

# Oklahoma's Economy: A Snapshot of Success

Prepared by Oklahoma State Senate Staff  
August 2004

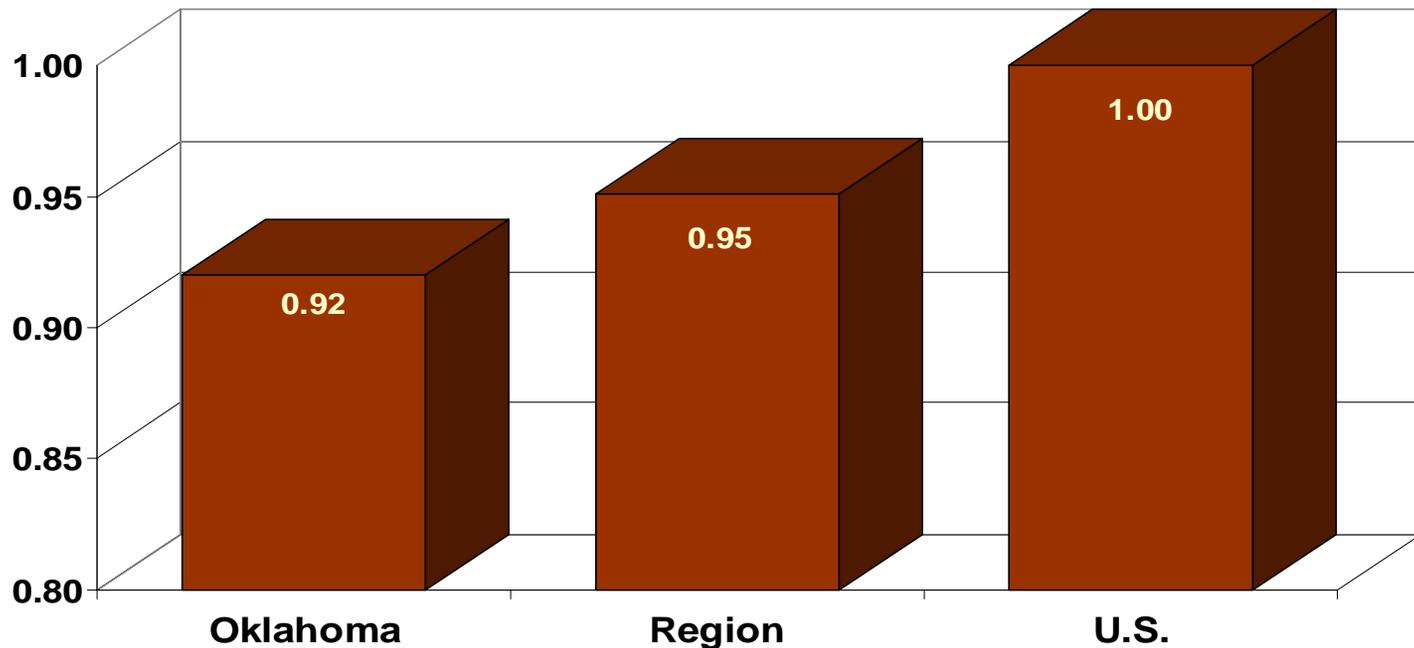


# Oklahoma State Budget

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- Oklahoma will deposit over \$200 million into the Rainy Day fund. Revenue outpaced estimates for FY2004 by 4.7%.
- Thirteen states tapped their Rainy Day funds for FY 2005 to meet budget demands.

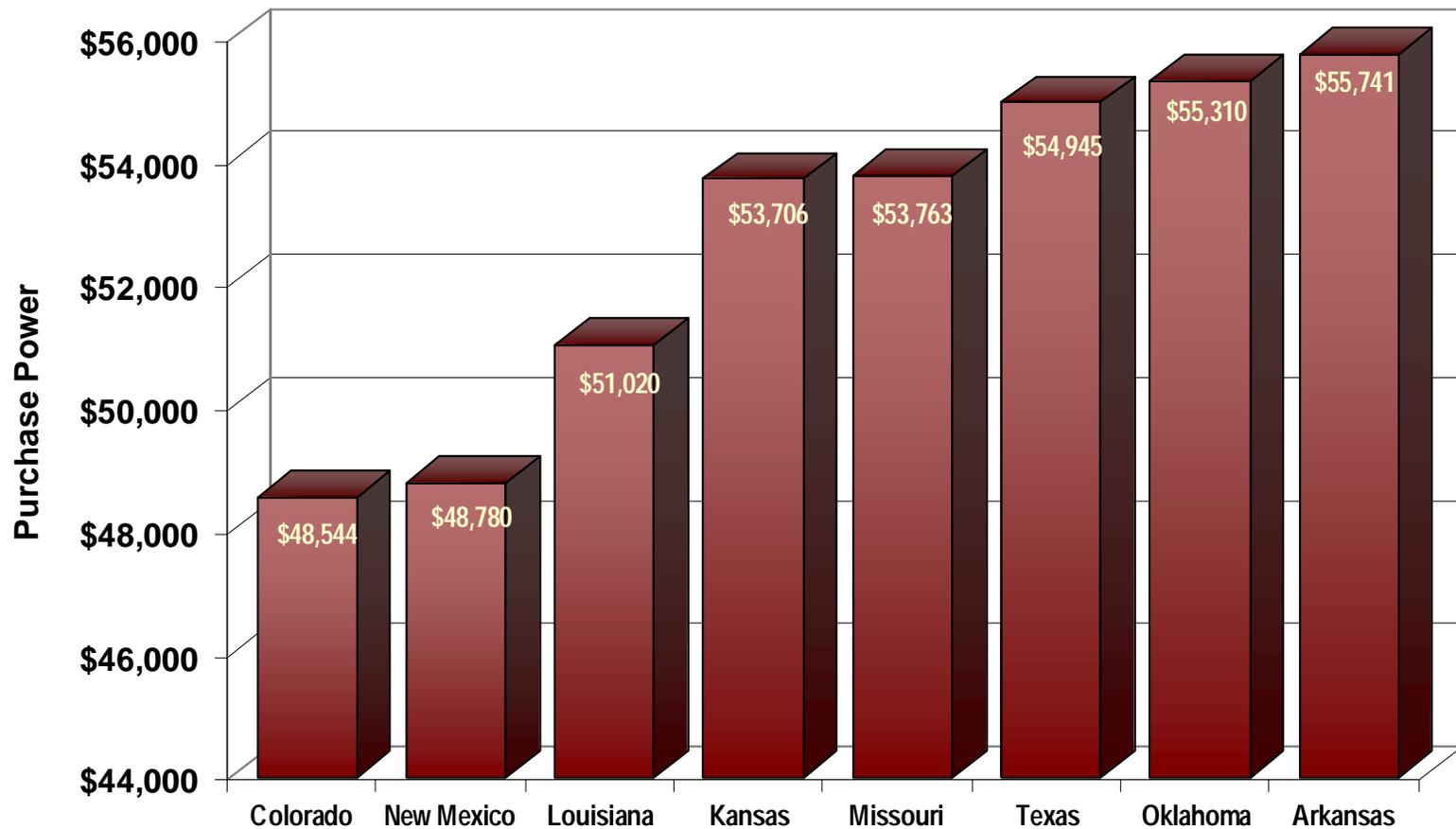
# Oklahoma's Cost of Living is only 92% of the National Average.



- Oklahoma's per capita personal income grew at a faster rate than the national average in 2003 – 3.0% vs 2.4%.
- Oklahoma's per capita personal income is at the highest percentage of the national PCPI in the last 18 years.

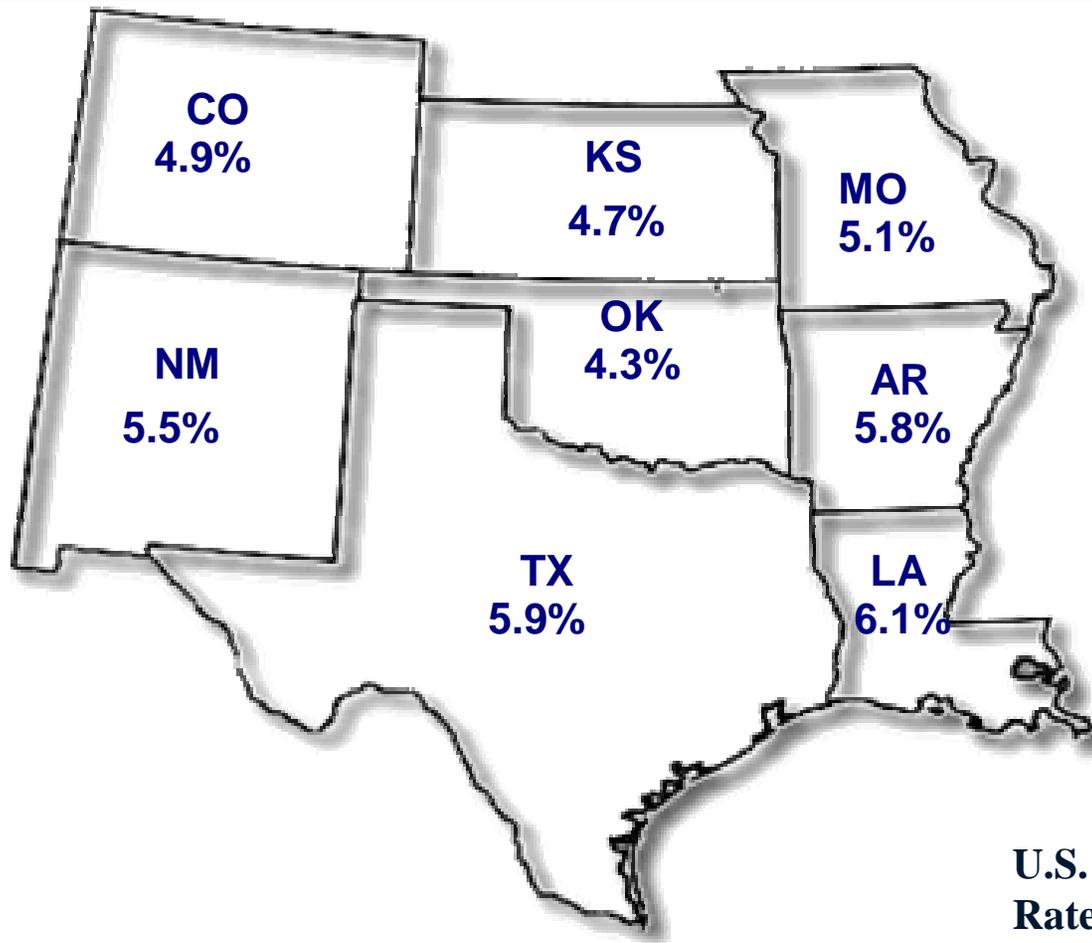
Source: ACCRA, Oklahoma Department of Commerce

# Purchase Power of \$50,000 when adjusted for cost of living



Source: ACCRA, Bureau of Economic Analysis

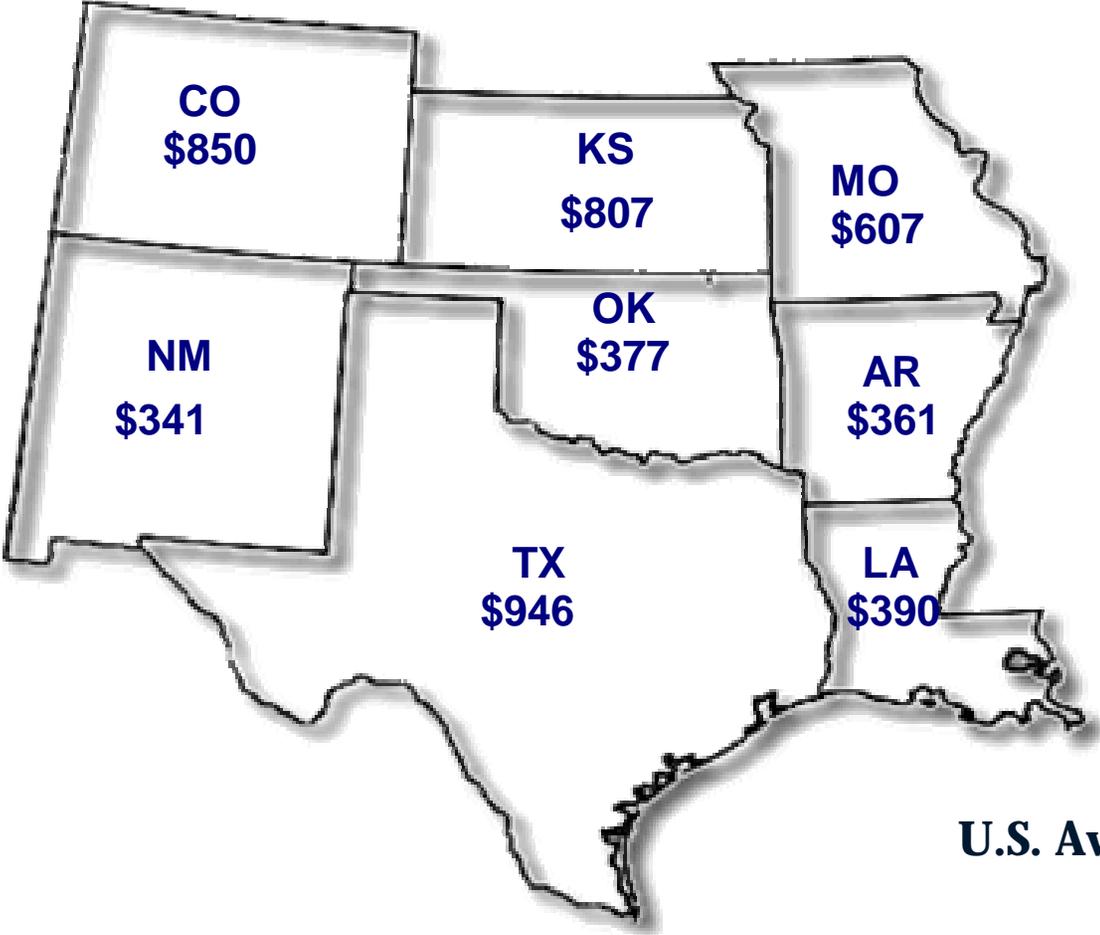
# Unemployment Rate for the Region, as of May 2004



**U.S. Unemployment  
Rate = 5.6%**

Source: Bureau of Labor Statistics

# Per Capita Property Tax Burden

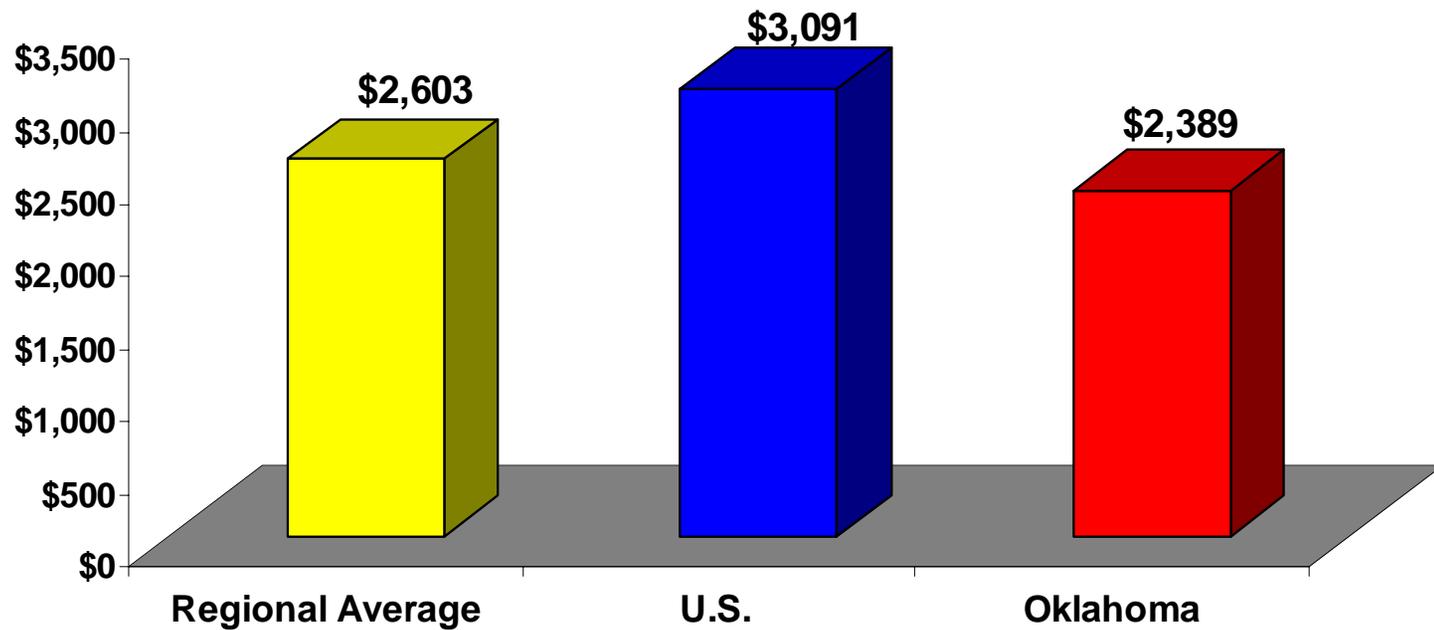


**U.S. Average - \$883**

Source: Federation of Tax Administrators

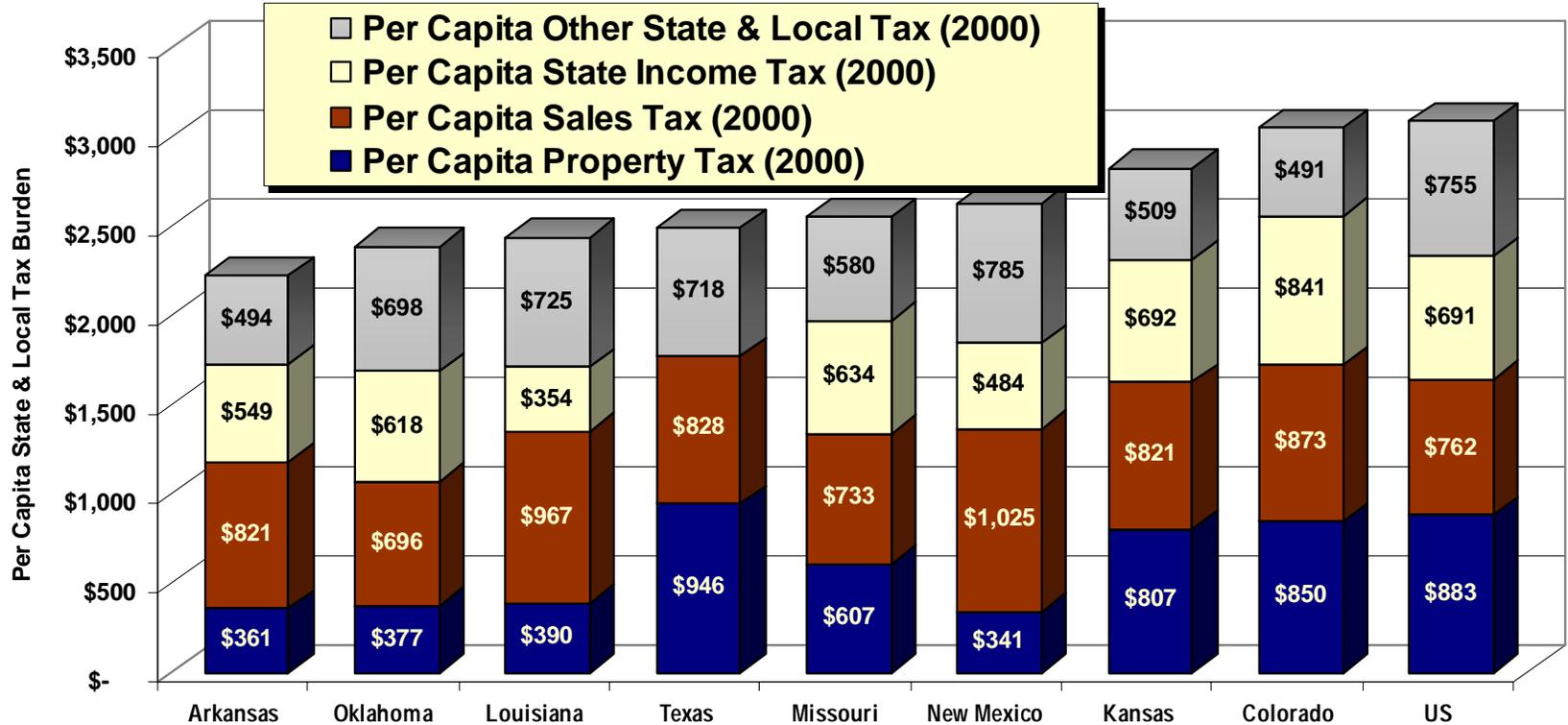
# Per Capita State and Local Tax Burden

2000 - most recent Census data available

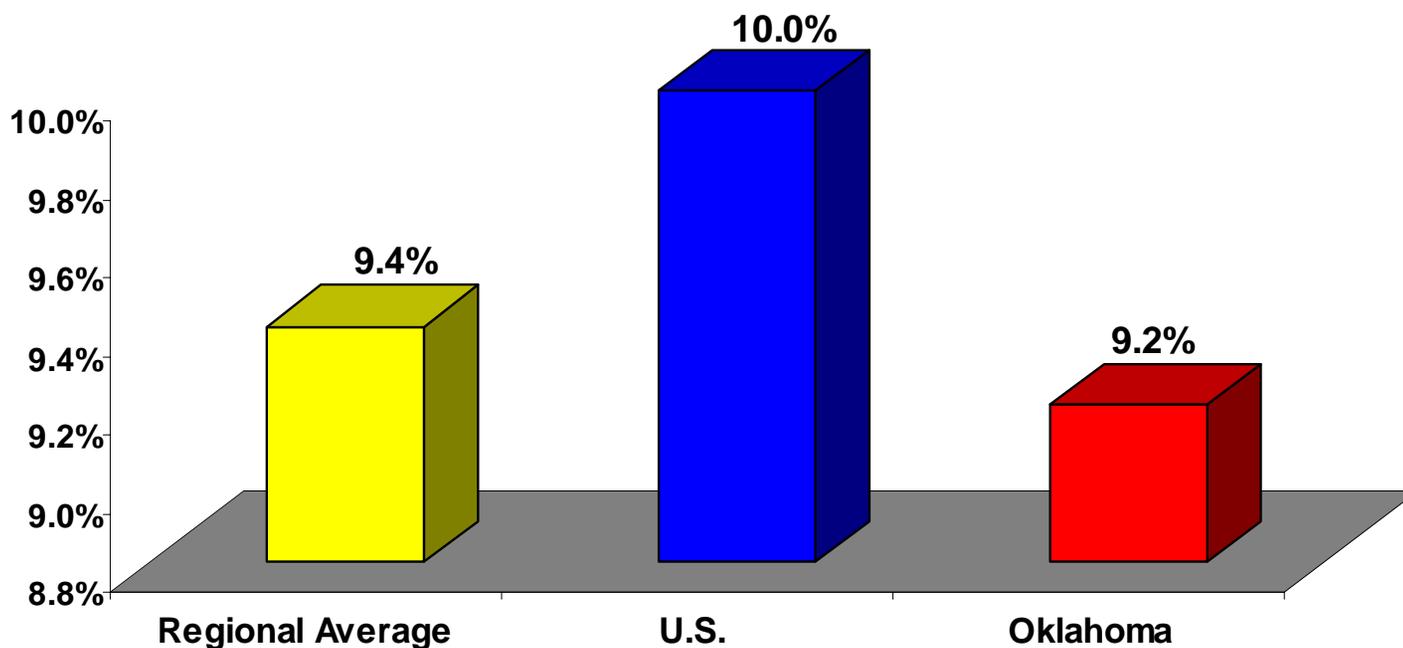


Source: Census Bureau, Governments Division

# Per Capita State & Local Tax Burden by Revenue Source



# State and Local Tax Revenue as a Percent of Personal Income



Source: Tax Foundation, 2004 State/Local Tax Burdens



## Pollina Corporate Top 10 Pro-Business States for 2004

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- Oklahoma is ranked as the 3<sup>rd</sup> most pro-business state in the nation.
- Oklahoma's Quality Jobs program is recognized as one of the nation's best business incentive/economic development programs.
- Employers in Oklahoma pay lower unemployment insurance rates than in any other state.

**Source:** *"Pollina Corporate Top 10 Pro-Business States for 2004: Keeping Jobs in America, Pollina Corporate Real Estate, Inc., 2003*



# 2002 Economy.com - The Cost of Doing Business in Oklahoma

	Overall Costs	Unit Labor Costs	Energy Costs
Oklahoma	4 <sup>th</sup> Lowest	3 <sup>rd</sup> Lowest	7 <sup>th</sup> Lowest
Texas	17 <sup>th</sup>	22 <sup>nd</sup>	24 <sup>th</sup>
Illinois	37 <sup>th</sup>	41 <sup>st</sup>	35 <sup>th</sup>
California	40 <sup>th</sup>	39 <sup>th</sup>	39 <sup>th</sup>
New Jersey	47 <sup>th</sup>	47 <sup>th</sup>	40 <sup>th</sup>
Wisconsin	26 <sup>th</sup>	31 <sup>st</sup>	11 <sup>th</sup>

**• Tulsa and Oklahoma City ranked #1 and #2 among 150 U.S. metro areas for the lowest costs of doing business.**



## Forbes *Best Places for Business* Rankings

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- In a recent *Forbes* ranking of the 150 best cities for business, Tulsa ranked 3<sup>rd</sup> in the cost of doing business category. Oklahoma City ranked fourth.
- Oklahoma City and Tulsa consistently rank among the least expensive places for companies to do business. In the 2003 rankings both cities were in the top 3 least expensive places to do business with Tulsa taking the top spot and OKC coming in at number three.



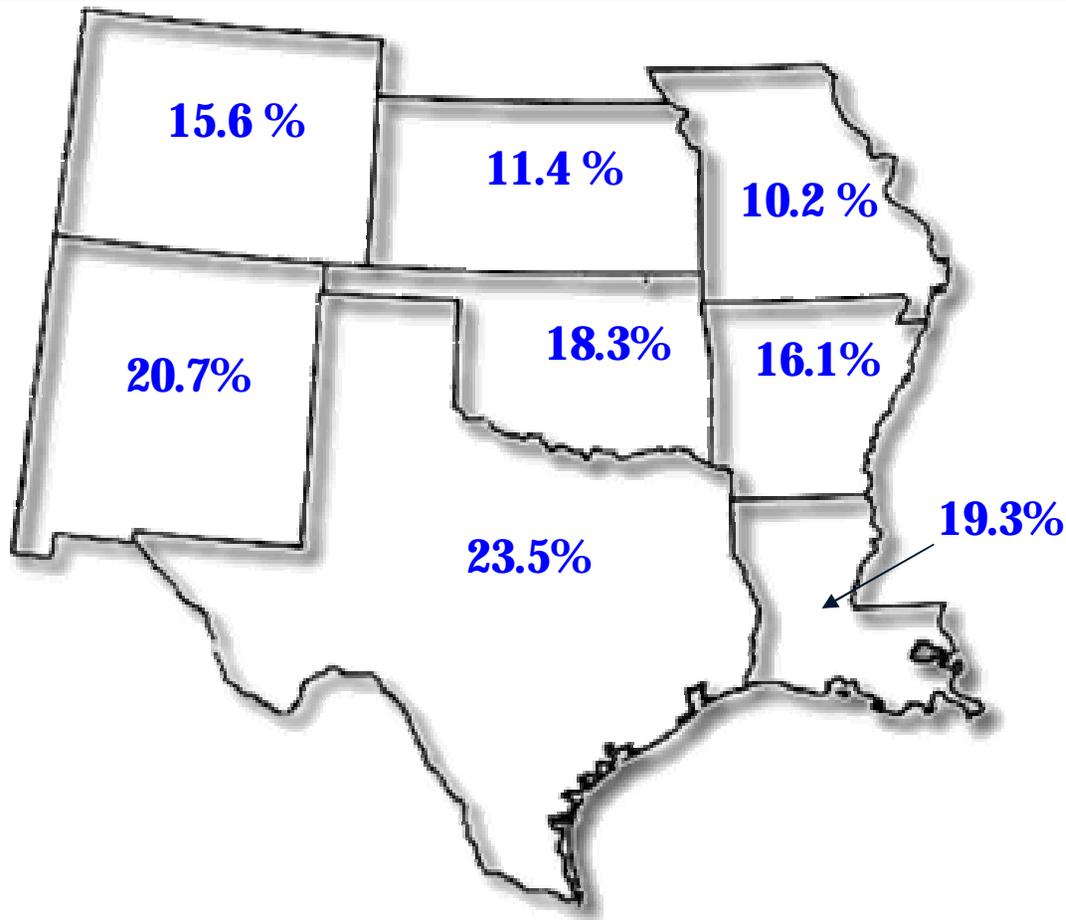
# Workers' Compensation

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- From 2000 to 2002 the workers' compensation premium rate ranking paid by Oklahoma employers fell from the 11<sup>th</sup> highest in the nation to 18<sup>th</sup>.
- Oklahoma's workers' compensation premium index per \$100 payroll is 2.82. The regional average is 2.49.
- Texas' index is the highest in the region at 3.29 - 5<sup>th</sup> highest in the nation.

Source: *2002 Oregon Workers' Compensation Premium Rate Ranking*, Oregon Department of Consumer and Business Services, January 2003

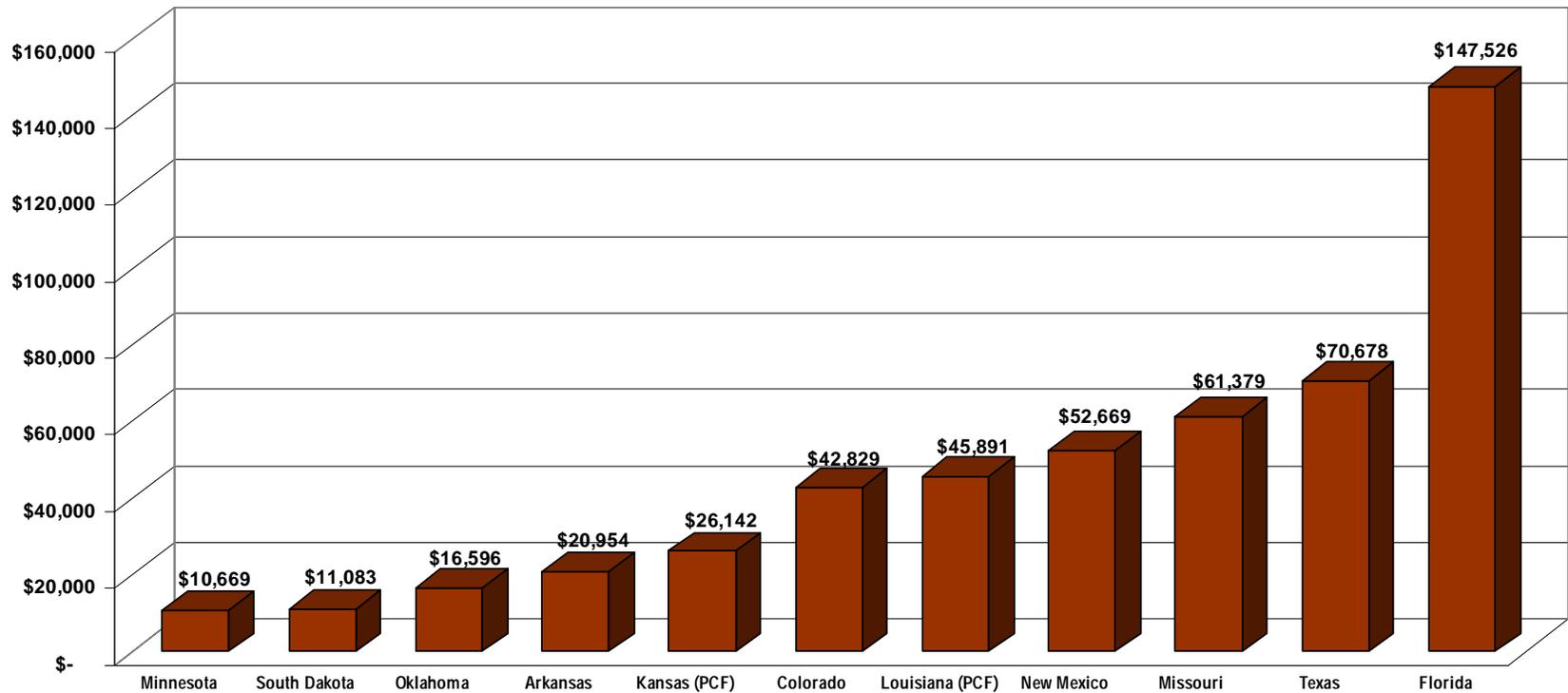
# Percentage of Citizens Without Health Insurance



State	Rank
<b>Texas</b>	<b>1</b>
<b>New Mexico</b>	<b>2</b>
<b>Louisiana</b>	<b>4</b>
<b>Oklahoma</b>	<b>5</b>
<b>Arkansas</b>	<b>10</b>
<b>Colorado</b>	<b>15</b>
<b>Kansas</b>	<b>30</b>
<b>Missouri</b>	<b>36</b>

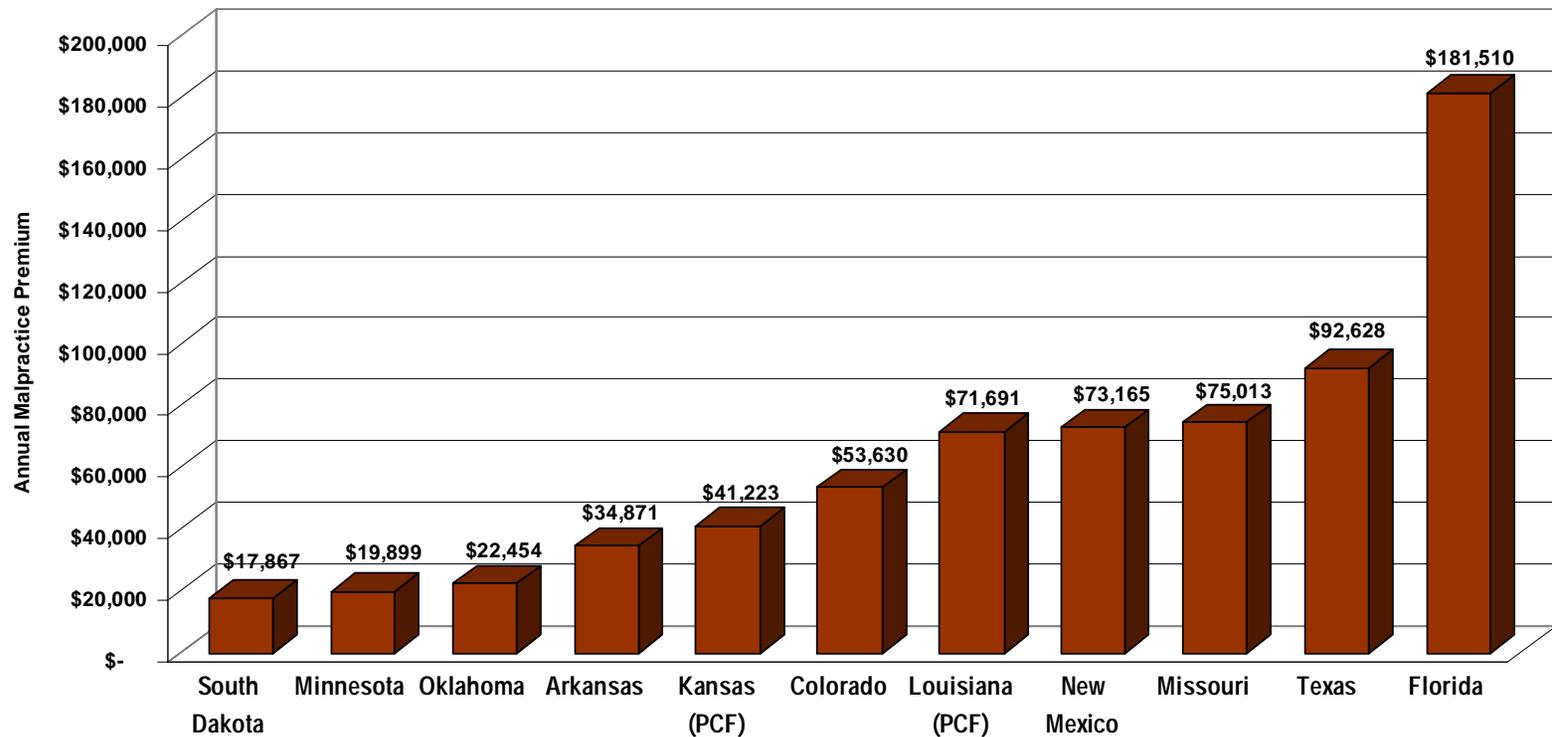
Source: U.S. Bureau of the Census

# General Surgery Annual Malpractice Premium



PCF - Patient Compensation Fund  
Source: Medical Liability Monitor, October 2003

# OB-GYN Annual Malpractice Premium



PCF - Patient Compensation Fund  
Source: Medical Liability Monitor, October 2003



# State Liability Environment

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- **In a 50-state survey conducted for the U.S. Chamber of Commerce in the areas of tort, contract, punitive damages, and other litigation-related areas, Oklahoma showed a dramatic improvement.**
- **The data in the report, dated March 8, 2004, was gathered through surveys of over 1,400 corporate general counsel and other corporate senior litigators.**
- **Oklahoma's improved ranking does not yet reflect the effects of tort reform legislation from the 2004 legislative session.**
- **From 2002 to 2004, Oklahoma made the most substantial ranking improvement in the region moving from 41<sup>st</sup> to 31<sup>st</sup> in the two-year period. Texas, in the same two-year period, remained behind Oklahoma moving only from 46<sup>th</sup> to 45<sup>th</sup>.**
- **According to the corporate counsel surveyed, only Colorado and Kansas have better legal environments than Oklahoma in which to conduct corporate operations.**



# State Liability Rankings

Overall Ranking of State Liability Systems				
	2004	2003	2002	Improvement (-Decline)
Kansas	9	15	4	-5
Colorado	13	12	7	-6
<b>Oklahoma</b>	<b>31</b>	<b>36</b>	<b>41</b>	<b>10</b>
New Mexico	37	41	39	2
Missouri	41	33	29	-12
Arkansas	42	45	44	2
Texas	45	46	46	1
Louisiana	47	47	47	0



# From "Their" Perspective...

## Oklahoma's Recent Notable Rankings

➤ Expansion Magazine's Hottest Cities:

- OKC: 19<sup>th</sup>
- Tulsa: 15<sup>th</sup>

➤ Forbes Magazine Best Places for Business:

- Tulsa 3<sup>rd</sup>
- OKC: 4<sup>th</sup>

➤ Whirlpool's Manufacturing Climate:

- Oklahoma 3<sup>rd</sup>

➤ Site Selection's SW Metro Hot Spots:

- OKC: 7<sup>th</sup>
- Tulsa: 8<sup>th</sup>

➤ Pacific Research Institute's Economic Freedom Index:

- Oklahoma 6<sup>th</sup>

➤ Pollina Pro-Business Report:

- Oklahoma 3<sup>rd</sup>



# According to CFO Magazine, September 2000 Issue

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- The states found most attractive for firms as they make location and expansion decisions based on tax policies are:
  - Wyoming
  - Delaware
  - Nebraska
  - Oklahoma



# Oklahoma Quality Jobs Program

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- It is estimated that the Oklahoma Quality Jobs program has lead to over 80,000 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 Quality Jobs program has received 5 national awards since its creation.



# OKC Chamber values Quality Jobs Program

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- “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 Rysselberge, Former President of the Oklahoma City Chamber of Commerce.***

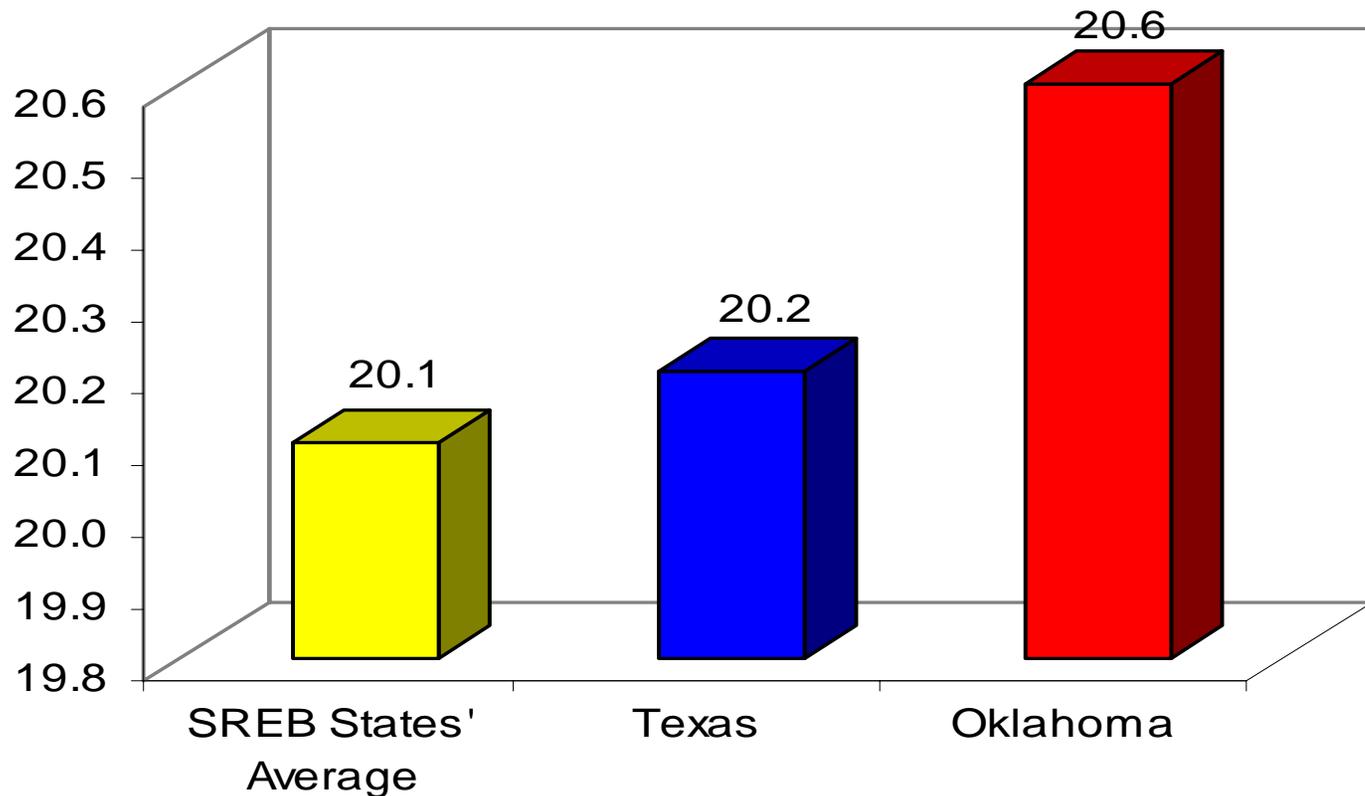


# Recent Economic Development Success

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- Dell announced in July that OKC would be the location of a new 500-job customer contact center.
- U.S. Cellular recently entered the Oklahoma market creating 250 jobs.
- The Oklahoma State Regents for Higher Education joined the National LambdaRail Consortium. Membership to the 10,000-mile super fiber optic network will enable Oklahoma's public, educational, and research entities to access technologies and data transfer speeds previously unavailable.
- Two businesses recently began operation in Durant – Big Lots Distribution Center and Cardinal Glass – together bringing 1,000 jobs to Bryan County.
- Albon Engineering and Manufacturing of Essex, England, recently announced plans to construct a manufacturing facility in Norman to make automotive parts for North American automotive assembly plants. The high-tech facility will employ 200 people.

# 2004 ACT Scores: Oklahoma, Texas and the Average of the 16 Southern Region Education Board States



**SREB States Include:** Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Source: ACT, Inc.



# Oklahoma's Education Success!

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- The Oklahoma School of Science and Math had the highest ACT school composite scores in the nation in both 1998 and 2000.
- The OSSM class of 2004 had an average composite ACT score of 31.1.
- The OSSM concept are being replicated at satellite centers across the state.
- Oklahoma ranks in the top 10 in the number of National Board Certified Teachers.

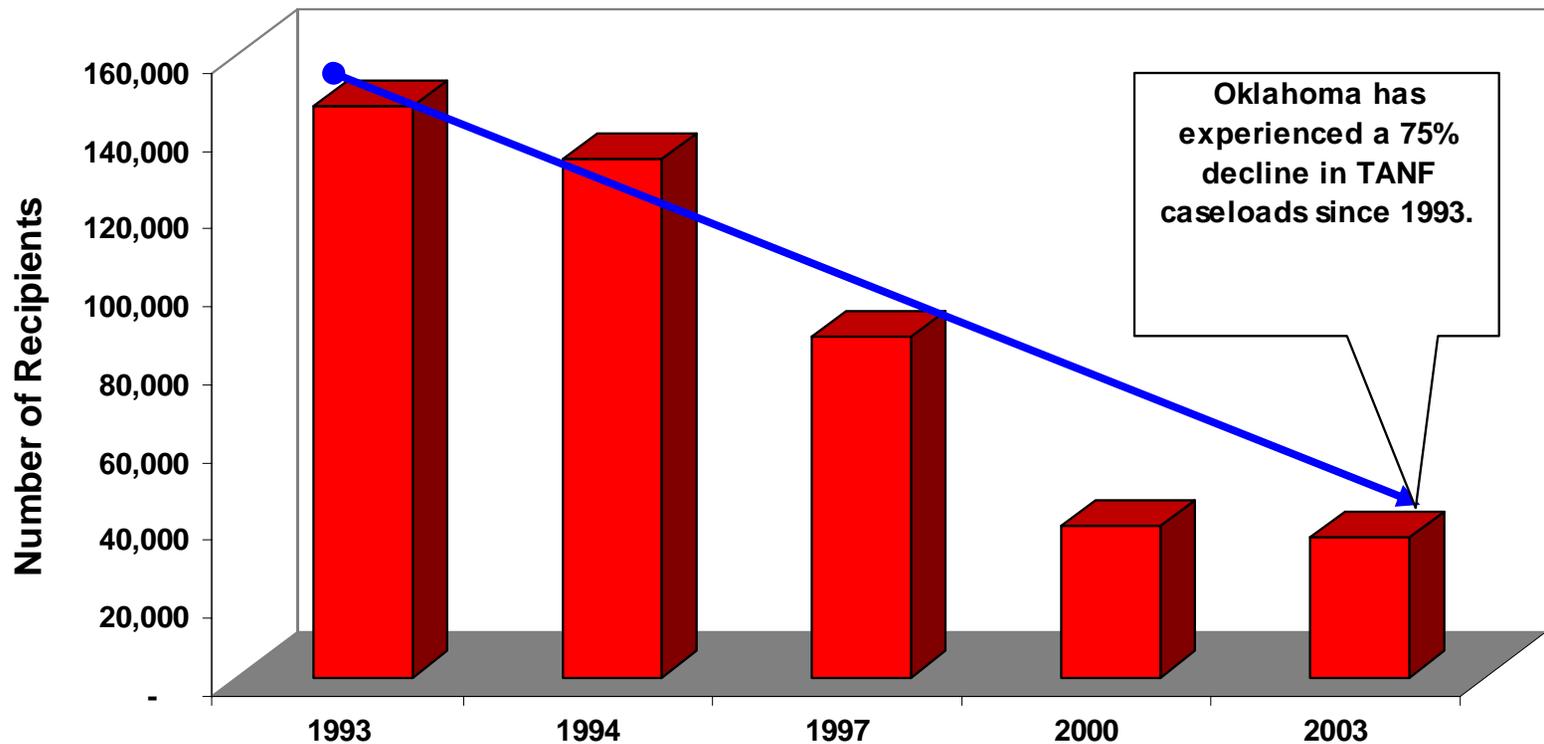


# Early Childhood Success

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- Oklahoma was recently recognized for having the highest percentage of 4-year-olds enrolled in a quality preschool program. Oklahoma's Pre-K programs include the following quality standards that consistently result in one of the highest ranked programs in the nation:
  - All Pre-K teachers must be certified educators.
  - Low student to teacher ratios.
  - Breakfast and lunch availability.
  - Curriculum designed to match established K-12 standards

# Change in Temporary Assistance for Needy Families Caseloads 1993 - 2003



Source: U.S. Department of Health and Human Services



**For current Senate information, please visit the Senate website at:**

**[www.oksenate.gov](http://www.oksenate.gov)**

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