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SECOND 50-STATE TAX AND SPENDING COMPARISON PUBLISHED

Oklahoma is still not a low-tax state.

OKLAHOMA CITY, Okla. (March 11, 2020) – The 1889 Institute has published a Fact Sheet, “Oklahoma Government Revenues and Spending in Perspective – Update.” Using federal data, the Institute compares states by looking at the percentage of personal income collected in state and local government revenues and spent in six broad spending categories: higher education, public education, public welfare, hospitals, highways, and corrections.

The study shows that Oklahoma’s state and local governments:

- Extract 13.2 percent of Oklahomans’ personal income in taxes and fees, moving Oklahoma into the Top Ten, and ahead of Texas.
- Spend on the six featured spending areas (which include federal dollars), 12.38 percent of personal income, only a little below the national average of 12.7 percent. While 9th overall (least spent being first), Oklahoma is not that much better than 25th.
- Spend a higher percentage of our income on higher education than 28 states.
- Spend a higher percentage of income on public education than seven states, including Arizona, a leader in educational choice and progress.
- Spend a higher percentage of state personal income on public welfare than 24 states.

In addition, the study’s authors calculate that if Oklahoma’s state and local governments increased efficiency by 10 percent, doable given the examples of other states, \$2 billion would be available to enhance existing services, provide new ones, or be returned to taxpayers.

“As with our study two years ago, these high-level numbers show that Oklahoma governments could be more efficient,” said study co-author Vance Fried, Senior Fellow of the 1889 Institute and Riata Professor of Entrepreneurship Emeritus at Oklahoma State University.

“It’s now arguable that Oklahoma is a low-tax state,” said Byron Schломach, one of the study’s authors and Director of the 1889 Institute. “But when it comes to specific spending categories, we’re all over the place. We can get a lot better overall if we are more like Florida or New York in higher education, Texas or Virginia on welfare, Georgia or Arizona on highways, and Massachusetts or Illinois on corrections,” he said.

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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 - Update,” can be found on the nonprofit’s website at <http://www.1889institute.org>.