

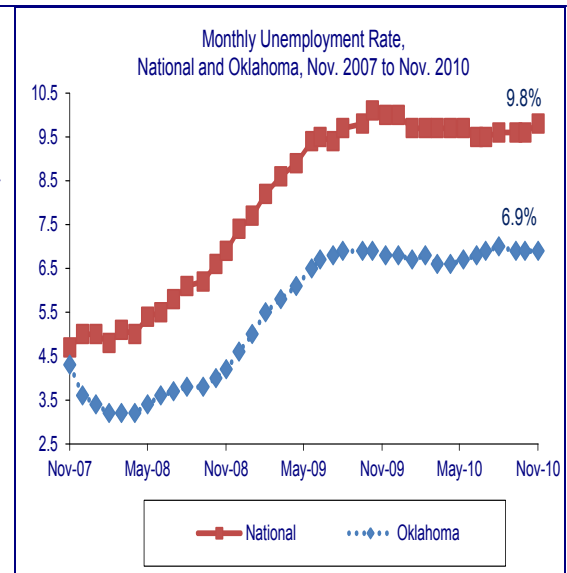
NUMBERS YOU NEED:

Key Oklahoma Economic and Budget Trends: January 2011

1. EMPLOYMENT

Oklahoma's unemployment rate remained unchanged at 6.9 percent for the third straight month in November, while the national unemployment rate rose to 9.8 percent. Oklahoma's unemployment rate is 11th lowest in the nation. Nonetheless, there are signs that more jobless workers are simply exiting the workforce, as total non-farm employment fell by 3,100 in November. The number of average weekly continuing claims for jobless benefits fell for the ninth time in ten months in November and is now 26 percent less than one year ago.

| Oklahoma | Nov-10 | Oct-10 | Nov-09 | Monthly Change | Annual Change |
|-------------------------------------|---------|---------|---------|----------------|---------------|
| Total Non-Farm Employment (in 000s) | 1,540.3 | 1,543.4 | 1,519.8 | (3.1) | 20.5 |
| Unemployed (in 000s) | 120.7 | 121.5 | 121.8 | (0.8) | -1.1 |
| Unemployment Rate (%) | 6.9% | 6.9% | 6.9% | 0.0% | 0.0% |
| Initial UI Claims (Weekly Avg.) | 3,089 | 3,294 | 3,866 | (205) | (777) |
| Continuing UI Claims (Weekly Avg.) | 29,706 | 30,272 | 40,270 | (567) | (10,565) |



Sources: Bureau of Labor Statistics: <http://www.bls.gov/news.release/laus.toc.htm>; <http://www.economagic.com/>; Department of Labor: <http://ows.doleta.gov/unemploy/claims.asp>. Employment and unemployment figures are seasonally-adjusted.

2. INFLATION

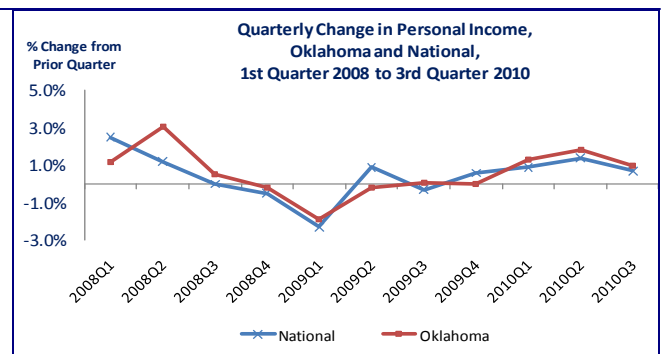
The Consumer Price Index (CPI) for the South region was unchanged in November. For the month, transportation was the only index to rise (+0.6 percent), while the cost of several major items declined. Over the past 12 months, overall inflation has risen by a modest 1.1 percent. The cost of transportation (+3.9 percent) and medical care (+3.3 percent) have seen the largest increases, while apparel (-1.5 percent), recreation (-1.2 percent) and housing (-0.2 percent) have all fallen.

| Inflation (CPI - All Urban Consumers, South Region) | % Change from Prior Month | | | 12-month % Change |
|---|---------------------------|--------|--------|-------------------|
| | Nov-10 | Oct-10 | Nov-09 | |
| All items | 0.0 | 0.1 | 0.2 | 1.1 |
| Food and beverages | 0.0 | 0.0 | 0.0 | 1.5 |
| Housing | -0.2 | -0.3 | -0.4 | -0.2 |
| Apparel | -0.7 | 1.0 | -1.3 | -1.5 |
| Transportation | 0.6 | 1.4 | 2.4 | 3.9 |
| Medical care | 0.0 | 0.2 | 0.7 | 3.3 |
| Recreation | -0.1 | -0.3 | -0.8 | -1.2 |
| Education and communication | -0.2 | -0.1 | -0.2 | 1.8 |
| Other goods and services | 0.0 | -0.2 | 0.3 | 1.3 |
| Energy | -0.2 | 0.2 | 2.8 | 2.2 |
| All items less food and energy | 0.0 | 0.1 | -0.1 | 0.9 |

Source: Bureau of Labor Statistics, Consumer Price Index for the South: <http://www.bls.gov/ro4/cpiso.htm>

3. ECONOMIC GROWTH

State personal income grew by 1.0 percent in Oklahoma in the third quarter of 2009. Growth was more modest than in the two prior quarters but exceeded the national growth rate of 0.7 percent and was 7th highest in the nation. Personal income grew everywhere but New York and Maine in the 3rd quarter, with South Dakota (+1.8 percent) leading the way). Over the past 12 months, Oklahoma's personal income rose by 4.2 percent, outpacing the nation as a whole (+3.6 percent).



Source: Bureau of Economic Affairs: <http://www.bea.gov/>

4. WORK SUPPORTS AND PUBLIC BENEFITS

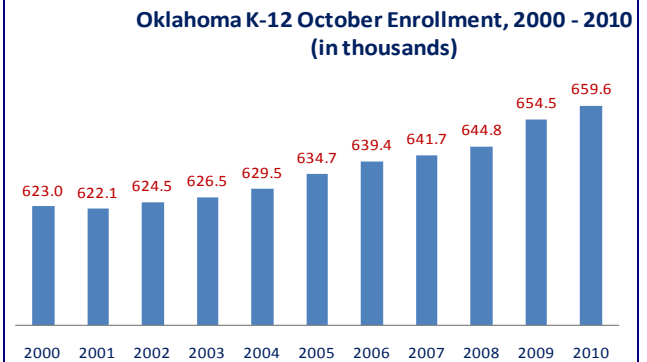
The number of Oklahomans receiving benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) declined slightly in October following 30 straight months of growth, but remained 49 percent higher than in March 2008. Meanwhile, the number of SoonerCare health insurance recipients surged by 15,024 in October, or 2.1 percent, marking the 25th straight month of increased enrollment. Slightly more people received TANF cash assistance payment in October but the number remained below last year's levels. Data from the USDA's Food and Nutrition Service appeared to reveal huge growth in October in the number of students participating in the free- and reduced- school lunch program, but these are preliminary numbers; according to the State Department of Education, their revised numbers show a slight decline in October.

| PROGRAM | Oct-10 | Sep-10 | Aug-10 | Monthly Change (Aug - Sept 2010) | Monthly Percent Change | Oct-09 | Annual Change | Annual Percent change |
|--|---------|---------|---------|--|------------------------------|---------|------------------|-----------------------------|
| Child Care subsidies - Persons Participating | 39,734 | 39,387 | 41,437 | 347 | 0.9% | 38,853 | 881 | 2.3% |
| Supplemental Nutrition Assistance (Food Stamps) - Persons Participating | 610,995 | 612,347 | 606,700 | (1,352) | -0.2% | 546,988 | 64,007 | 11.7% |
| SoonerCare (Medicaid) - Persons Participating | 726,960 | 711,936 | 708,653 | 15,024 | 2.1% | 671,700 | 55,260 | 8.2% |
| TANF (Temporary Assistance to Needy Families) - Persons Participating | 22,436 | 22,214 | 21,834 | 222 | 1.0% | 23,167 | (731) | -3.2% |
| WIC (Women, Infants, Children) Nutrition Program | 131,849 | 133,784 | 135,101 | (1,935) | -1.4% | 137,469 | (5,620) | -4.1% |
| School Lunch Program - Children Participating | 528,150 | 462,593 | 429,718 | 65,557 | 14.2% | 445,776 | 82,374 | 18.5% |
| School Breakfast Program - Children Participating | 228,228 | 227,806 | 190,381 | 422 | 0.2% | 213,762 | 14,466 | 6.8% |

Sources: Oklahoma Department of Human Services: <http://www.okdhs.org/library/stats/sb/> Oklahoma Health Care Authority: <http://okhca.org/research.aspx?id=87&parts=7447> USDA Food and Nutrition Service: <http://www.fns.usda.gov/pd/>

5. SCHOOL ENROLLMENT

Oklahoma public school enrollment grew to 659,615 for the 2010-2011 school year, an increase of 5,073 students from 2009-10. After several years of very modest growth in the early 2000's, enrollment has increased by over 30,000 students in the past six years. Of the total student population, 55 percent were White, 18 percent were American Indian, 12 percent were Hispanic, 10 percent were Black, and 5 percent were Asian/Pacific Islander or two or more races. Oklahoma City is now the largest school district with 42,989 students.



Source: State Department of Education, National Center for Education Statistics

6. STATE REVENUES

Monthly revenue collections continue to show growth compared to last year while remaining far below pre-downturn levels. December's General Revenue (GR) collections came in \$52.2 million, or 13.0 percent, above last year, the strongest month-over-month improvement since the recovery began. All major taxes came in above FY '10 levels. For the six months of FY '11, collections are \$165.7 million, or 7.5 percent, above FY '10. However, this year's collections remain 23.2 percent below their pre-downturn levels of FY '09. For the year, sales tax and motor vehicles tax revenues have shown the strongest growth compared to FY '10, while other major revenue sources have grown more modestly. December's GR was \$18.9 million, or 4.3 percent, below the certified estimate which served as the basis for this year's appropriations. For the year, GR is \$68.3 million, or 3.0 percent, above the estimate, making it increasingly unlikely that the state will face another mid-year shortfall.

| Monthly General Revenue Collections (Amounts in \$ Millions) | Dec '10 (FY '11) | Prior Year Dec '09 (FY '10) | Monthly Change, FY '11 vs FY '10 | FY '11 YTD (Jul - Dec) | Prior Year FY '10 YTD (Jul - Dec) | FY '09 YTD (Jul - Dec) | YTD Change, FY '11 vs FY '10 |
|---|---------------------|-----------------------------------|---|------------------------------|--|------------------------------|---------------------------------------|
| Personal Income Tax | \$ 172.9 | \$ 154.2 | \$ 18.7 | \$ 899.8 | \$ 882.2 | \$ 1,109.9 | \$ 17.6 |
| Corporate Income Tax | \$ 31.0 | \$ 18.0 | \$ 13.0 | \$ 87.3 | \$ 74.9 | \$ 131.3 | \$ 12.4 |
| Gross Production Tax | \$ 34.5 | \$ 30.2 | \$ 4.3 | \$ 150.3 | \$ 123.9 | \$ 523.5 | \$ 26.4 |
| Sales Tax | \$ 145.2 | \$ 135.8 | \$ 9.4 | \$ 828.0 | \$ 755.3 | \$ 871.0 | \$ 72.7 |
| Motor Vehicles Tax | \$ 13.6 | \$ 11.0 | \$ 2.6 | \$ 93.6 | \$ 68.5 | \$ 94.5 | \$ 25.1 |
| Other Sources | \$ 57.3 | \$ 53.1 | \$ 4.2 | \$ 305.9 | \$ 294.4 | \$ 350.8 | \$ 11.5 |
| Total General Revenue | \$ 454.5 | \$ 402.3 | \$ 52.2 | \$ 2,364.9 | \$ 2,199.2 | \$ 3,081.0 | \$ 165.7 |

Source: Oklahoma State Treasurer <http://www.ok.gov/treasurer/Newsroom/index.html>

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