

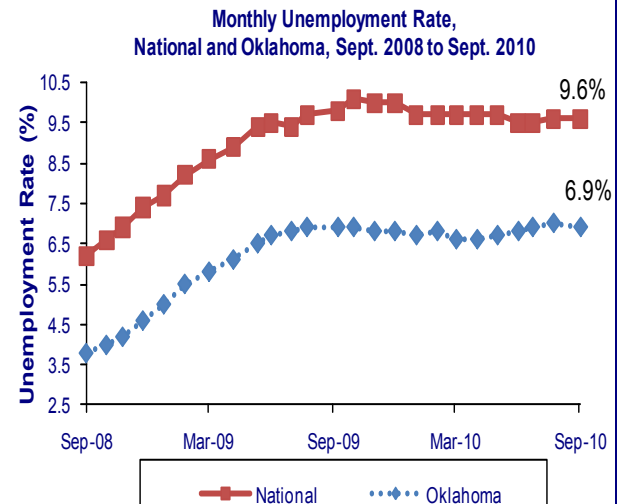
### NUMBERS YOU NEED:

## Key Oklahoma Economic and Budget Trends: November 2010

### 1. EMPLOYMENT

Oklahoma's unemployment rate dipped by 0.1 percent in September to 6.9 percent, following three straight months of slight increases. However, total employment also fell in September, suggesting some workers were giving up looking for jobs. Oklahoma's jobless rate remained 2.7 percentage points below the national average and was eighth lowest in the nation. The number of initial applicants for jobless benefits (UI) fell to 2,976 in September, a drop of 10.7 percent from August and 20.6 percent from Sept. 2009. 2009.

| Oklahoma                            | Sep-10  | Aug-10  | Sep-09  | Monthly Change | Annual Change |
|-------------------------------------|---------|---------|---------|----------------|---------------|
| Total Non-Farm Employment (in 000s) | 1,543.3 | 1,544.8 | 1,517.2 | (1.5)          | 26.1          |
| Unemployed (in 000s)                | 121.8   | 122.8   | 121.6   | (1.0)          | 0.2           |
| Unemployment Rate (%)               | 6.9%    | 7.0%    | 6.9%    | -0.1%          | 0.0%          |
| Initial UI Claims (Weekly Avg.)     | 2,976   | 3,335   | 3,749   | (359)          | (773)         |
| Continuing UI Claims (Weekly Avg.)  | 32,506  | 32,940  | 44,524  | (434)          | (12,018)      |



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

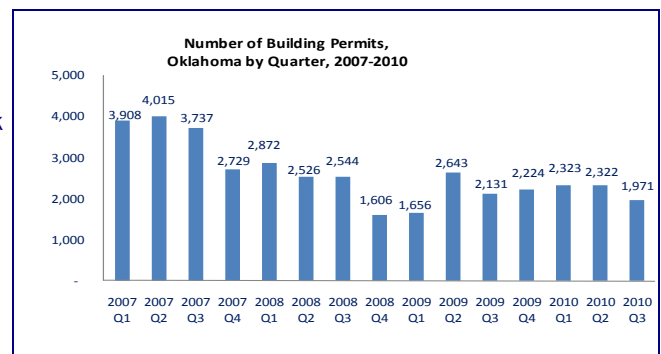
For the second straight rate, the Consumer Price Index (CPI) for the South region rose by 0.2 percent in September. For the month, the indexes for apparel (+3.6 percent) and medical care (+1.2 percent) rose most steeply, while energy (-1.0 percent) and transportation (-0.5 percent) fell. Over the past twelve months, inflation stands at a modest 1.4 percent. The costs of transportation (+5.9 percent), medical care (+4.0 percent), energy (+3.9 percent) have risen most steeply over the past year.

| Inflation (CPI - All Urban Consumers, South Region) | % Change from Prior Month |        |        | 12-month % Change |
|---|---------------------------|--------|--------|-------------------|
|   | Sep-10                    | Aug-10 | Sep-09 |                   |
| All Items   | 0.2                       | 0.2    | 0.0    | 1.4               |
| Food and beverages                                  | 0.5                       | 0.2    | -0.2   | 1.6               |
| Housing   | 0.0                       | -0.1   | -0.2   | -0.3              |
| Apparel   | 3.6                       | 1.2    | 4.4    | 1.9               |
| Transportation                                      | -0.5                      | 0.3    | -1.0   | 5.9               |
| Medical care  | 1.2                       | 0.1    | 0.3    | 4.0               |
| Recreation  | -0.2                      | 0.1    | 0.1    | -2.2              |
| Education and communication                         | 0.5                       | 0.8    | 0.6    | 2.2               |
| Other goods and services                            | 0.1                       | 0.1    | 0.3    | 2.2               |
| Energy  | -1.0                      | 0.3    | -2.1   | 3.9               |
| All items less food and energy                      | 0.3                       | 0.1    | 0.2    | 1.0               |

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

### 3. BUILDING PERMITS

One measure of the state's halting recovery during 2010 can be seen in building permits, a leading economic indicator used to track the housing industry. The 1,971 permits issued in the 3rd quarter of 2010 was down 10.3 percent from 2009 and was the lowest number since the 1st quarter of 2009. For the first nine months of 2010, a total of 6,616 building permits were issued, a 3 percent increase from 2009 but still well below pre-downturn levels.



Source: Economagic.com <http://www.economagic.com/em-cgi/data.exe/>

#### 4. WORK SUPPORTS AND PUBLIC BENEFITS

Ongoing economic hardship is reflected in the continued upward climb of participation in key work support and safety net programs. The number of Oklahomans receiving benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) increased for the 29th straight month in August, reaching an all-time high of 606,700 persons. SNAP enrollment is now 45 percent higher than it was in March 2008. Similarly, the number of SoonerCare health insurance recipients grew for the 24th straight month in August, surpassing 700,000 recipients. With school resuming, participation in the child care subsidy program rose by 5.9 percent in August and is 3.1 percent higher than one year ago. Despite the persistence of high unemployment, participation in the TANF cash assistance program remains extremely limited, with only 21,834 people, and just 4,235 adults, receiving benefits.

| PROGRAM  | Aug-10  | Jul-10  | Jun-10  | Monthly Change<br>(Jul - Aug 2010) | Monthly<br>Percent<br>Change | Aug-09  | Annual<br>Change | Annual<br>Percent<br>change |
|--|---------|---------|---------|------------------------------------|------------------------------|---------|------------------|-----------------------------|
| Child Care subsidies - Persons Participating                               | 41,437  | 39,114  | 39,739  | 2,323                              | 5.9%                         | 40,206  | 1,231            | 3.1%                        |
| Supplemental Nutrition Assistance (Food Stamps) -<br>Persons Participating | 606,700 | 598,126 | 588,334 | 8,574                              | 1.4%                         | 524,536 | 82,164           | 15.7%                       |
| SoonerCare (Medicaid) - Persons Participating                              | 708,653 | 697,677 | 695,151 | 10,976                             | 1.6%                         | 659,944 | 48,709           | 7.4%                        |
| TANF (Temporary Assistance to Needy Families) -<br>Persons Participating   | 21,834  | 21,485  | 21,198  | 349                                | 1.6%                         | 21,732  | 102              | 0.5%                        |
| WIC (Women, Infants, Children) Nutrition Program                           | 135,098 | 132,911 | 132,166 | 2,187                              | 1.6%                         | 136,931 | (1,833)          | -1.3%                       |

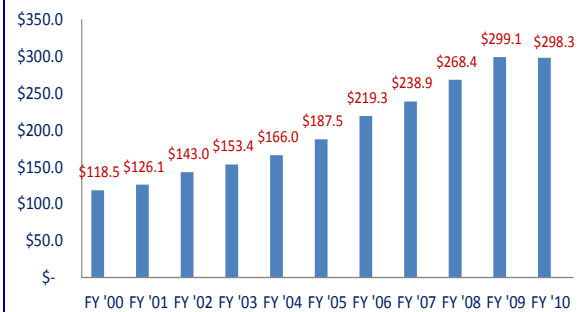
Source: Oklahoma Department of Human Services: <http://www.okdhs.org/library/stats/sb/> USDA Food and Nutrition Service: <http://www.fns.usda.gov/pd/>

#### 5. CHILD SUPPORT ENFORCEMENT

The Oklahoma Department of Human Services collected just under \$300 million in child support in FY '10. Collections were virtually unchanged from FY '09 (-0.2 percent), after nearly doubling in the prior six years. Child support is aimed at ensuring the financial and medical well-being of children and keeping taxpayers from bearing the cost of supporting Oklahoma's children. The Department uses financial institution data matches, new hire reporting, and lottery and tax refund intercepts to reach delinquent parents and enforce child support obligations.

Source: OKDHS Annual Bulletins <http://www.okdhs.org/library/rpts/default.htm>

**OKDHS Annual Child Support Enforcement  
Collections, in \$ Millions, FY '00 - FY '10**



#### 6. STATE REVENUES

Monthly revenue collections continue to show only a slow, partial recovery after the momentous drop of FY '10. October's General Revenue (GR) collections came in \$9.4 million, or 2.5 percent, above last year. Most of the growth was in sales tax and personal income tax collections, while corporate income tax and gross production tax revenues were below last year's levels. For the four months of FY '11, collections are \$84.1 million, or 5.7 percent, above FY '10. This year's collections remain 24.0 percent below their pre-downturn levels of FY '09. For the year, sales tax and motor vehicles tax revenues have shown the strongest growth, while other major revenue sources have grown modestly or fallen. September's GR was \$13.8 million, or 3.7 percent, above the certified estimate of February which served as the basis for this year's appropriations; for the year, GR is \$59.1 million, or 3.9 percent, above the estimate. This suggests that mid-year budget cuts will be unlikely and that the state could finish the year with a small surplus, which would lead to a deposit in the state's Rainy Day Fund.

| Monthly General Revenue Collections<br>(Amounts in \$ Millions) | Oct '10<br>(FY '11) | Prior Year<br>Oct '09 (FY<br>'10) | Monthly<br>Change,<br>FY '11 vs<br>FY '10 | FY '11<br>YTD (Jul -<br>Oct) | Prior Year<br>FY '10<br>YTD (Jul -<br>Oct) | FY '09<br>YTD (Jul -<br>Oct) | YTD<br>Change,<br>FY '11 vs<br>FY '10 |
|---|---------------------|-----------------------------------|---|------------------------------|--|------------------------------|---------------------------------------|
| Personal Income Tax   | \$ 151.9            | \$ 140.2                          | \$ 11.7                                   | \$ 595.9                     | \$ 590.6                                   | \$ 731.3                     | \$ 5.3                                |
| Corporate Income Tax  | \$ 5.3              | \$ 19.6                           | \$ (14.3)                                 | \$ 55.3                      | \$ 56.9                                    | \$ 87.0                      | \$ (1.6)                              |
| Gross Production Tax  | \$ 22.0             | \$ 23.6                           | \$ (1.6)                                  | \$ 95.7                      | \$ 83.4                                    | \$ 361.5                     | \$ 12.3                               |
| Sales Tax   | \$ 134.2            | \$ 117.6                          | \$ 16.6                                   | \$ 548.0                     | \$ 496.3                                   | \$ 572.4                     | \$ 51.7                               |
| Motor Vehicles Tax  | \$ 13.1             | \$ 11.0                           | \$ 2.1                                    | \$ 66.8                      | \$ 45.9                                    | \$ 74.1                      | \$ 20.9                               |
| Other Sources   | \$ 57.4             | \$ 62.5                           | \$ (5.1)                                  | \$ 202.8                     | \$ 207.3                                   | \$ 231.9                     | \$ (4.5)                              |
| <b>Total General Revenue</b>                                    | <b>\$ 383.9</b>     | <b>\$ 374.5</b>                   | <b>\$ 9.4</b>                             | <b>\$ 1,564.5</b>            | <b>\$ 1,480.4</b>                          | <b>\$ 2,058.2</b>            | <b>\$ 84.1</b>                        |

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

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