changing economic conditions, with hiring and growth varying across industries. Overall, the labor market continues to show resilience as the broader economy adjusts to more measured growth.



Inflationary accelerates sharply in September hitting 3.7%

CPI increased 0.6% in September, following a 0.4% increase in August, signaling stronger upward pressure on consumer prices. The acceleration suggests **inflationary pressures are gaining momentum** after a period of more moderate monthly increases. Rising prices continue to put pressure on household budgets, affecting consumers' purchasing power and the cost of everyday goods and services.

The latest data indicates **that inflation remains persistent**, with September's larger monthly increase raising concerns about the pace of progress toward price stability.



Mortgage rates climb through September

The average 30-year fixed-rate mortgage rose steadily through September 2026, reaching its highest level of the month in the final week. The increase **adds pressure to homebuying costs and may further challenge affordability** as buyers weigh financing expenses against limited housing availability.

Rising rates reflect **shifting financial market conditions** and inflation expectations, leaving the near-term outlook uncertain for prospective homebuyers. If rates continue to rise, borrowing costs could further influence buyer demand and housing market activity in the coming months.

