



OKLAHOMA BUSINESS LEADERS POLL 2024



THE STATE CHAMBER

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BUSINESS LEADERSHIP
ADVANCING OKLAHOMA'S ECONOMY

www.okbusinessroundtable.com



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ABOUT THE BUSINESS LEADERS POLL

The Business Leaders Poll (BLP) is the “pulse check” of the Oklahoma business community. A collaborative project of The State Chamber, the Oklahoma Business Roundtable, and The State Chamber Research Foundation, the BLP is the only statewide, scientific survey that annually measures the sentiments, concerns, and outlook of business leaders—from the C-suites to the corner stores—who shape Oklahoma’s economy.

The 2024 BLP surveyed 325 business owners and executives in Oklahoma over four weeks in early Summer 2024. The survey aimed to understand a broad array of issues, including current economic conditions, workforce issues, public policy priorities, and the broader role of businesses in society.

The BLP is meant to be a resource for businesses, policymakers, and the public. It was conceived with the conviction that it is impossible to create the conditions for a prosperous and growing Oklahoma without first understanding the views of those who are on the front lines of the economy, the business leaders we are counting on to deliver that future Oklahoma.



We are pleased to present the 2024 edition of the Oklahoma Business Leaders Poll. The Business Leaders Poll (BLP) is a comprehensive survey designed to capture the sentiments, concerns, and outlook of Oklahoma’s business community. This annual poll, a collaborative effort of The State Chamber, the Oklahoma Business Roundtable, and The State Chamber Research Foundation, serves as a critical resource for businesses, policymakers, and the public. By gauging the perspectives of business leaders across various sectors, the BLP provides invaluable insights into the economic and public policy landscape of our state.

Top Findings in the 2024 BLP

- Business leaders again rank **workforce and education** as the most pressing issues facing businesses in Oklahoma.
 - **42%** of business leaders identified **workforce and education as the top issue**, even with a long list of options to choose from.
- The business community has a strong appetite for **pro-growth tax reform**.
 - **78%** of business leaders favor **reducing or eliminating the state income tax**.
- **Individual income tax takes priority** over other types of tax reform.
 - Asked which types of state taxes are most in need of reform to make Oklahoma more competitive regionally, business leaders pointed to the **individual income tax by a nearly 2 to 1 margin** over the next highest priority, taxes on business.
- Business leaders are **more optimistic about Oklahoma’s economy** than about the national economy.
 - Compared to the national economy, **67% believe Oklahoma is on the right track**, and only 29% believe the state is on the wrong track.

The BLP is an invaluable resource for our organizations and policymakers as we collaborate to improve Oklahoma’s economic climate and enhance its competitiveness. We are grateful for the active participation of the Oklahoma business community in helping Oklahoma grow and prosper—making their voices heard through our survey is a key part of that. As we continue to expand the BLP’s reach and refine its methodology, we aim to continually deliver a robust and reliable resource that informs decision-making and shapes public policy to benefit Oklahoma’s economy.

With a strong business community leading the way and public policy grounded in robust data, Oklahoma’s economic future is bright.

Sincerely,



CHAD WARMINGTON
President & CEO
The State Chamber

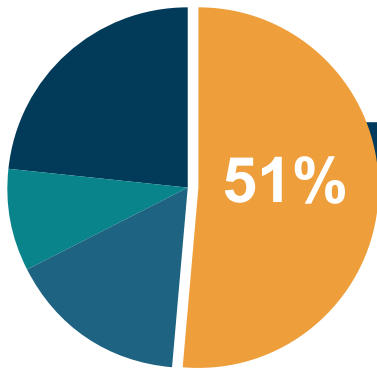


MARK FUNKE
President & CEO
Oklahoma Business Roundtable



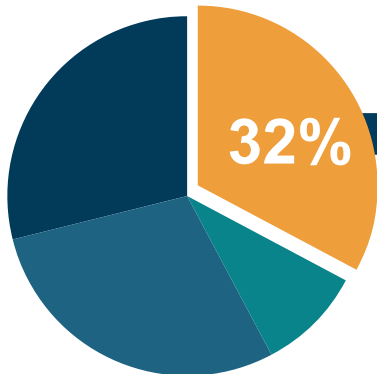
BEN LEPAK
Executive Director
The State Chamber
Research Foundation

Business leaders see Oklahoma as a place for entrepreneurship and growth. While businesses continue to grapple with changing national trends, such as the proliferation of artificial intelligence, leaders continue to be optimistic about Oklahoma’s economic direction.



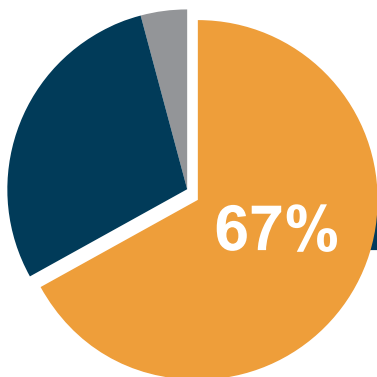
Experience with supply chain issues over the last few years:

- 51% still have concerns, but it is improving.
- 16% have concerns and it is not improving.
- 9% have never had supply chain concerns.
- 23% have had concerns, but none at the present time.



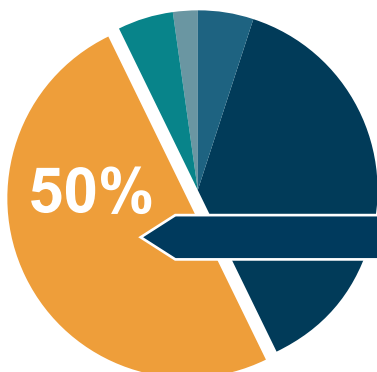
Which of the following best describes how AI, or artificial intelligence, is affecting your business?

- 32% are using AI and will use it more in the future.
- 28% are not using AI but expect to in the future.
- 9% are using AI but are uncertain if they will use it more in the future.
- 28% are not using AI and do not expect to in the future.



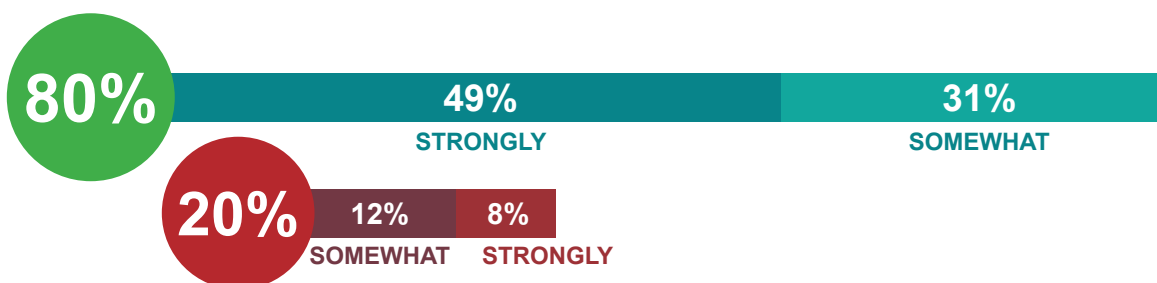
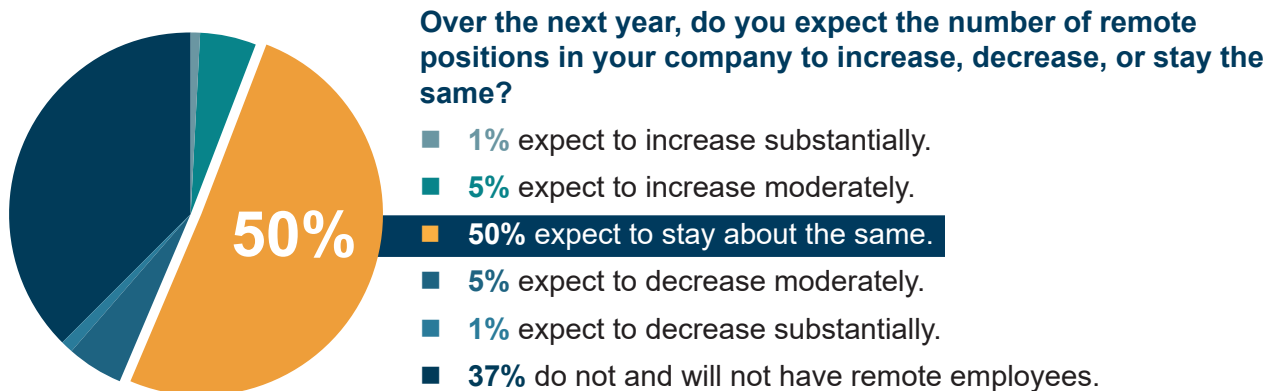
Compared to the national economy, do you think things in the Oklahoma economy are going in the right direction, or do you think things have pretty seriously gotten off on the wrong track?

- 67% believe the Oklahoma economy is on the right track.
- 29% believe it is on the wrong track.
- 4% are undecided.



Over the next year, do you believe your workforce will increase, decrease, or stay about the same?

- 5% expect to increase substantially.
- 38% expect to increase moderately.
- 50% expect to stay about the same.
- 5% expect to decrease moderately.
- 2% expect to decrease substantially.



Do you agree or disagree with the following statement: Business can and should be a powerful force for good in Oklahoma by encouraging dialogue, speaking out and making a real impact by leading on societal issues?

- 49% strongly agree.
- 31% somewhat agree.
- 12% somewhat disagree.
- 8% strongly disagree.



KEY TAKEAWAYS:

- ▶ Though business leaders are slightly less optimistic about Oklahoma's economic direction than last year, belief that Oklahoma is on the right track is still very strong.
 - ▶ **67% of business leaders say Oklahoma is on the right track, compared to 70% a year ago.**
- ▶ Artificial intelligence is becoming fully ingrained in business.
 - ▶ **69% of business leaders say they are already using AI or expect to in the future.**
- ▶ Workforce demand is still strong in Oklahoma, with 43% of business leaders saying they expect to increase their workforce over the next year, and 50% saying they expect to stay about the same. Only 7% expect a decrease in their workforce.

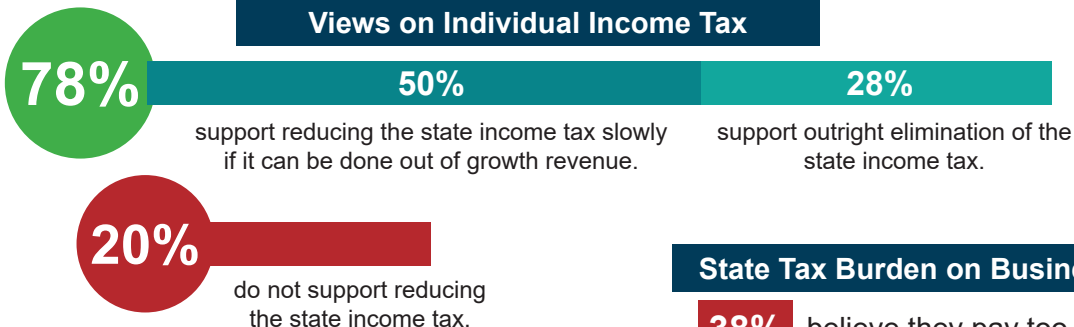
TAXES, REGULATIONS, & FISCAL POLICY



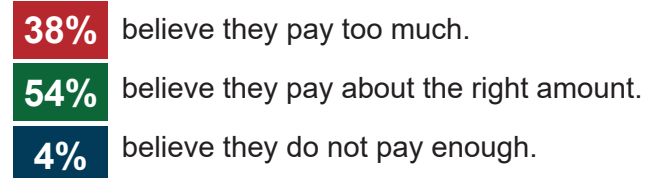
KEY TAKEAWAYS:

- ▶ Pro-growth tax reform continues to enjoy strong support among business leaders, with nearly 40% of respondents stating they believe their business pays too much in state and local taxes.
- ▶ Fully 78% of business leaders support reducing or eliminating the state individual income tax.
 - 50% of business leaders favor gradually reducing the income tax out of growth revenue to avoid cuts to core spending
 - 28% say they support outright elimination of the income tax so Oklahoma can compete with other high growth states.
 - Only 20% of business leaders say Oklahoma does not need to reduce the state income tax.
- ▶ Business leaders strongly prioritize reform of the **individual income tax over all other tax reform** options to make Oklahoma more competitive on a regional basis.
 - 40% of business leaders identified the state's individual income tax as most in need of reform, nearly double the number who chose taxes on business (23%). 21% favored reform of property taxes, and just 13% chose reform of sales tax.

Views on Individual Income Tax

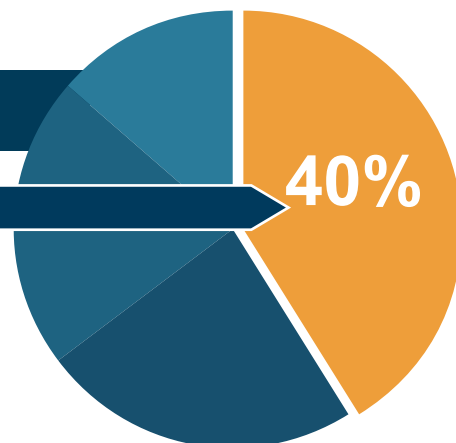


State Tax Burden on Businesses



Taxes most in need of reform to make Oklahoma more competitive on a regional basis:

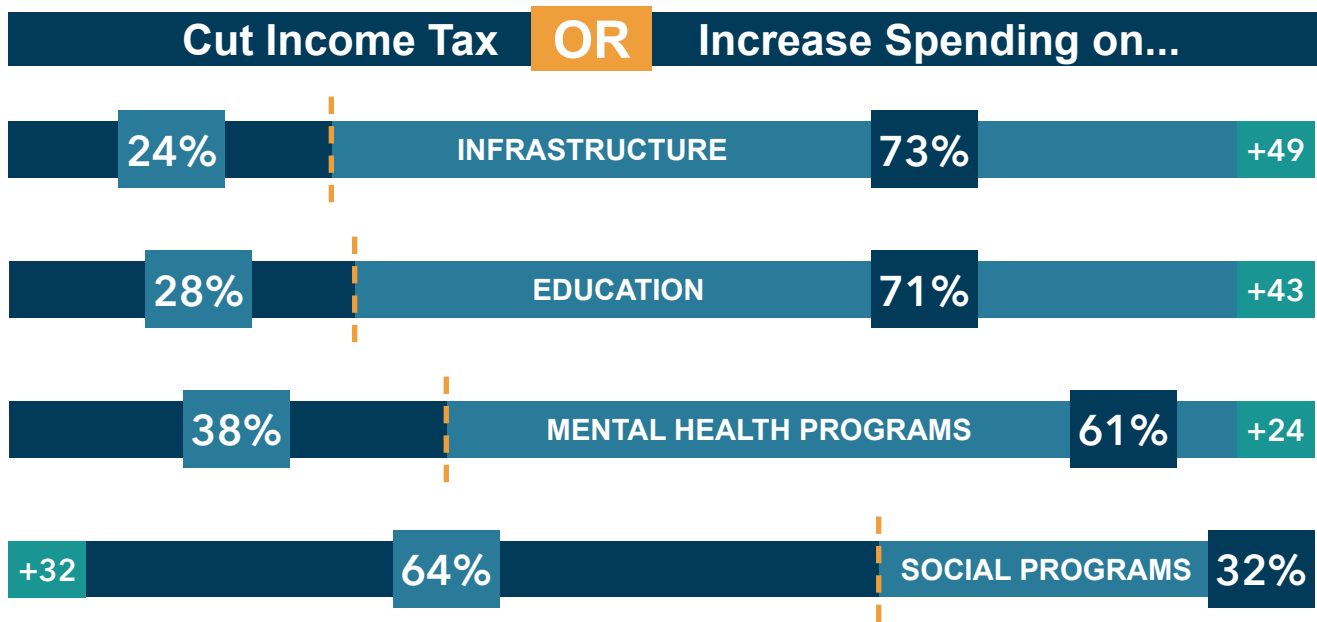
- Individual Income Tax - 40%
- Taxes on Business - 23%
- Property Taxes - 21%
- Sales Tax - 13%



TAX CUTS VS. SPENDING PRIORITIES

- ▶ Though supportive of income tax reform, business leaders generally do not wish to see tax cuts come at the expense of spending on core government services such as education, mental health programs, and infrastructure.
- This year's survey asked respondents if they were forced to choose between cutting the income tax or increasing spending on various government services which they would favor. The results demonstrate business leaders favor prudent tax reductions that come from growth revenue or spending in non-core areas, with the only exception being related to safety net spending.

WOULD YOU RATHER....



WOULD YOU RATHER....

Eliminate Income Tax OR Increase Spending

Full elimination of the income tax fares modestly better than mere tax cuts, but still does not find majority support when paired with core spending outside of welfare spending.

- When faced with the same series of choices, but instead offered the option of full elimination of the income tax instead of cuts to the tax, the gap narrows for education, mental health, and infrastructure spending

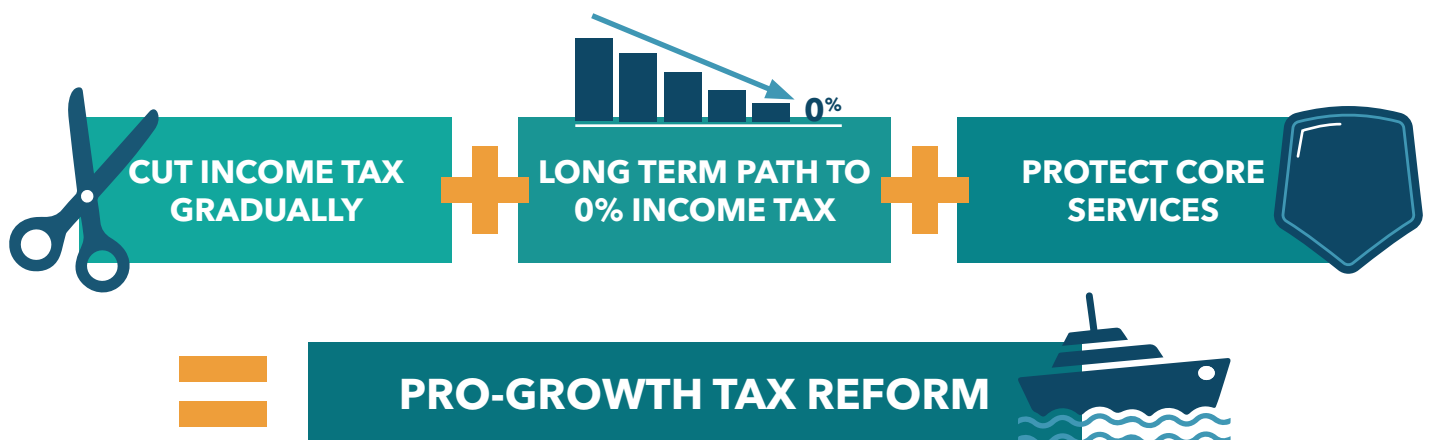
+24 Offering tax elimination at the expense of education spending instead of just tax cuts improves tax cut preferences ten full points, from 28% to 38%, narrowing the gap with education spending from 43 points to 24 points.

+12 Offering tax elimination at the expense of mental health spending instead of just tax cuts improves favorability of tax cuts from 37% to 43%, shrinking the gap with mental health spending from 24 points to just 12 points.

ANALYSIS OF TAX REFORM OPINIONS

Taking together the nuanced views on taxes captured in the poll, a few conclusions may be drawn:

- Business leaders believe that reform of the state's income tax would improve Oklahoma's competitiveness, and strongly favor reducing the state income tax if it can be done out of growth revenue or spending cuts in non-core areas.
- Business leaders' support for tax reductions is significantly stronger if tax cuts are pursued as part of a longer-term effort to fully eliminate the income tax rather than simply pursuing one-off tax cuts not aimed at the goal of elimination.
- Moreover, business leaders favor pursuing income tax reductions gradually to ensure core government spending priorities are protected.
- If core government services must be cut to reduce the income tax, only safety net and welfare cuts garner majority support to be on the chopping block among the business community.
- The identification of individual income tax as the top priority is notable given that the survey sample was nearly evenly split between leaders at companies who pay corporate income taxes (50%) and companies who operate as pass-through entities, paying taxes through the individual income tax code (42%).
- Despite half of respondents' businesses being subject to the corporate income tax, not individual income tax, it is significant that individual income tax is identified as most in need of reform by a nearly 2 to 1 margin
 - This preference for individual income tax reform indicates business leaders are focused on tax reform as a matter of overall state economic competitiveness and as a workforce issue, not just as a matter of what will directly benefit their companies' bottom lines.



ASSESSING GOVERNMENT REGULATORY BURDEN

Oklahoma business leaders continue to describe government regulations as burdensome to their business, with federal regulations ranking as the worst offender.

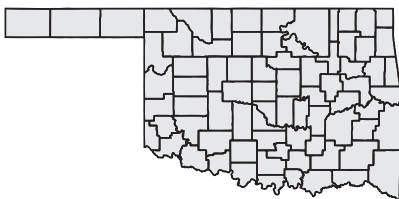
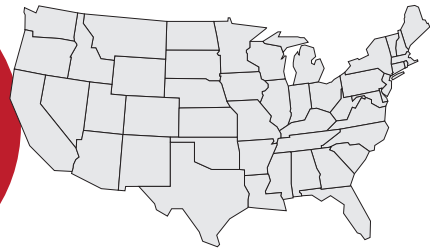
- ▶ 84% describe federal regulations as burdensome, with 46% saying they are extremely or very burdensome
- ▶ 80% describe state regulations as burdensome, with 22% saying they are extremely or very burdensome
- ▶ 61% describe local regulations as burdensome, with 13% saying they are extremely or very burdensome

Burden of Federal Regulations

Extremely/Very Burdensome: **46%**

Somewhat Burdensome: **38%**

Not a Burden at all: **15%**



Burden of State Regulations

Extremely/Very Burdensome: **22%**

Somewhat Burdensome: **58%**

Not a Burden at all: **21%**



Burden of Local Regulations (County and Municipal)

Extremely/Very Burdensome: **13%**

Somewhat Burdensome: **48%**

Not a Burden at all: **38%**



WORKFORCE & EDUCATION



KEY TAKEAWAYS:

- ▶ Business leaders clearly see a skills gap in the workforce, with 78% citing either soft skills or technical skills (as compared to degrees, experience, and retention problems) as their greatest concern about the workforce.
- ▶ The skills gap is particularly pronounced among positions that do not require a college degree
 - **51% of business leaders say these non-college roles are the most difficult to fill when vacancies arise**
- ▶ A concerning number of business leaders, 43%, consider the quality of the workforce somewhat or very unsatisfactory.
- ▶ Business leaders strongly favor reforming existing government assistance programs so they do not discourage people from working as a solution for workforce shortages.
 - **Respondents selected this reform by a 2 to 1 margin over various proposals to create new programs aimed at removing workforce participation barriers, such as childcare and housing programs.**

Category of worker most difficult to fill when vacancies arise:

- ▶ **51%** - skilled positions, including those with credentials but not necessarily a degree
- 28%** - entry-level positions.
- 11%** - positions requiring a college degree.

Greatest concern with available workforce in Oklahoma

- ▶ **50%** - finding employees with soft skills.
- 28%** - finding employees trained with technical skills.
- 12%** - retaining employees.
- 7%** - finding employees with required college degrees and experience.

Satisfaction with Oklahoma Workforce

- ▶ **48%** believe it is somewhat satisfactory.
- 31%** believe it is somewhat unsatisfactory.
- 12%** believe it is very unsatisfactory.
- 8%** believe it is very satisfactory.

Most effective government actions to increase the number of Oklahomans participating in the workforce

- ▶ **45%** - reforming assistance programs so they do not discourage work
- 23%** - finding childcare and afterschool care solutions.
- 20%** - creating more affordable housing options.
- 6%** - allowing more legal immigration.
- 3%** - investing in public transit.

ALARM BELLS OVER OKLAHOMA'S PUBLIC EDUCATION SYSTEM

Business leaders see a need for across-the-board improvement in Oklahoma's public education system, from K-12 through Higher Education.

80%

A stunning 80% of business leaders say students graduating from Oklahoma public high schools are not well-prepared for success in the workplace.

Only 19% of business leaders give Oklahoma public schools even passing marks on this front.

82%

Business leaders see the most acute problems in the public education system as being at the K-12 level, with fully 82% of respondents saying the state needs to improve most at that level.

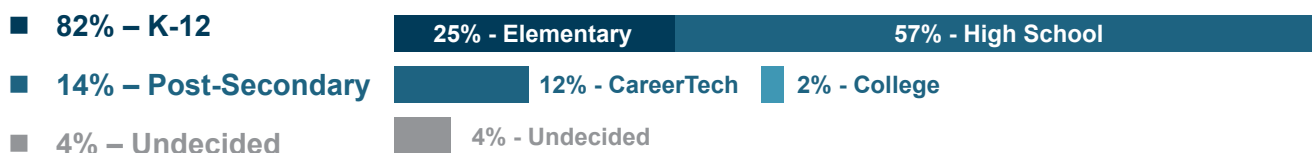
83%

83% of business leaders say Oklahoma's higher education system needs to do a better job of incentivizing students to study in fields where there is a greater workforce need.

67%

67% of business leaders say that Oklahoma's Career Tech system already has all the resources it needs to meet Oklahoma's workforce needs, indicating business leaders do not see funding increases as the answer to closing the non-college skills gap.

LEVEL OF PUBLIC EDUCATION SYSTEM MOST IN NEED OF IMPROVEMENT



"CULTURE WAR" ISSUES & BUSINESS

WOKE SCHOOLS OR POSTURING POLITICIANS?

- ▶ Business leaders hold nuanced views regarding the attention elected officials pay to culture war issues, with some results running counter to conventional wisdom of business leaders' opinions of those issues.
- ▶ Perhaps surprisingly, business leaders are split nearly equally in their assessment of the appropriateness of state elected leaders intervening in public schools on culture war issues.

45%

45% believe it is necessary for state leaders to intervene in public schools because the schools have become infected with indoctrination. Intervention is necessary to ensure schools focus on the basics of education, like reading and math, instead of social agendas.

- VS -

52%

52% believe state leaders are overreacting to isolated incidents and seeking to score political points when they intervene on culture war issues, distracting schools from focusing on basic skills like reading and math.

HAS DEI GONE TOO FAR?

73%

Business leaders overwhelmingly believe that Diversity, Equity, and Inclusion (DEI) policies are counterproductive, with 73% expressing a negative opinion of DEI.

- Nearly a third (29%) believe that DEI policies should never have been pursued, but were **forced on companies by activists**
- Nearly half (44%) state that DEI policies may have been needed at some point or were well intended, the pressure to implement DEI policies has **gone too far and is no longer productive**.
- Only a quarter of business leaders (24%) express support for DEI policies, stating the corporate world has a long way to go to create equity and needs DEI policies so everyone can benefit.

STATE SHOULD STAY NEUTRAL ON ESG

On Environmental, Social, and Governance (ESG) issues, business leaders are largely united in their view that the state legislature should stay out of the business of private businesses and let each company decide such matters for themselves.

- 70% say the legislature should stay out of companies' ESG decisions
- Only 15% say the legislature should require or incentivize companies to adopt ESG policies, and only 12% say the legislature should prohibit or discourage ESG policies.

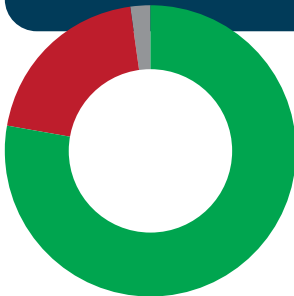
ECONOMIC DEVELOPMENT & ATTRACTION



KEY TAKEAWAYS:

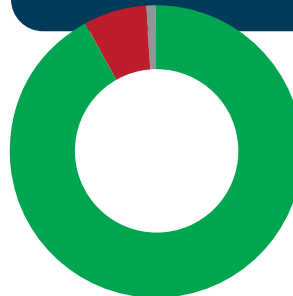
- ▶ Oklahoma business leaders believe the state should pursue various economic development efforts to grow Oklahoma’s economy.
- ▶ Survey respondents were asked whether they support the state making a substantial investment of at least 10 million dollars in a national marketing campaign to achieve various economic development goals.
- ▶ Interestingly, while each of the proposed marketing campaigns garnered super majority support, campaigns focused on attraction of investment or people to the state were substantially more popular than campaigns promoting products and services to consumers across the country.

Promote Oklahoma products and services to consumers across the country



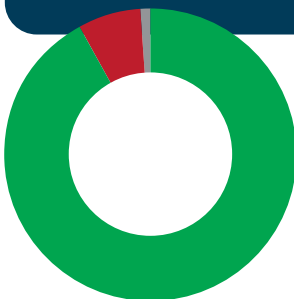
Support	78%
Oppose	20%
Undecided	2%

Encourage capital investment such as business expansion, relocation, and growth in Oklahoma



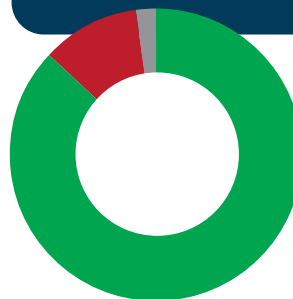
Support	93%
Oppose	7%
Undecided	1%

Attract skilled workers in specific needed areas



Support	92%
Oppose	7%
Undecided	>1%

Attract people to the state as a way to build the available workforce

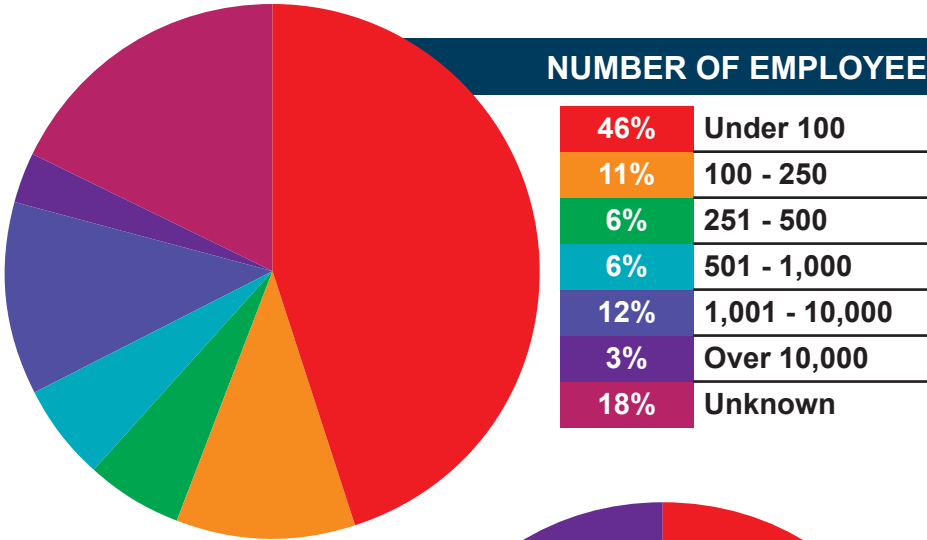


Support	87%
Oppose	11%
Undecided	2%

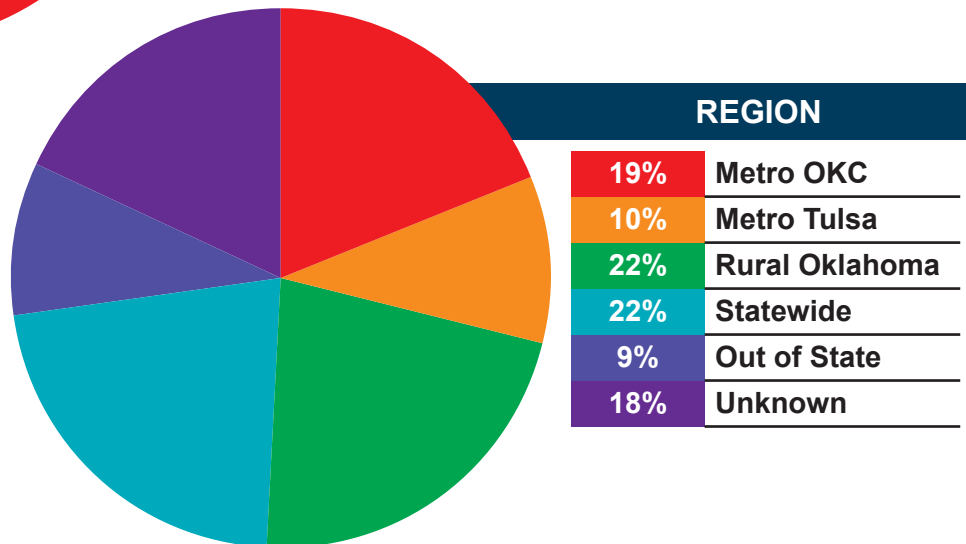
- ▶ Business leaders also support the use of incentives to attract investment to the state and improve state competitiveness. When asked about government incentives for businesses:
 - 57% state that Oklahoma needs to recognize the states and nations it competes with for jobs are providing incentives, so we must compete or else risk not growing our economy
 - 26% state government incentives should be limited and only targeted for specific industries
 - 16% believe there should be no government incentives, leaving the free market solely responsible for economic development.

WHO TAKES THE SURVEY?

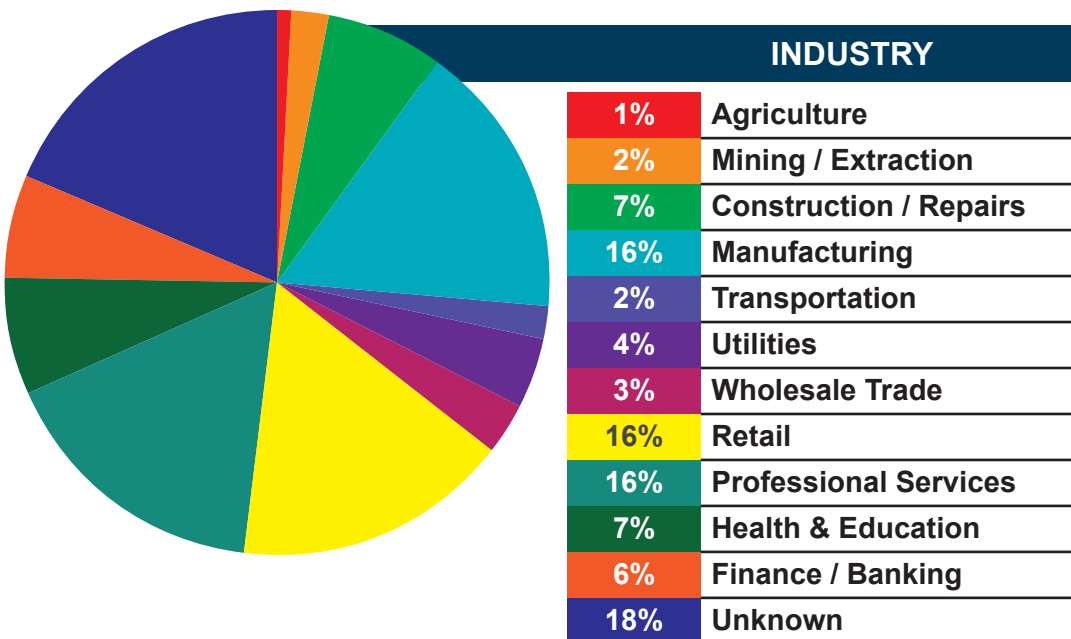
NUMBER OF EMPLOYEES



REGION



INDUSTRY





THE STATE CHAMBER

ABOUT THE STATE CHAMBER

The State Chamber is the leading statewide advocate for business in Oklahoma. We work on behalf of our members, the Oklahoma business community, to affect legislative change and create a pro-growth climate statewide. The State Chamber leverages meaningful partnerships, resources and coalitions to achieve legislative results that strengthen Oklahoma's economy.

www.okstatechamber.com



ABOUT THE OKLAHOMA BUSINESS ROUNDTABLE

The Oklahoma Business Roundtable (BRT) serves as Oklahoma's primary economic development support organization. BRT promotes new business investment throughout Oklahoma, including funding support for start-up, retention, expansion and attraction of business facilities and operations. Formed in 1991, the Roundtable is a 501(c)(6) non-profit, non-partisan corporation.

www.okbusinessroundtable.com



ABOUT THE STATE CHAMBER RESEARCH FOUNDATION

The State Chamber Research Foundation (SCRF) is the business community's think tank. Through high quality research and analysis, SCRF educates policymakers and the public about the virtues of the free enterprise system, the public policy ideas that enable free enterprise to thrive, and the positive contributions of the business community to the prosperity and welfare of the people of Oklahoma. As a non-profit, non-partisan research and education organization, SCRF is dedicated to advancing free markets, increasing opportunity, and growing prosperity.

www.statechamberresearch.org

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