



Oklahoma's Economy: A Snapshot of Success

**Senate Economic Research and
Policy Analysis
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Oklahoma's Economy Is Growing!

The Oklahoma Economy in the Year 2000: A Snapshot of Growth and Change

“Companies that take a fresh look at Oklahoma will be pleasantly surprised by what they find because the state offers a highly competitive business environment” according to the prestigious economic development publication *Site Selection Magazine* in a recent issue. Despite our cultural tendency in Oklahoma to underestimate ourselves our state delivers a strong showing in nearly all nationally published development rankings. Urban areas fare even better as *Site Selection* lists Oklahoma City and Tulsa as 7th and 8th respectively as “metro hotspots” for new and expanded industries.

What factors are driving these excellent reviews of our state's economy? To start with Oklahoma has some excellent business climate fundamentals.

The Business Climate:

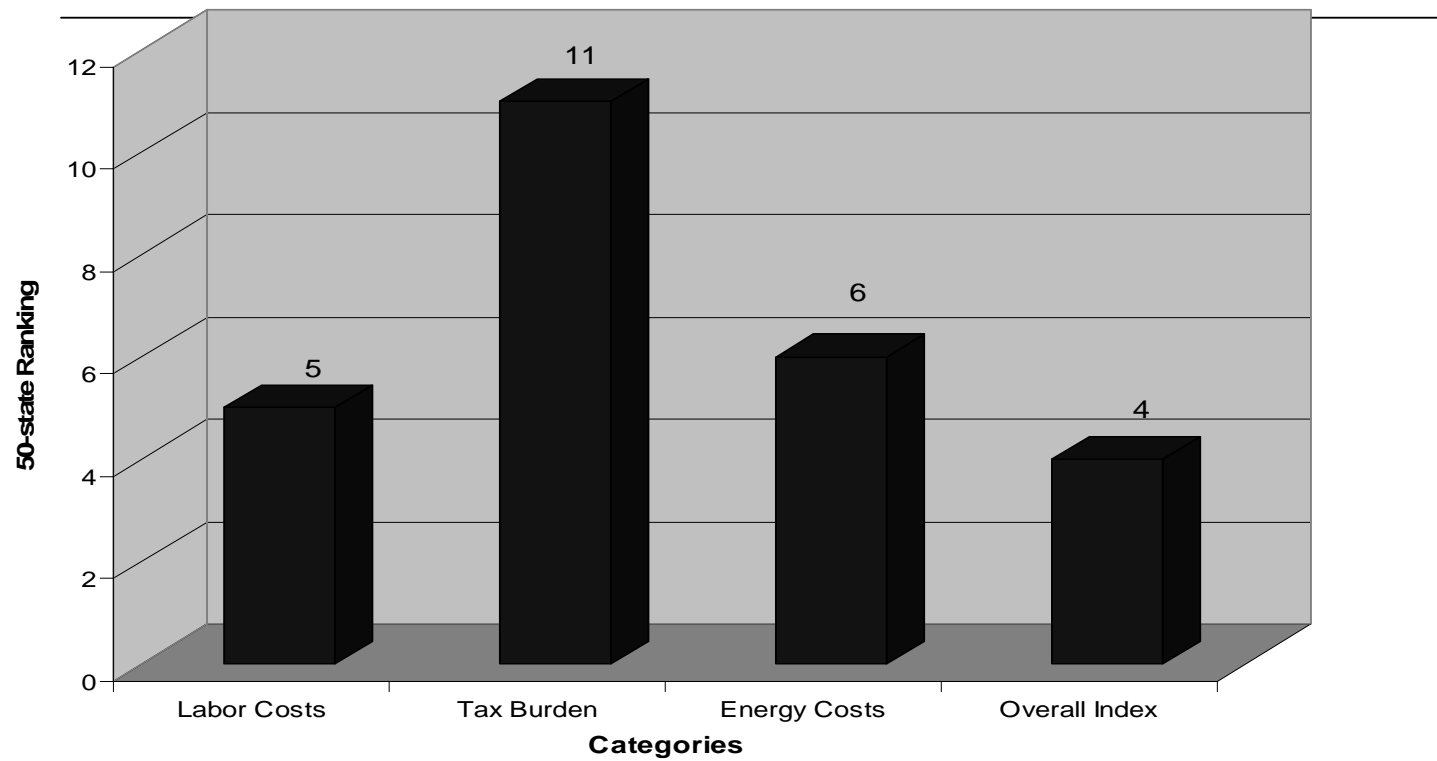
Regional Financial Associates (RFA), a New York based economic research firm serving Fortune 500 clients, ranks Oklahoma among its top states in providing a low business cost environment for expanding and prospective firms. According to RFA Oklahoma has the 5th best overall cost of doing business in the nation. The sooner state ranks as the 6th lowest in labor costs in the nation, the 11th lowest in taxes (as a percent of income), and the 7^h lowest energy in costs.



Oklahoma's Economy Is Growing (Cont.)

- * It is not only RFA that is saying Oklahoma's business climate is excellent:
- * *Kiplinger's*, the nationally respected business newsletter, ranked Oklahoma as one of the best business climates in the country. The March 3, 2000 Kiplingers says "Oklahoma is still strong ... boosted by strong telecom firms such as MCI WorldCom, Williams and GM retooling;
- * *Finanacial World* magazine ranks Oklahoma as having the 2nd best business cost structure in the country;
- * Whirlpool Corporation's Manufacturing States Report ranks Oklahoma as the 3rd best manufacturing climate in the country;
- * Mastercard International ranked Oklahoma 3rd best in business costs for the financial industry;
- * *Site Selection Magazine* lists OKC and Tulsa as 7th and 8th respectively as "metro hotspots" for new and expanded industry;
- * Oklahoma City and Tulsa also ranked among the 50 hottest cities in *Expansion Management's* Report. OKC ranked 24th and Tulsa 27th, besting Dallas and Kansas City;

RFA Study - The Cost of Doing Business in Oklahoma (1=best)



Data provided by Regional Financial Associates



Oklahoma's Economy is Growing, Diversifying and Becoming More Like the US Economy

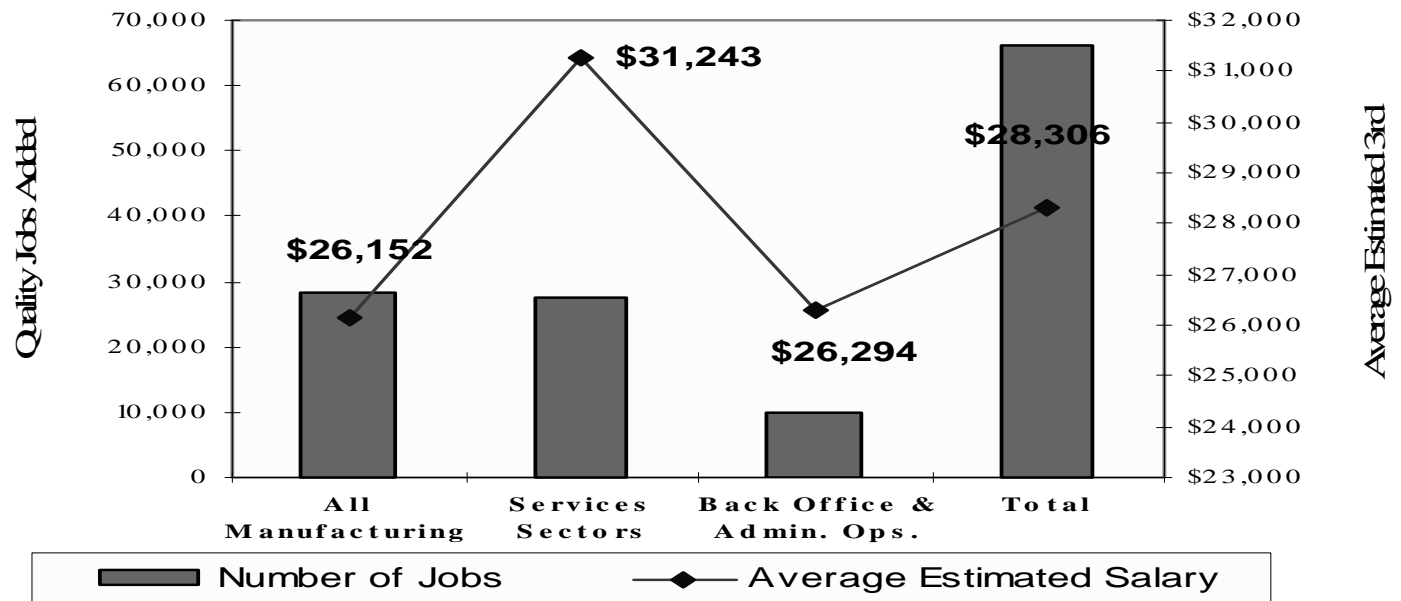
- * During one of the greatest economic expansions in US history Oklahoma Job Growth Exceeded the US average by nearly 15% in 1999**
- * Oklahoma had the 6th highest manufacturing job growth in the nation in 1999 (growing double the national rate)**
- * Oklahoma's growing service sector is starting to catch up to the US average -- growing 3.91% compared to the national average of 3.93 % (The service sector contains many of high paying jobs of the "new economy" including business services like engineering, accounting and health care. Source: Feb. 2000 Blue Chip Job Growth**



OKC Chamber values Quality Jobs Program

- * “There has been no other incentive enacted anywhere in the country that has contributed more to economic growth than the Quality Jobs Act passed by the legislature a few years back. It has clearly done the trick in Oklahoma”. Charles Van Rysseberge, President of the Oklahoma City Chamber of Commerce.**

Number of Jobs created by OK Quality Jobs Act by Economic Sector - 3 Year Estimate



•It is estimated that the Oklahoma Quality Jobs program has lead to over 65,000 new or expanded jobs. The nationally-acclaimed incentive program, created in 1993, offers cash-back payments for each new job expanding industry creates.

Oklahoma's Workforce and Educational System Play a Major Role

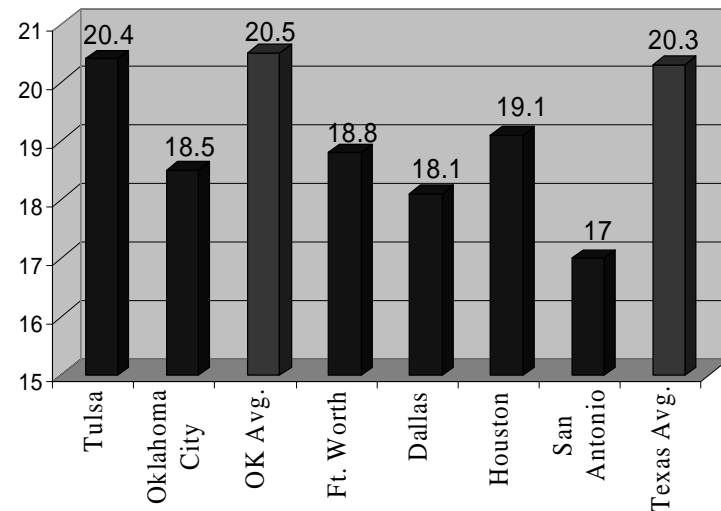
* **Business values the work ethic in Oklahoma-**

* **Oklahoma's unemployment rate of 3.3% is well below the record setting national low of 4.1%**

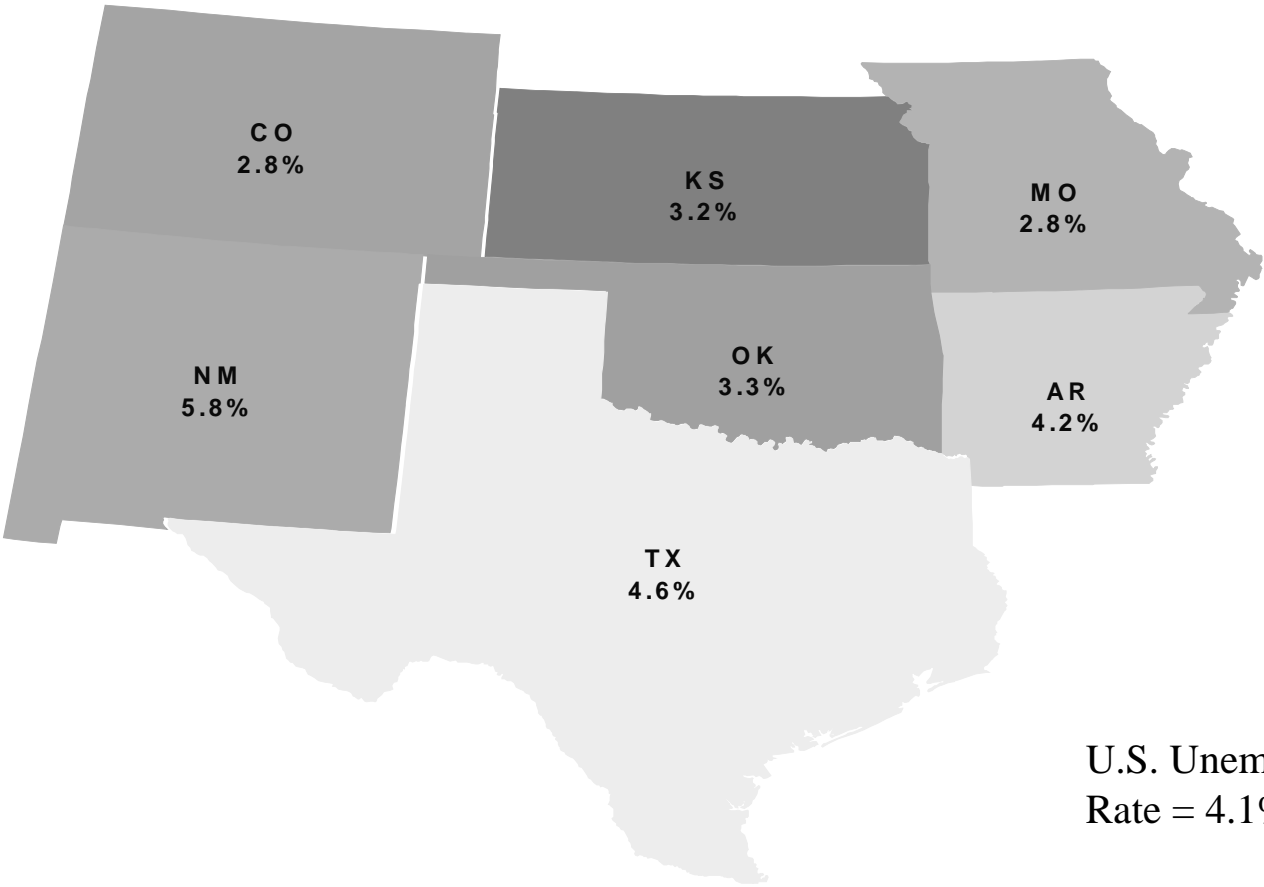
* **Oklahoma's educational system contributes to the workforce providing Teacher Quality that ranks 3rd best in the nation according to *Education Week*,**

* **Oklahoma's major population centers outdistance competitors like Dallas and San Antonio by producing higher ACT scores.**

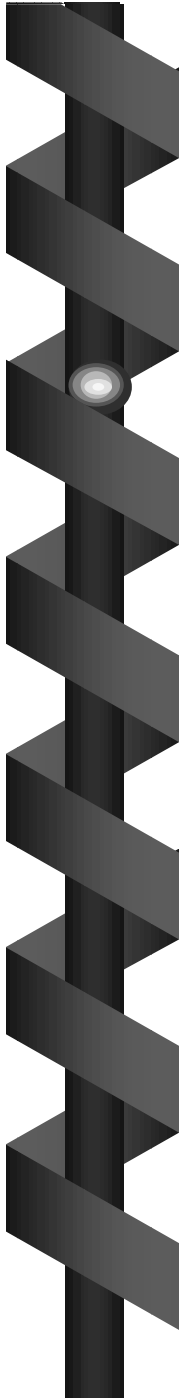
OK Versus Texas, 1998 ACT Scores Large School Districts



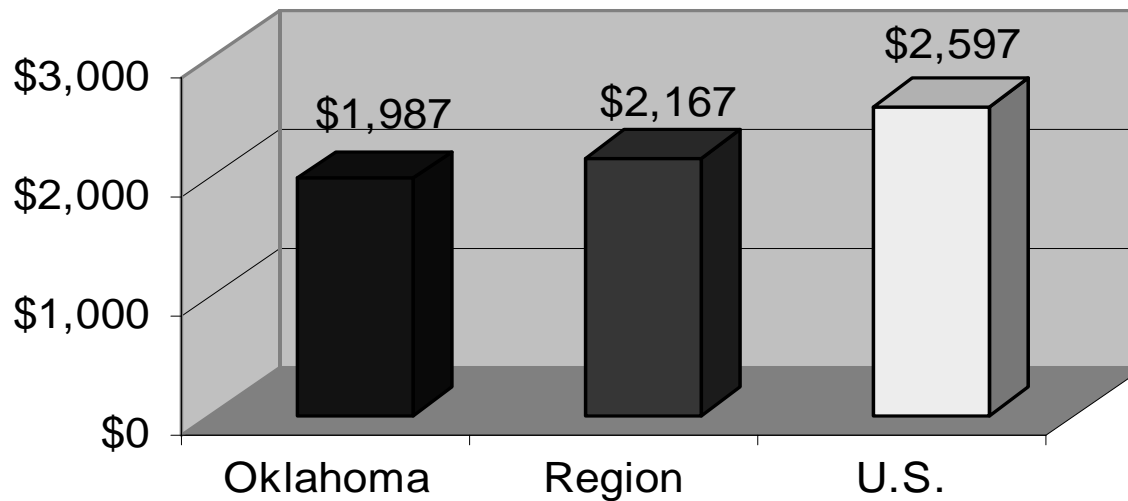
Unemployment Rate for the Region, as of 12/1999



U.S. Unemployment
Rate = 4.1%



Per Capita State and Local Tax Revenue (1996)



- * **Oklahoma has the 43rd lowest combined state and local tax burden.**
- * **In 1996, Oklahoman's paid about \$610 less in state and local taxes than did the average U.S. citizen.**
- * **In 1996, citizens in the seven surrounding states paid \$180 more in state and local taxes.**



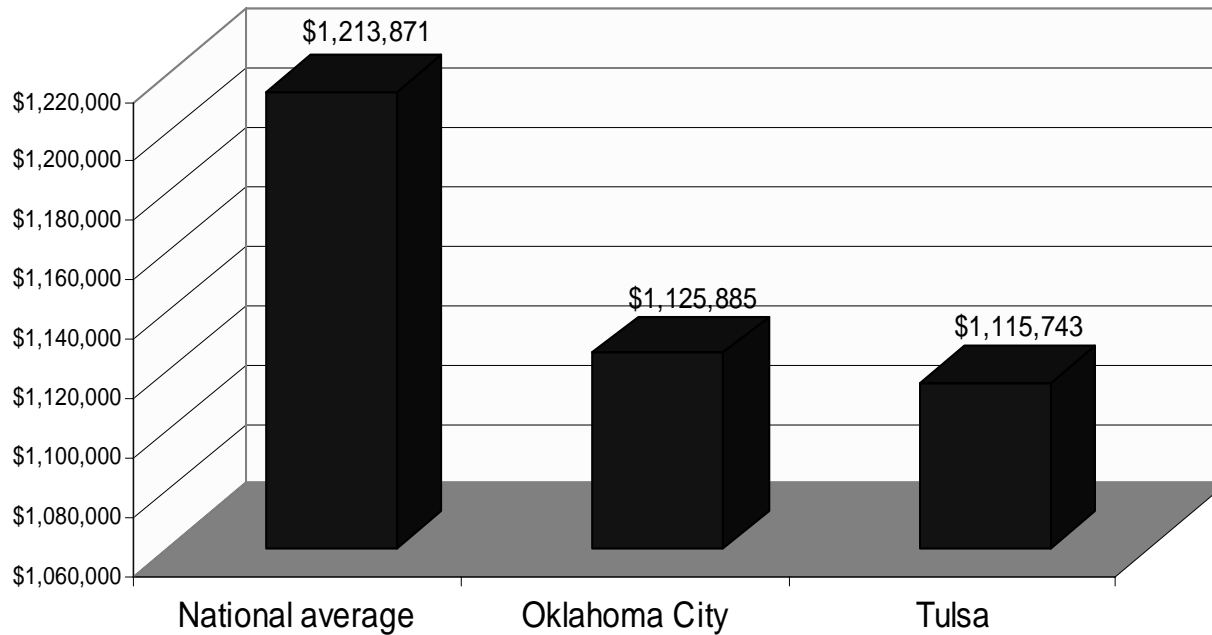
VERTEX City Business Tax Study - Rankings

- * Oklahoma City ranked 26th/fourth lowest of the 29 surveyed cities.**
- * Tulsa ranked 28th/second lowest of the 29 surveyed cities.**
- * The hypothetical company would pay about \$88,000 less in taxes in Oklahoma City than in the average large U.S. city.**
- * Tulsa's business taxes were approximately \$98,000 lower than the national average.**

Overall Tax Burden for a Hypothetical Company in One Tax Year

Vertex City Business Tax Study

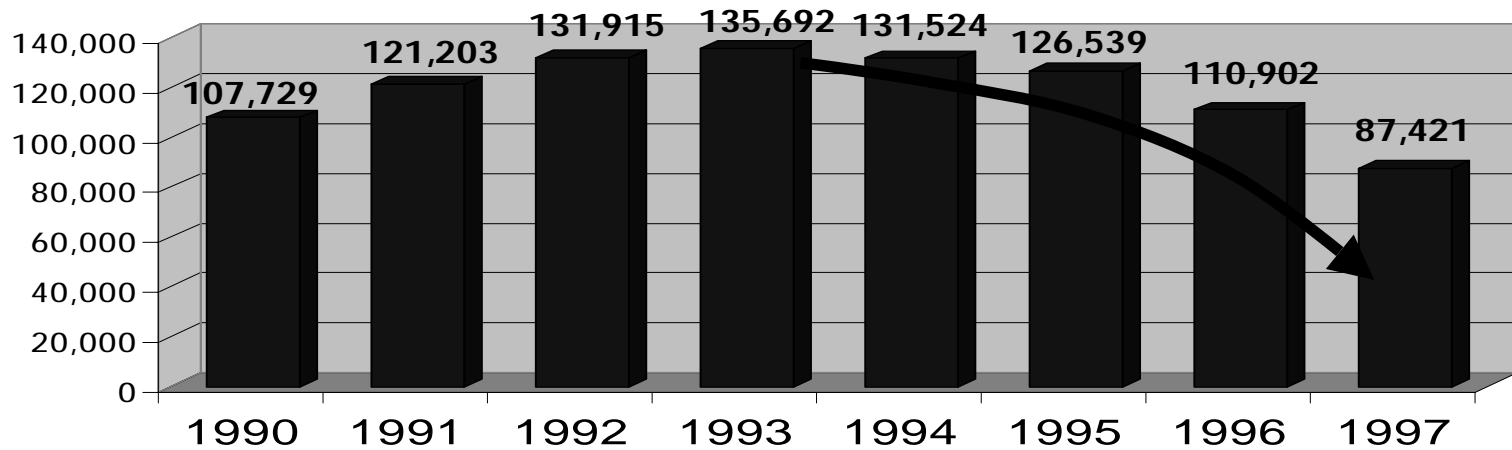
December 1998



Data provided by Vertex

**These tax figures include the federal, state, and local income tax, franchise tax, property tax, payroll tax, sales tax, license tax and telecommunications tax for the cities.

Average Monthly Adults & Children Receiving AFDC/TANF



- * **Oklahoma is reducing its welfare rolls through innovative programs; a 36% decrease since 1993**
- * **The reductions are the fifth largest in the country and put more citizens into the workforce to earn and contribute;**