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OKLAHOMA'S GOVERNMENT COULD BE SMALLER

Oklahoma's taxes and fees are higher than Massachusetts' as a percentage of GDP.

OKLAHOMA CITY, OK (July 7, 2021) – The 1889 Institute has updated “Oklahoma Government Revenues and Spending in Perspective,” a Fact Sheet that compares Oklahoma to the other states in total taxes and fees collected by state and local government as a percentage of the state’s GDP. Oklahoma ranks 13th among the states in how low its governments’ revenues are compared to other states.

The Fact Sheet also looks at state and local government spending in six categories: higher education, public education, public welfare, hospitals, highways, and corrections. Oklahoma spends more of its GDP on higher education than 32 other states, but spends more by this measure than only 9 states on public education.

“In looking at the spending rankings, it’s clear that Oklahoma could spend more efficiently in some areas,” said Jason Lawter, the study’s author and Fiscal Policy Fellow at the 1889 Institute. “This does require discernment, though, given that the state’s road needs may well justify Oklahoma outspending 33 other states in that area,” he said.

Although Oklahoma is often characterized as a relatively poor state, the Fact Sheet illustrates that straightforward national comparisons of average income across the states does not give a full picture. “When cost of living is accounted for,” said Lawter, “it turns out average personal income in Oklahoma ranks right in the middle of states.” Lawter points out that, due to Oklahoma’s low cost of living, Oklahomans, on average out-earn the citizens of 23 states.

“We shouldn’t sell ourselves short,” said Lawter. “Ours is a prosperous state, but even viewed at a high level, as this report does, it’s clear we can improve when we compare ourselves carefully to the spending of other states.” Lawter pointed out that even though the data analyzed were from 2018, after some states like Arizona had expanded Medicaid, Oklahoma still spent more on hospitals than 18 states, including Arizona.

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About the 1889 Institute

The 1889 Institute is an Oklahoma think tank committed to independent, principled state policy fostering limited and responsible government, free enterprise and a robust civil society. The publication, “Oklahoma Government Revenues and Spending in Perspective” and other reports can be found on the nonprofit’s website at www.1889institute.org.