OKLAHOMA State Treasurer

State Economic Report

September 2025

"September showed steady economic activity in Oklahoma. Energy production remains stable, unemployment holds at 3.1%, and manufacturing is stabilizing. With inflation under control and borrowing costs easing, expectations for more Fed rate cuts could provide additional relief."

STATE TREASURER TODD RUSS

Monthly Comparison: **September vs. August 2025**

Gross Production Tax
↑ $3.9M or 4.5%

Income Tax
↑ $265.4M or 68.7%

Sales & Use Tax[1]
↓ $38.7M or 6.5%

Vehicle Tax
↑ $3.7M or 5.2%

Other Tax Sources[2]
↓ $3.9M or 2.8%

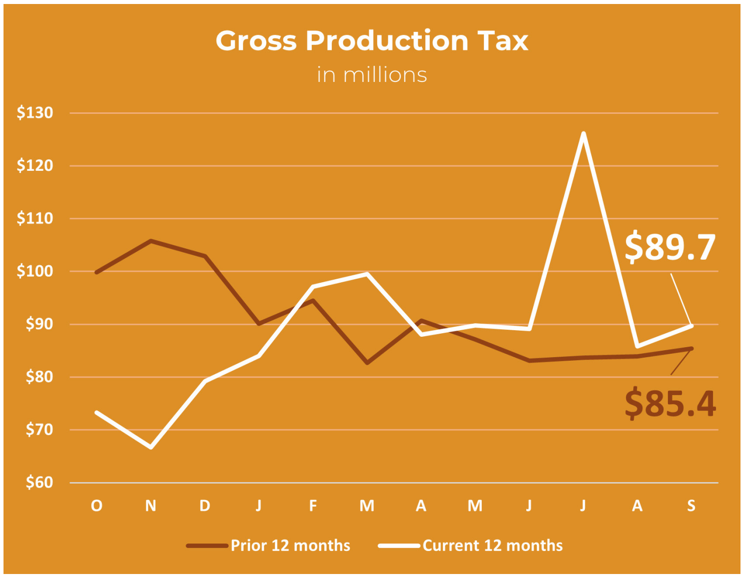
[1] County and municipality taxes

[2] Oklahoma Tax Commission gross taxes

GROSS PRODUCTION TAX (GPT) Oil & Gas Breakout				
	Gross Production Gas	$ 45.65M	Petroleum Gas	$ 705K
	Gross Production Oil	$ 42.67M	Petroleum Oil	$ 654K

GPT equals **$89.7 million** in revenues for September, an overall increase over last year of **$4.3 million** or **5.0%.**

Gross Production Tax revenue totaled $89.7 million in August, marking a return to the steady range seen through much of the year. Following July's brief surge, the energy sector has **settled into a balanced pace supported by stable production and moderate pricing**. This consistency continues to provide reliable strength for Oklahoma's economy, particularly in its energy-producing regions.

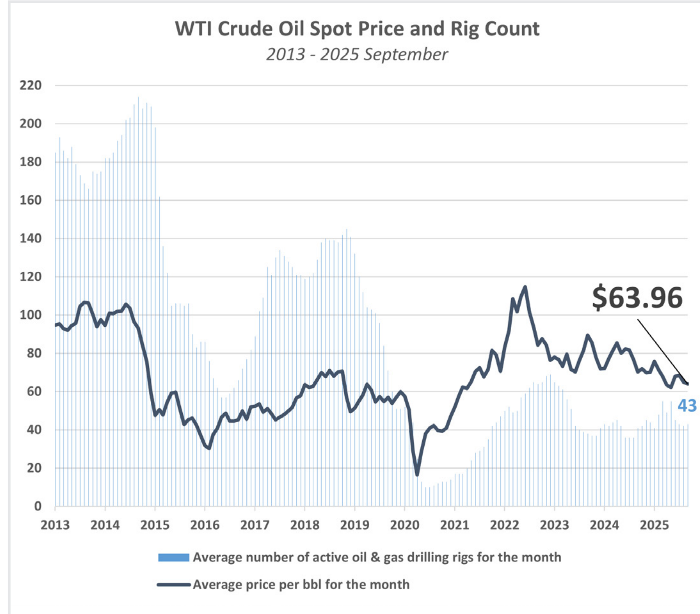


Personal Consumption Expenditures Price Index: **AUGUST +2.7%** JULY +2.6% JUNE +2.6%

Prices remain high but generally stable from to last year. The increase likely won't change the broader view inflation is under better control, supporting a gradual reduction in interest rates. The Fed's struggle is over prioritizing inflation or unemployment. A careful approach will be important to sustain economic growth while keeping inflation pressures in check.

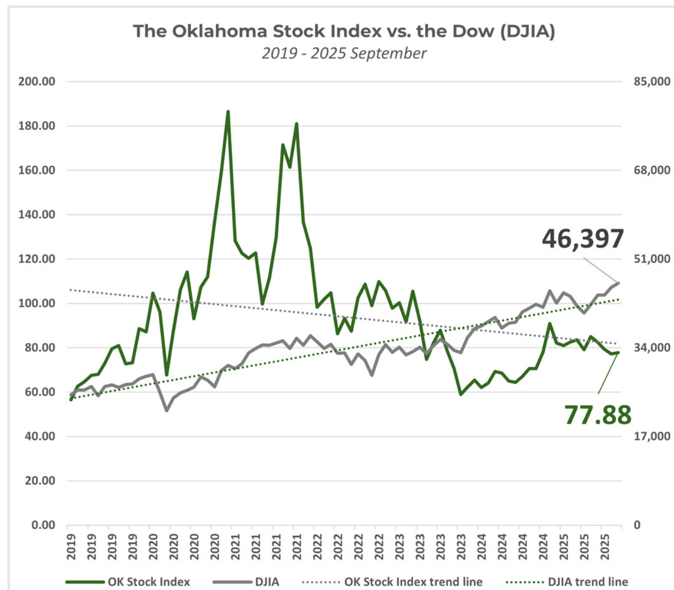
September shows a mixed picture for energy. Crude prices continued to soften, but the **uptick in rigs** indicates producers are **taking advantage of existing market stability** to maintain output. Gasoline prices edged higher, reflecting typical seasonal demand rather than supply shocks.

For Oklahoma, GPT revenue will continue to **benefit from steady production**. Overall, the energy sector appears balanced: **production is steady**, drilling is cautious, and market prices are stabilizing, providing a foundation for **moderate economic growth**.

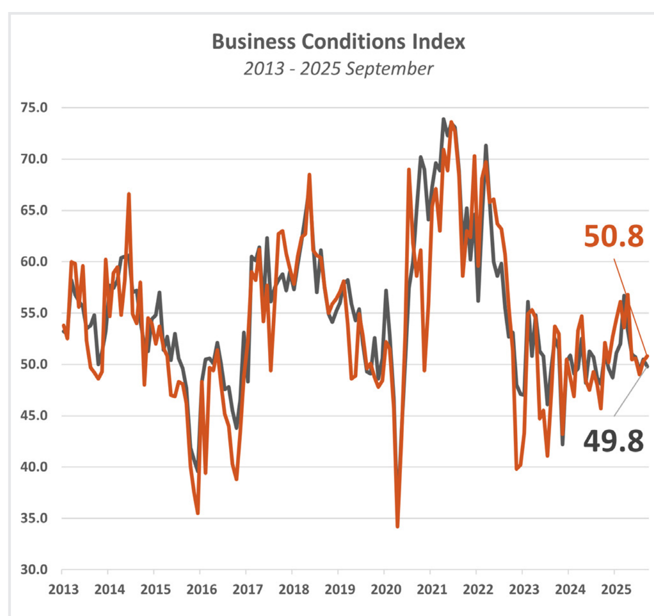


Nationally, **markets remain strong**, investor optimism is being supported by **solid corporate earnings and steady economic indicators**, which are **reinforcing confidence** in continued growth. Locally, there's more caution compared with investors wary in sectors tied to energy, regulatory changes, and regional cost pressures.

Going forward, any shifts in national economic data with inflation or employment could influence expectations, while **sales tax and regulatory developments** will likely continue to shape Oklahoma market performance.



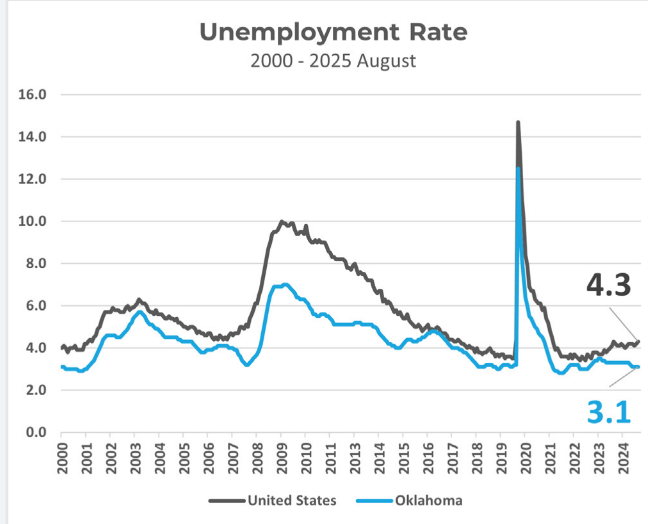
The rebound in Oklahoma's index suggests manufacturing activity is **stabilizing**, driven by **stronger new orders and production**. However, a slight decline in year-to-date exports show growth remains uneven. Transportation equipment continues to be a bright spot, **helping support overall manufacturing performance** even as domestic and regional demand softens. If current trends continue, manufacturers may focus on **improving efficiency and inventory management** while cautiously monitoring demand in the coming months.



Unemployment rates **continue to be at 4.3%,** the U.S increasing **0.1%** over last month and OK remaining at **3.1%** for the last four months.

As rates remains low jobs continue to grow, with non-farm payroll employment in **Oklahoma tied 10th** in the nation for **percentage gain** over the last 12 months and in or near the top 10 for all of 2025.

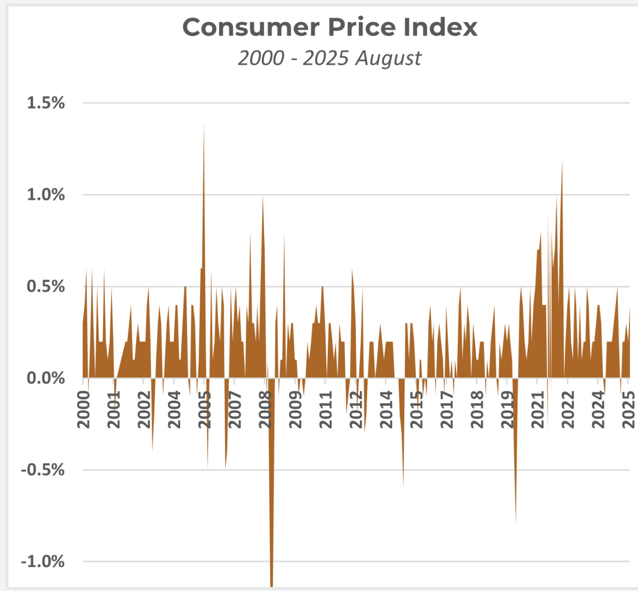
Nationwide unemployment fell in **2** states, rose in **1** and remained unchanged in **47**.



FEDERAL DATA DELAYS FROM THE GOVERNMENT SHUTDOWN REFLECT PRIOR MONTH'S INFORMATION.

CPI hit **2.9%** in August, an increase of **0.4%** in price level within the current month, **marking the fifth consecutive monthly increase**. Inflation pressures broadened, with shelter, food, and energy **remaining the primary drivers of higher costs**. Gasoline and electricity prices climbed, while grocery and restaurant prices continued to edge up, keeping household budgets under strain.

The persistence of core inflation signals that **price growth remains rooted**, likely reinforcing the Federal Reserve's cautious stance on interest rate cuts.



The weekly average 30-year fixed rate **decreased slightly** over last month as markets stabilize. Borrowing costs are easing, **offering some relief to homebuyers**, but affordability and limited inventory remain significant challenges. Despite the Fed's rate cuts, long-term mortgage trends have adjusted slowly.

Markets are closely watching for a another Fed rate cut later this year, which could put further **relief on borrowing costs and support homebuyer confidence**.