

# U.S. and Oklahoma Economic Outlook

Logan County Economic Development Council

May 29, 2025

**Cortney Cowley**

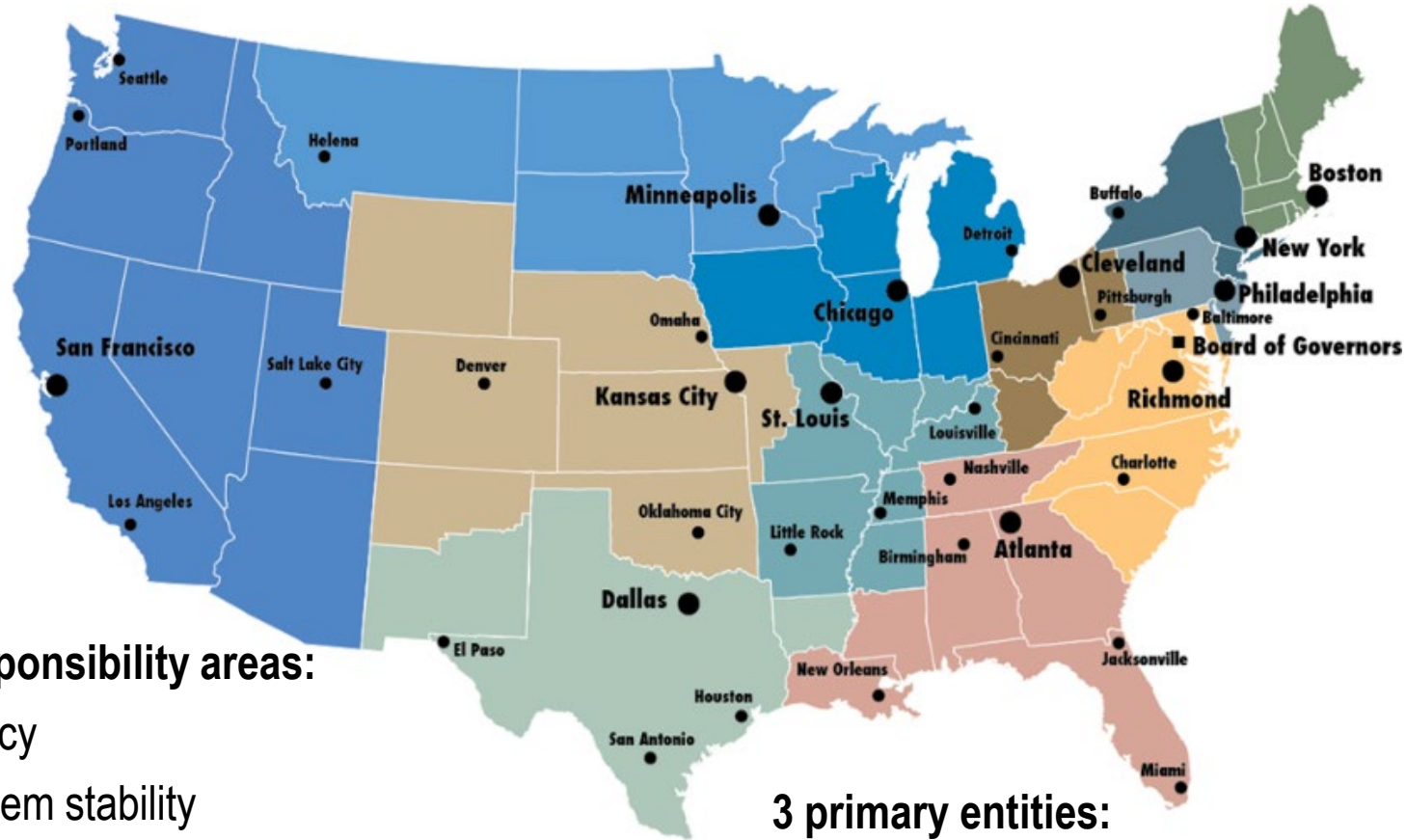
*AVP & Oklahoma City Branch Executive*

\*The views expressed herein are those of the presenter only and do not necessarily reflect the views of the Federal Reserve Bank of Kansas City or the Federal Reserve System.



Denver / Oklahoma City / Omaha

# Structure & Functions of the Federal Reserve



## 5 primary responsibility areas:

- Monetary policy
- Financial system stability
- Bank supervision & regulation
- Payment system safety & efficiency
- Consumer protection & community development

## 3 primary entities:

- Board of Governors: 7 members appointed by U.S. President
- Federal Reserve Banks: 12 total; semi-independent
- Federal Open Market Committee: 19 members; 12 voting



# The Oklahoma City Branch of the Federal Reserve Bank of Kansas City

[www.kansascityfed.org/oklahomacity](http://www.kansascityfed.org/oklahomacity)

- **Functions and purposes ~ 50 staff**

- Research on U.S. and Oklahoma economies; energy sector and business survey focus
- Examinations of Oklahoma financial institutions (~45 banks, ~175 holding cos.)
- Risk analysis and IT development for bank exams; exam assistance for other Fed offices
- Community development and economic education programming for low/moderate income groups and students

- **2025 OKC Branch Board of Directors**

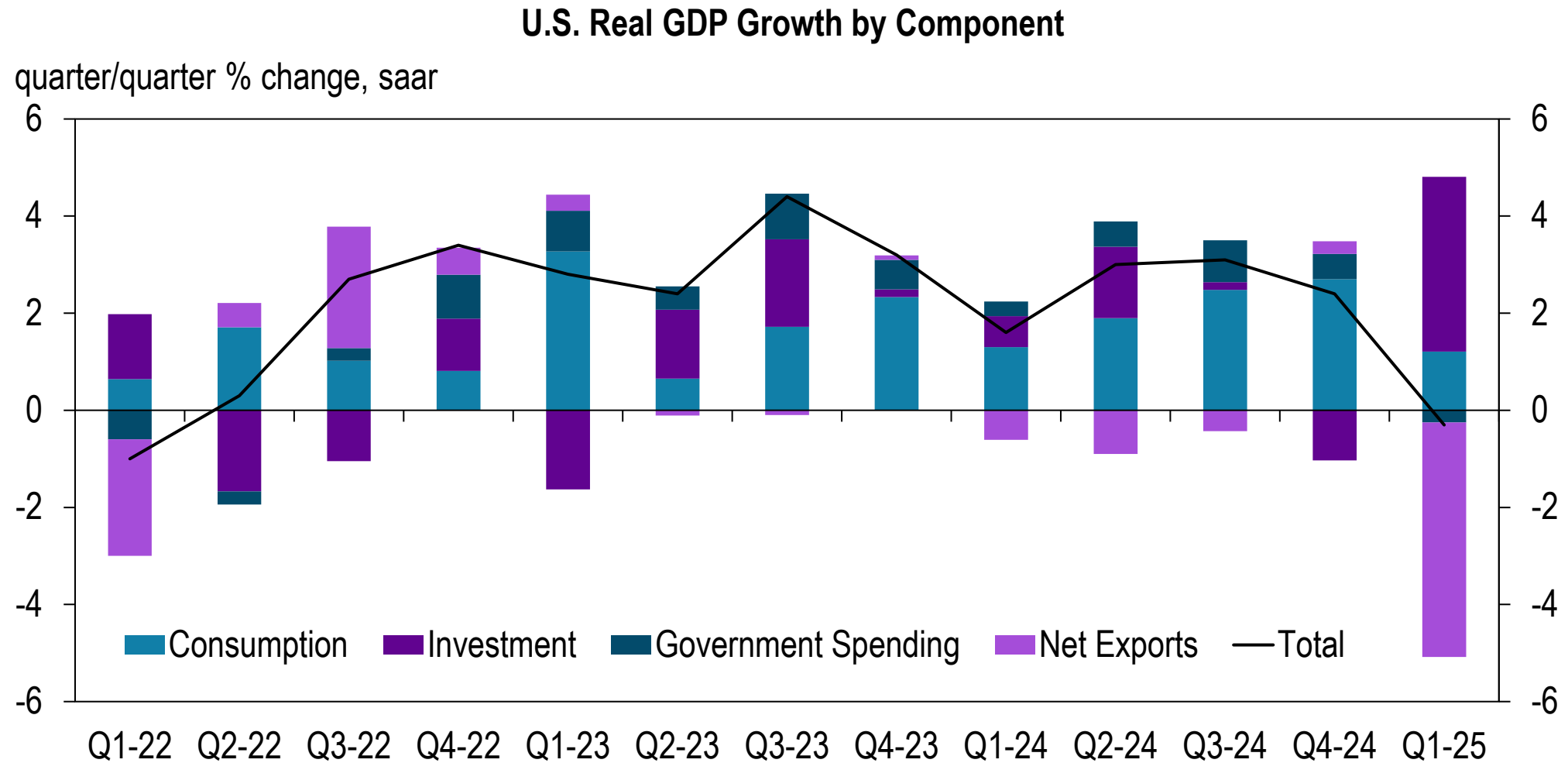
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- **Mark Burrage**, CEO, FirstBank, Antlers/Atoka
- **Scott Case**, President, Case & Associates Properties, Tulsa
- **Jason A. Garner**, Crawley Petroleum Corporation, OKC
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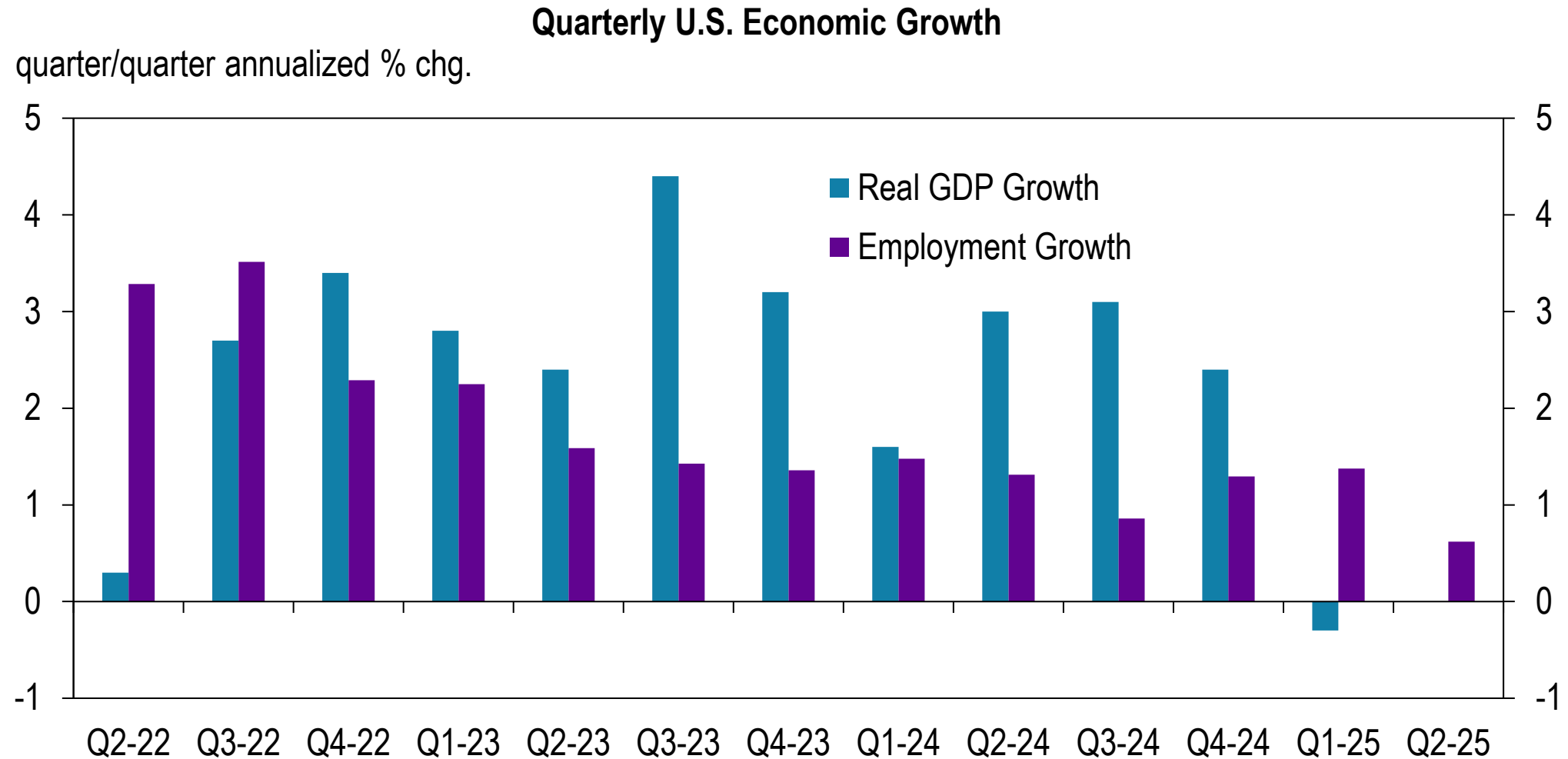
# Overview

- U.S. economic growth has slowed but remained solid in 2024, and unemployment is up slightly but remains near long-term averages
- Inflation has come down to near 2%, and the labor market remains strong
- Oklahoma's economy also continues to grow, and unemployment is low
- Oklahoma's labor force participation rate met the national average for the first time in over three decades, driven primarily by Native Americans

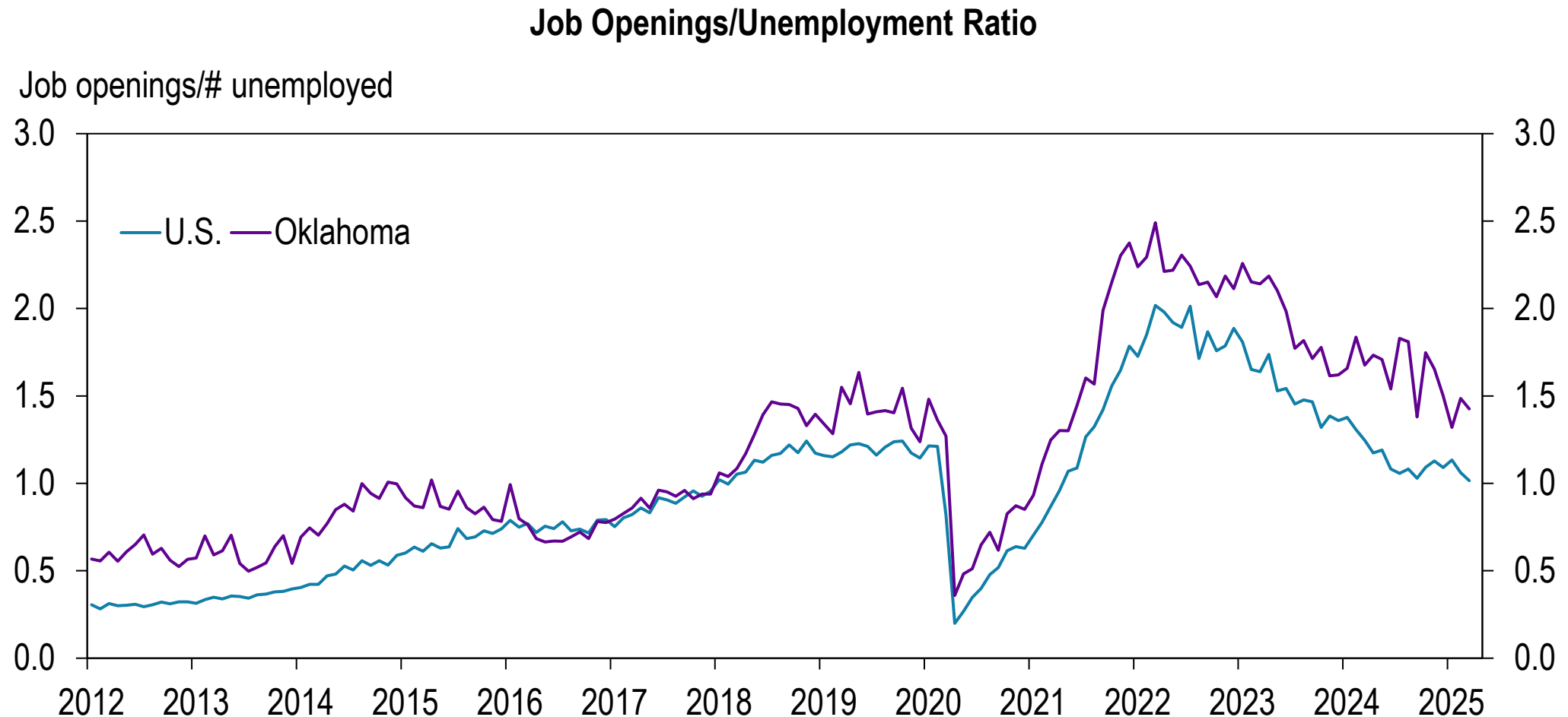
# U.S. GDP growth fell by 0.3% in Q1 as firms front-loaded imports, and consumption growth eased



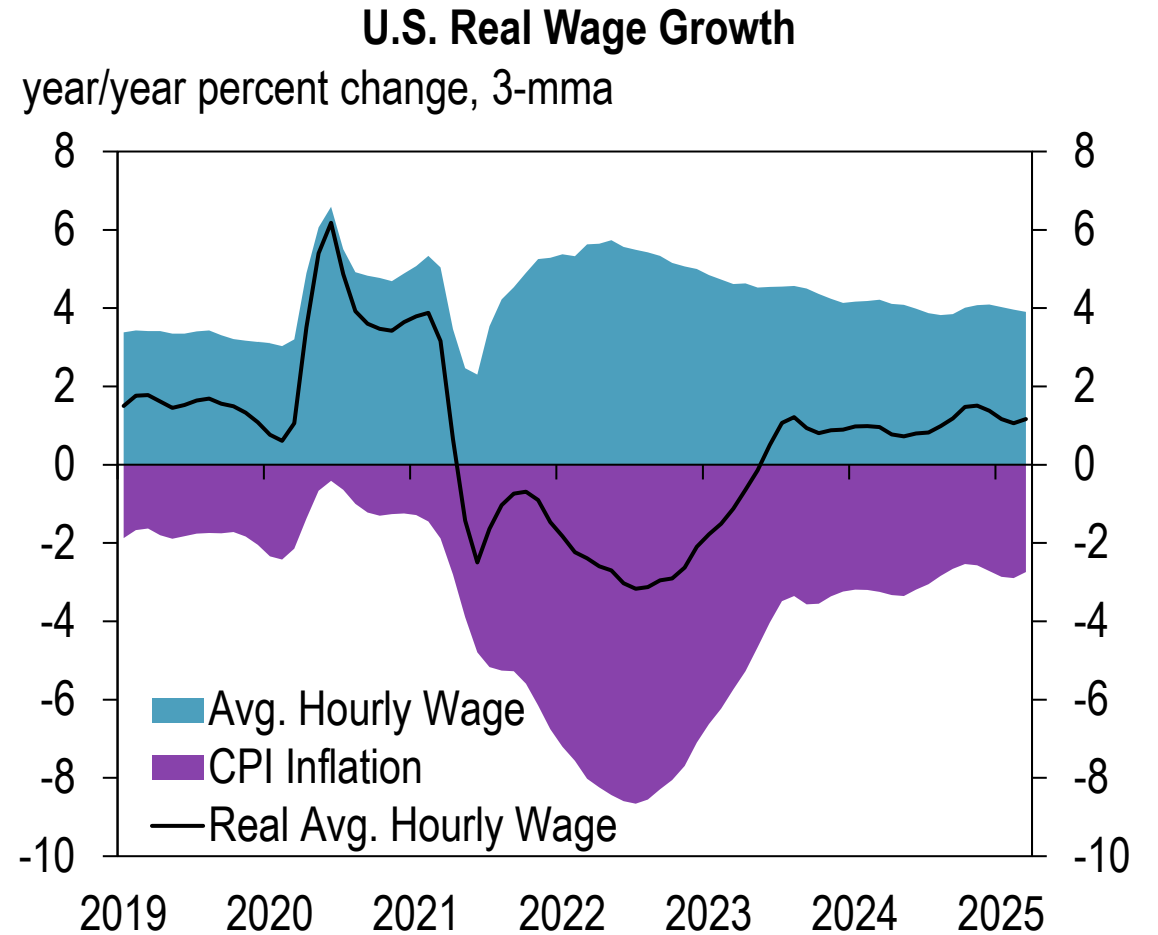
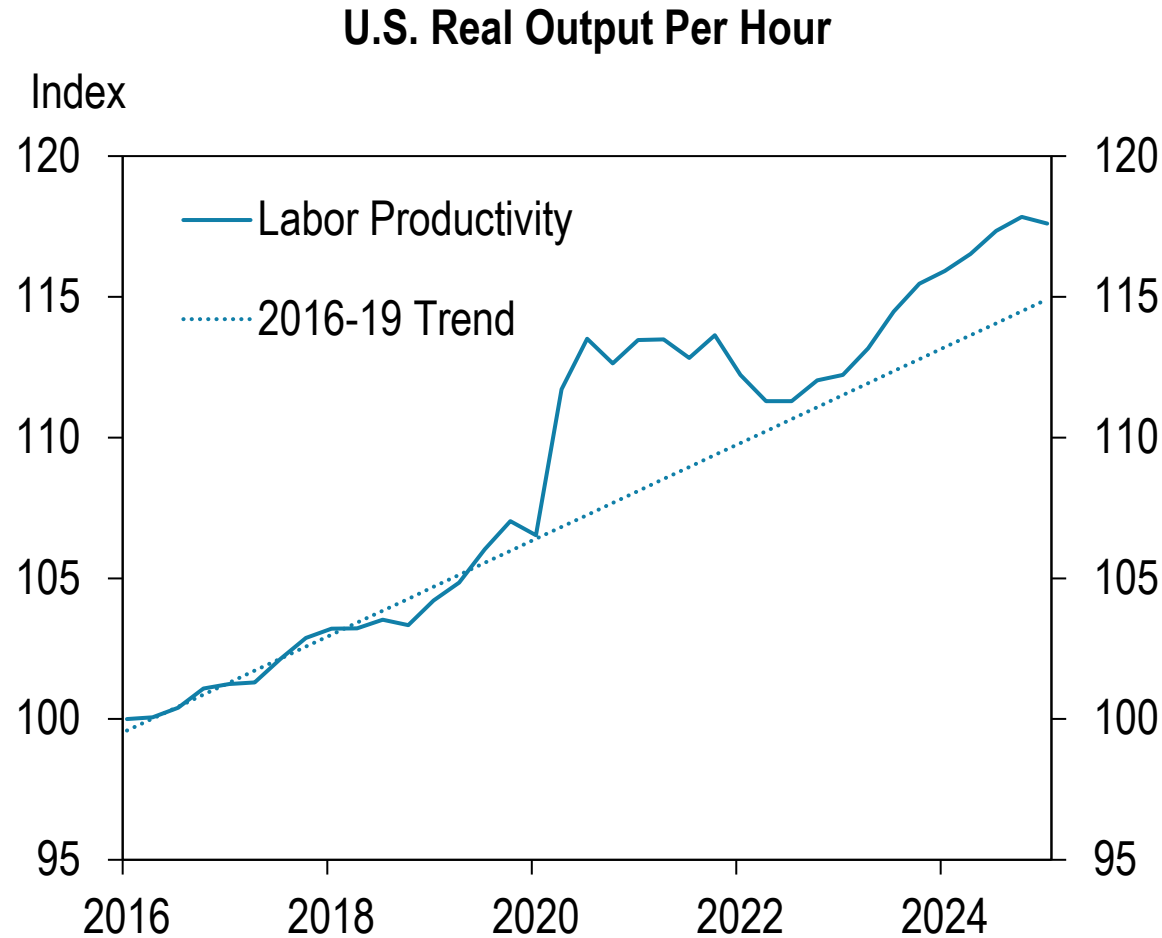
Although GDP fell slightly in Q1, employment growth has cooled but stayed positive in Q2



The labor market is still very strong. Job openings still exceed unemployed workers in Oklahoma but have returned to near pre-pandemic levels nationwide

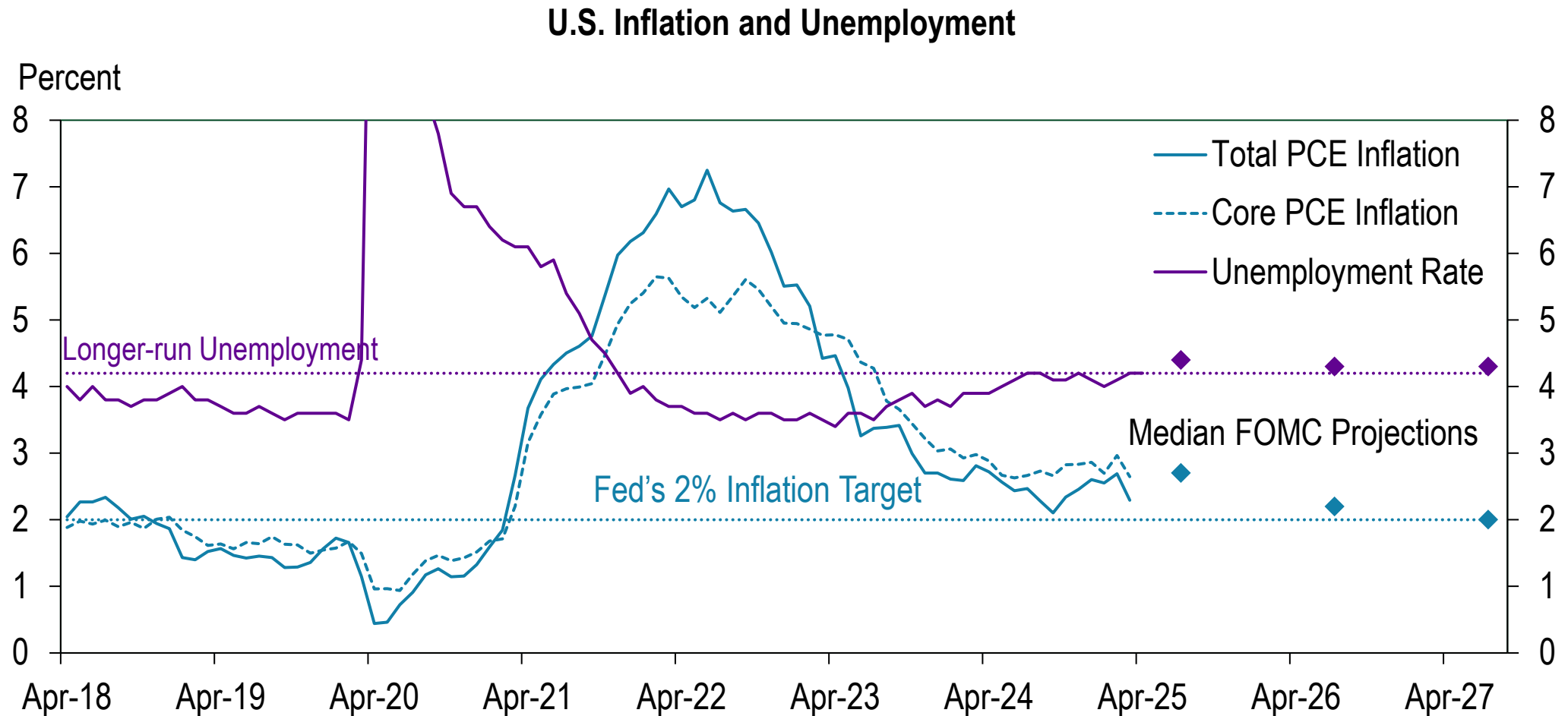


# A balanced labor market supported by above-trend productivity has generated real wage gains



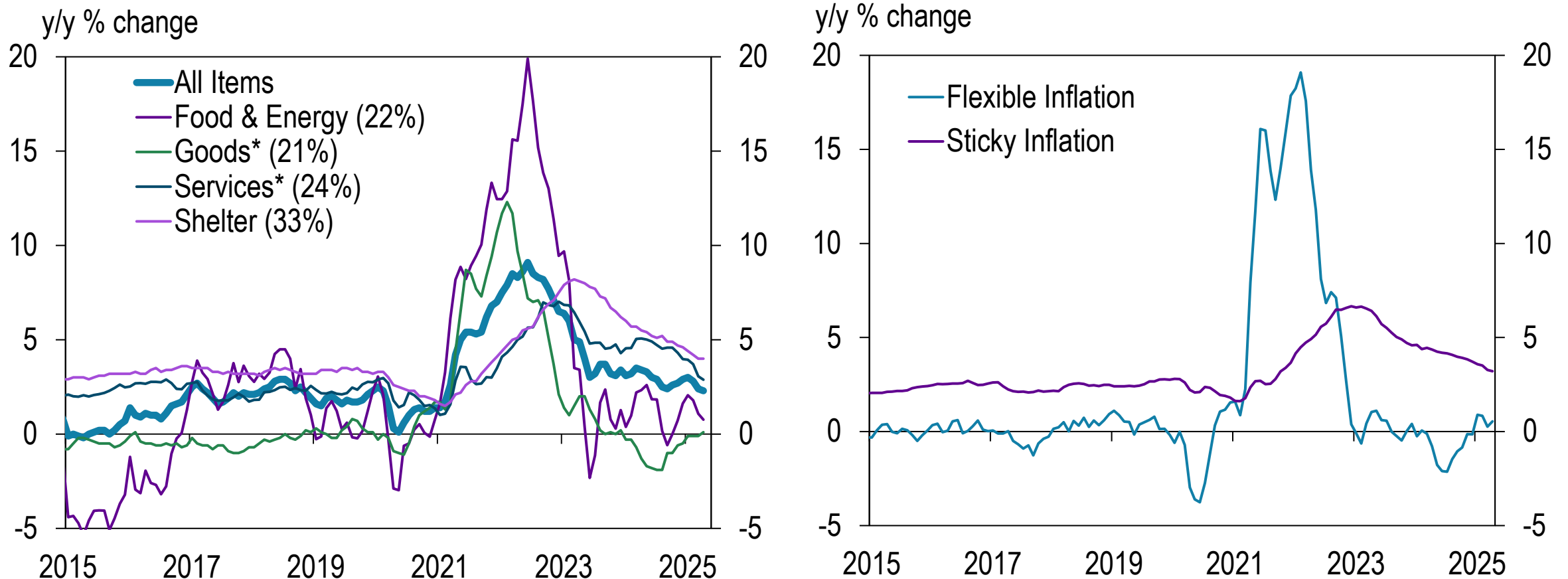


# Inflation and unemployment have come closer to the Fed's targets, but there are upside risks to both



# CPI inflation eased to 2.3% in April, as services and energy cooled and flexible inflation stays mostly flat

**Consumer Price Index by Component**

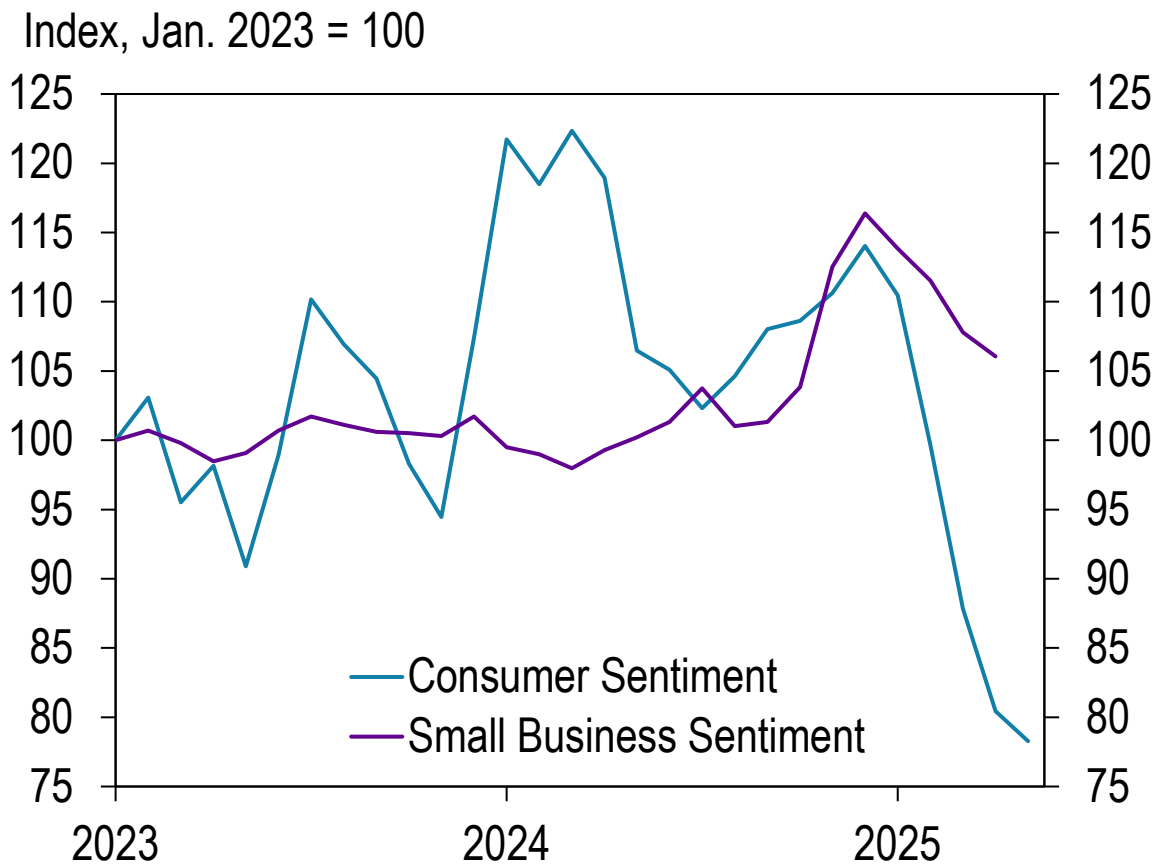


\*Goods excluding Food; Services excluding Energy.  
Note: Relative Importance as Share of CPI shown in parenthesis.

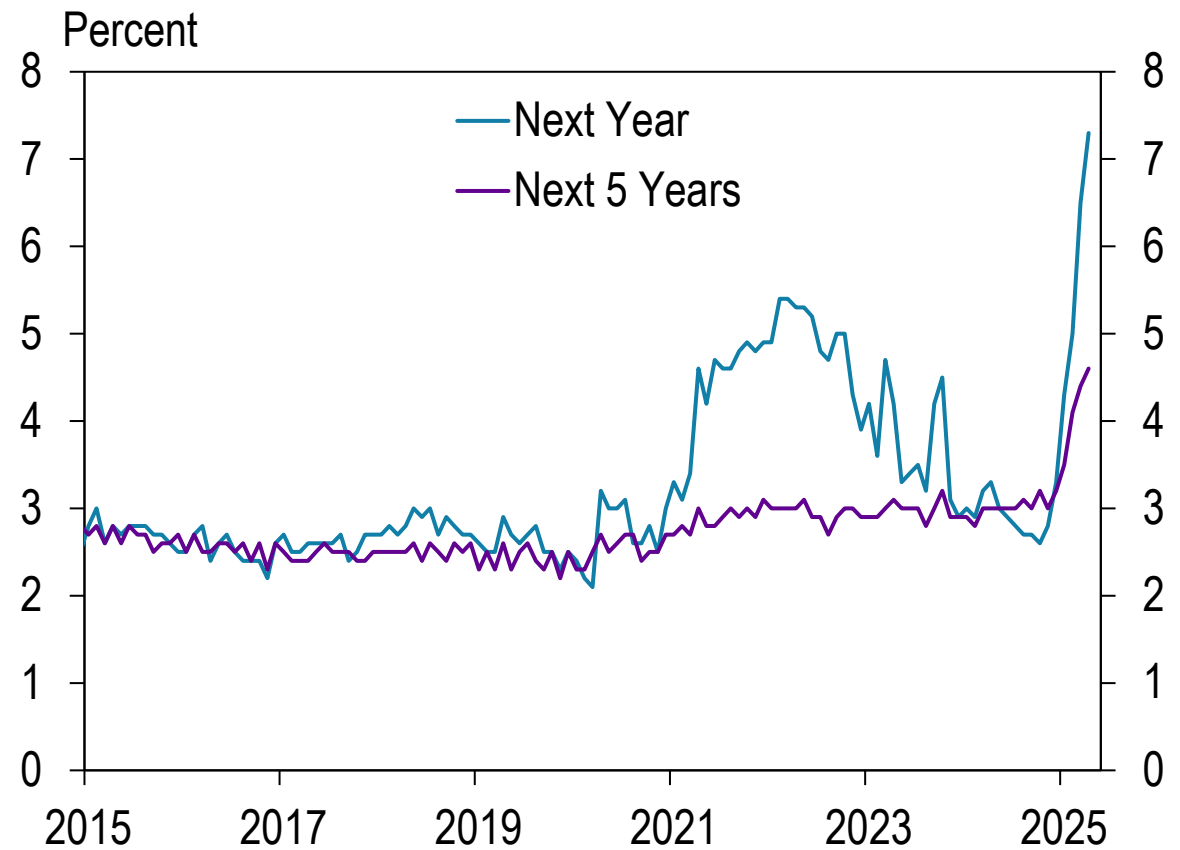
Sources: BLS, Atlanta Fed/Haver Analytics

# Consumer confidence has fallen sharply, while inflation expectations reached 40-year highs

## U.S. Consumer and Business Sentiment



## Expected Inflation Rate

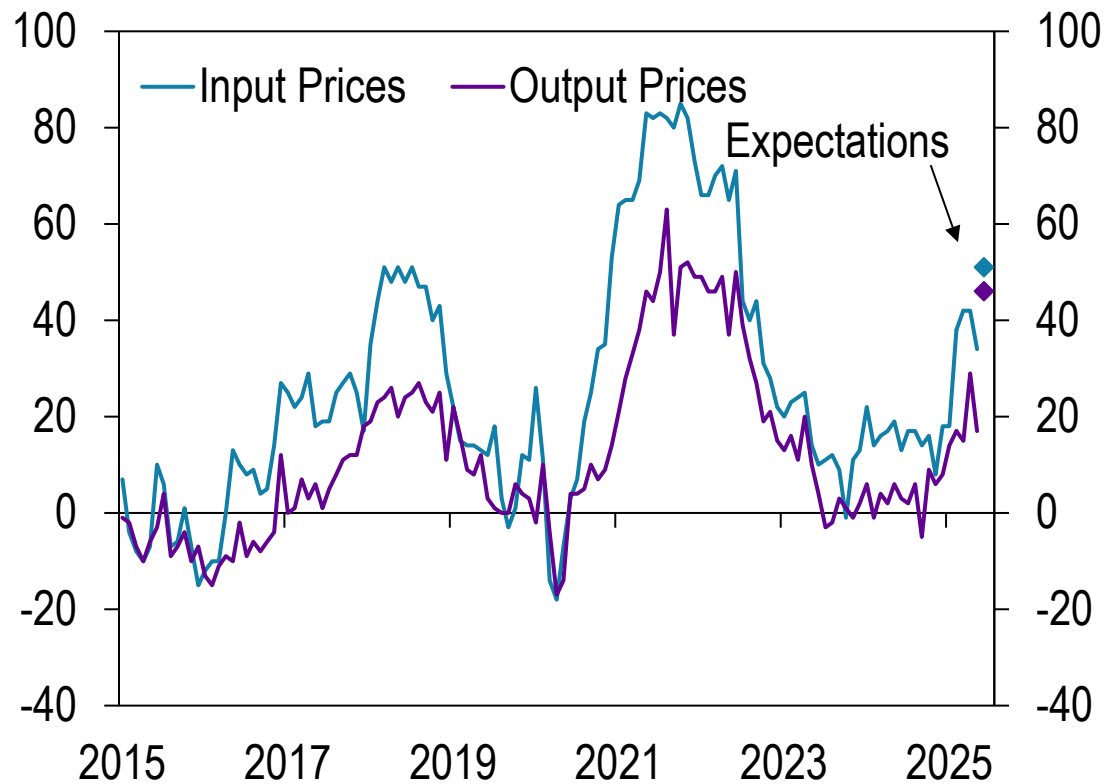


# Tenth District firms have faced higher costs, and some have raised output prices accordingly

## Kansas City Fed Price Indexes

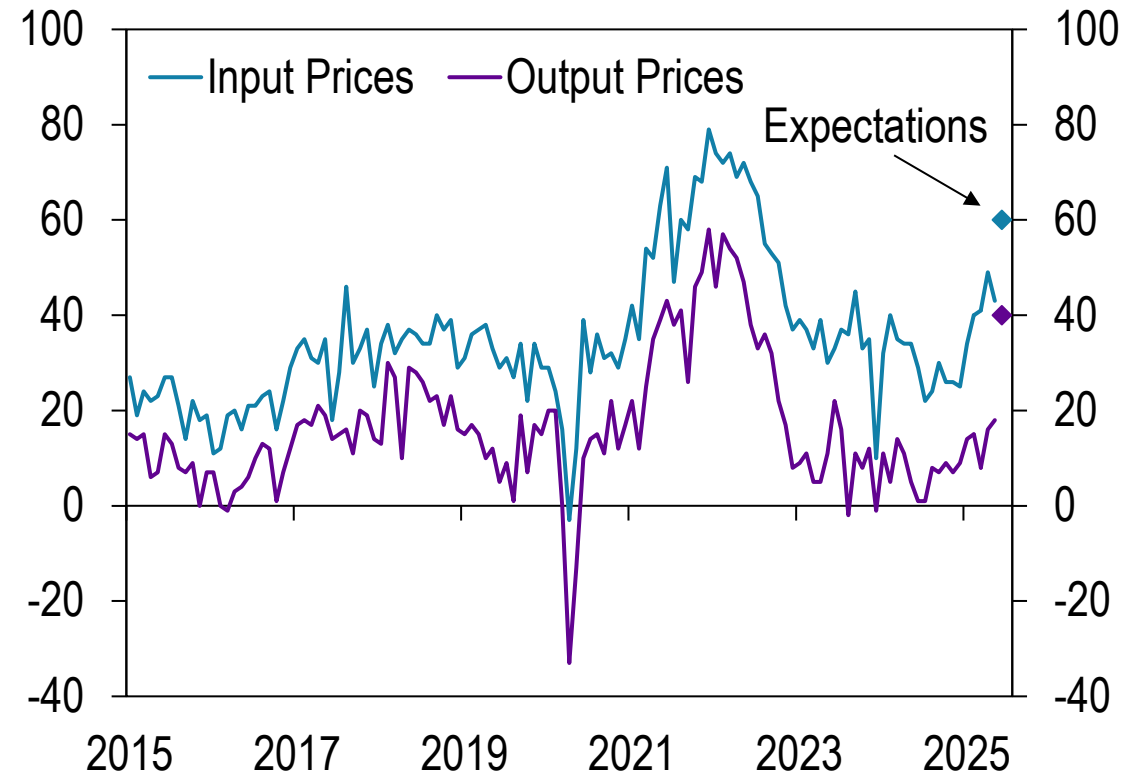
### Manufacturing Firms

m/m diffusion index, sa



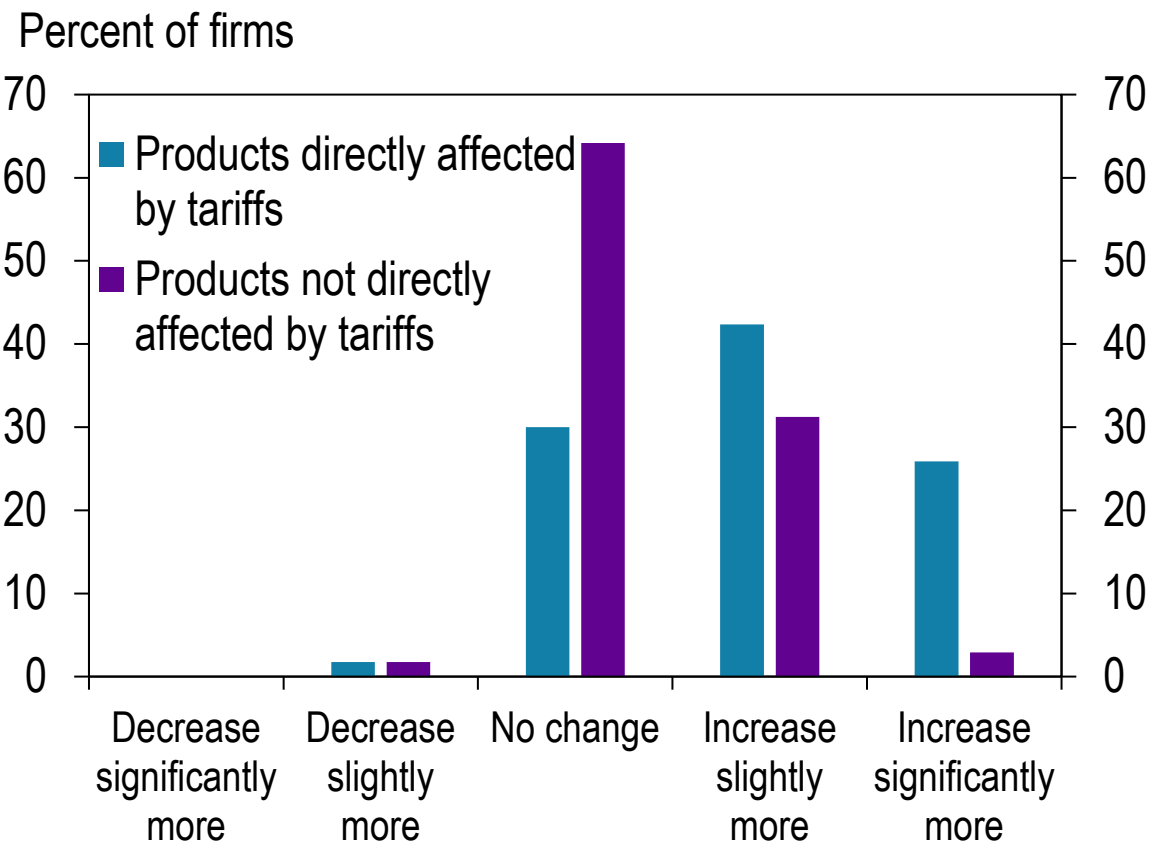
### Services Firms

m/m diffusion index, sa

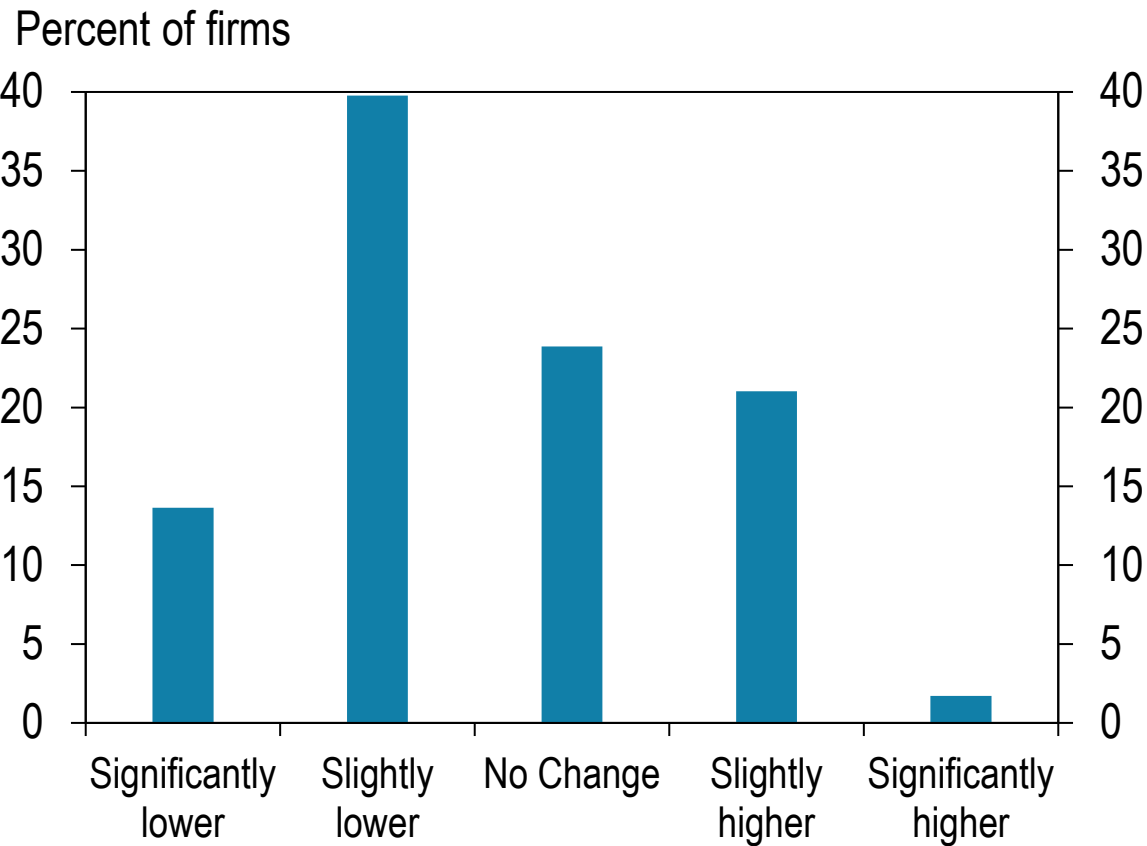


# Most Tenth District firms expect to increase prices further due to recent trade policy, but their outlook for demand is still mixed

**Apr-25: How do you expect to adjust prices this year compared to your pricing strategy at the beginning of the year?**

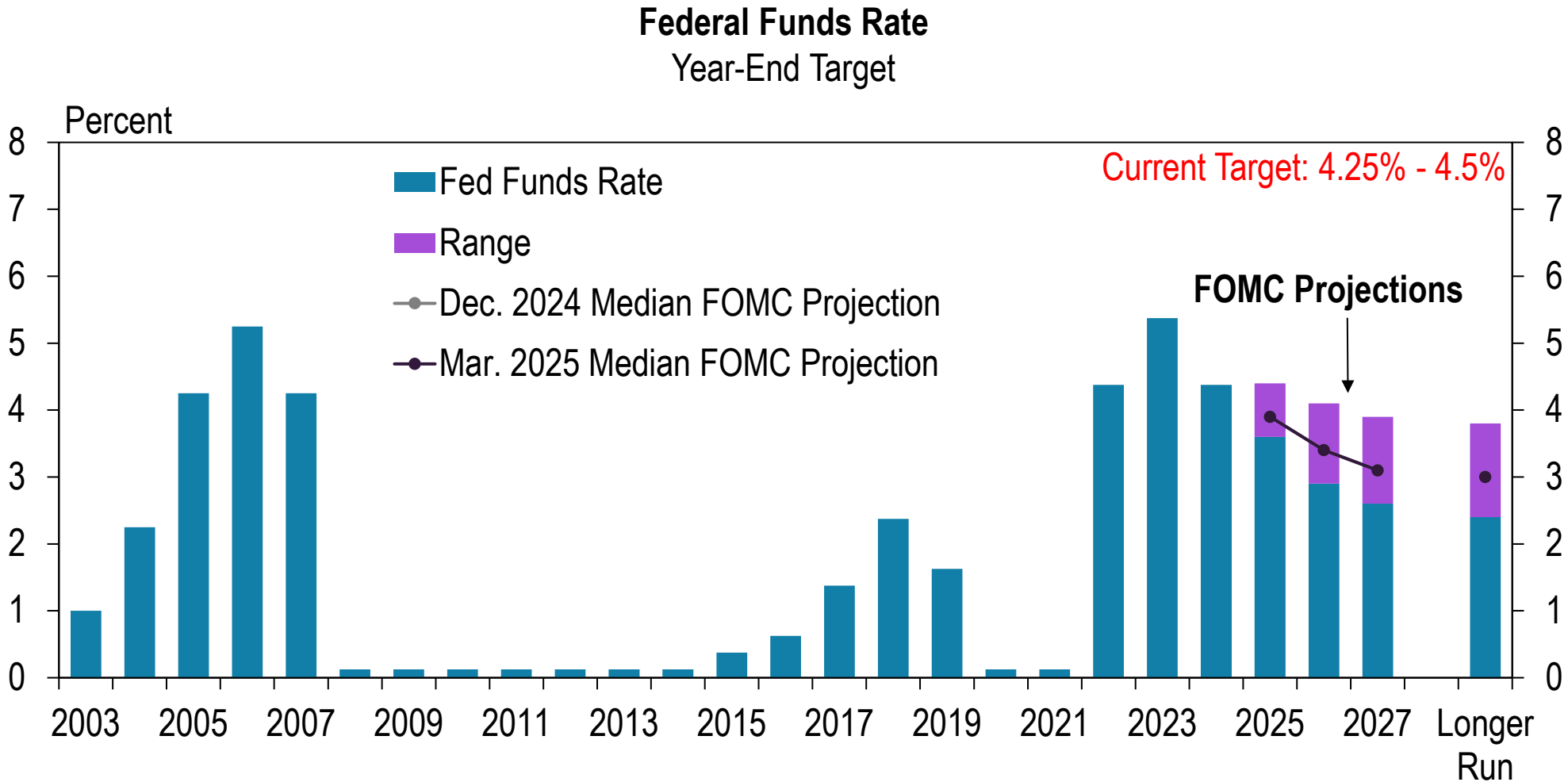


**Apr-25: What are your expectations for demand for your firm's products in 2025 compared to a few months ago?**





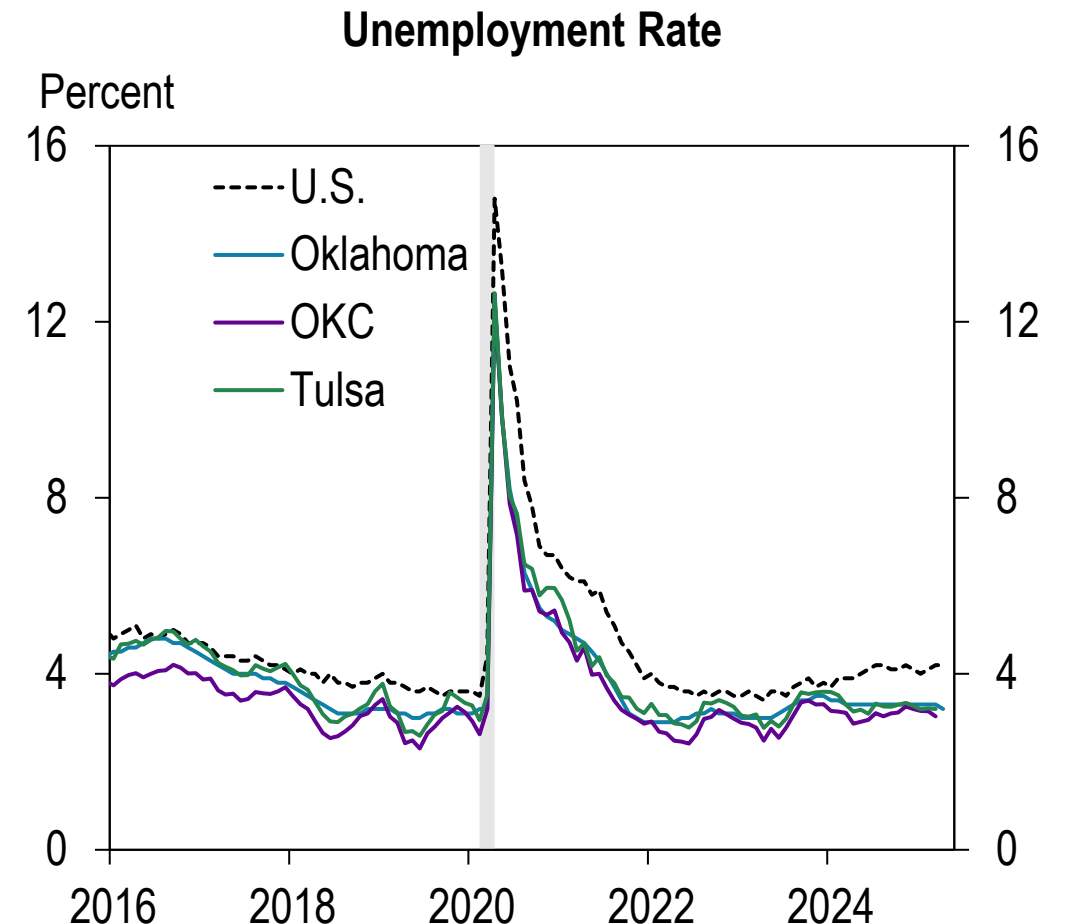
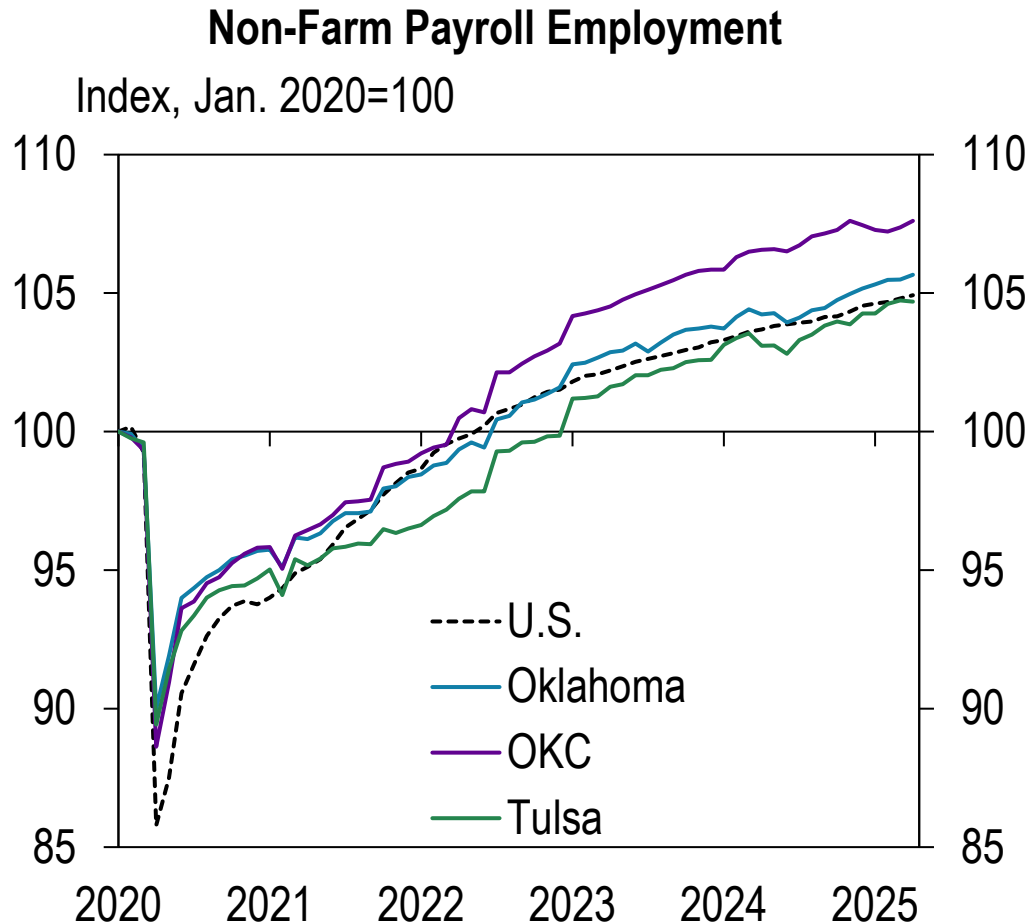
# The Fed held the federal funds rate steady in May, and the latest projections are shown



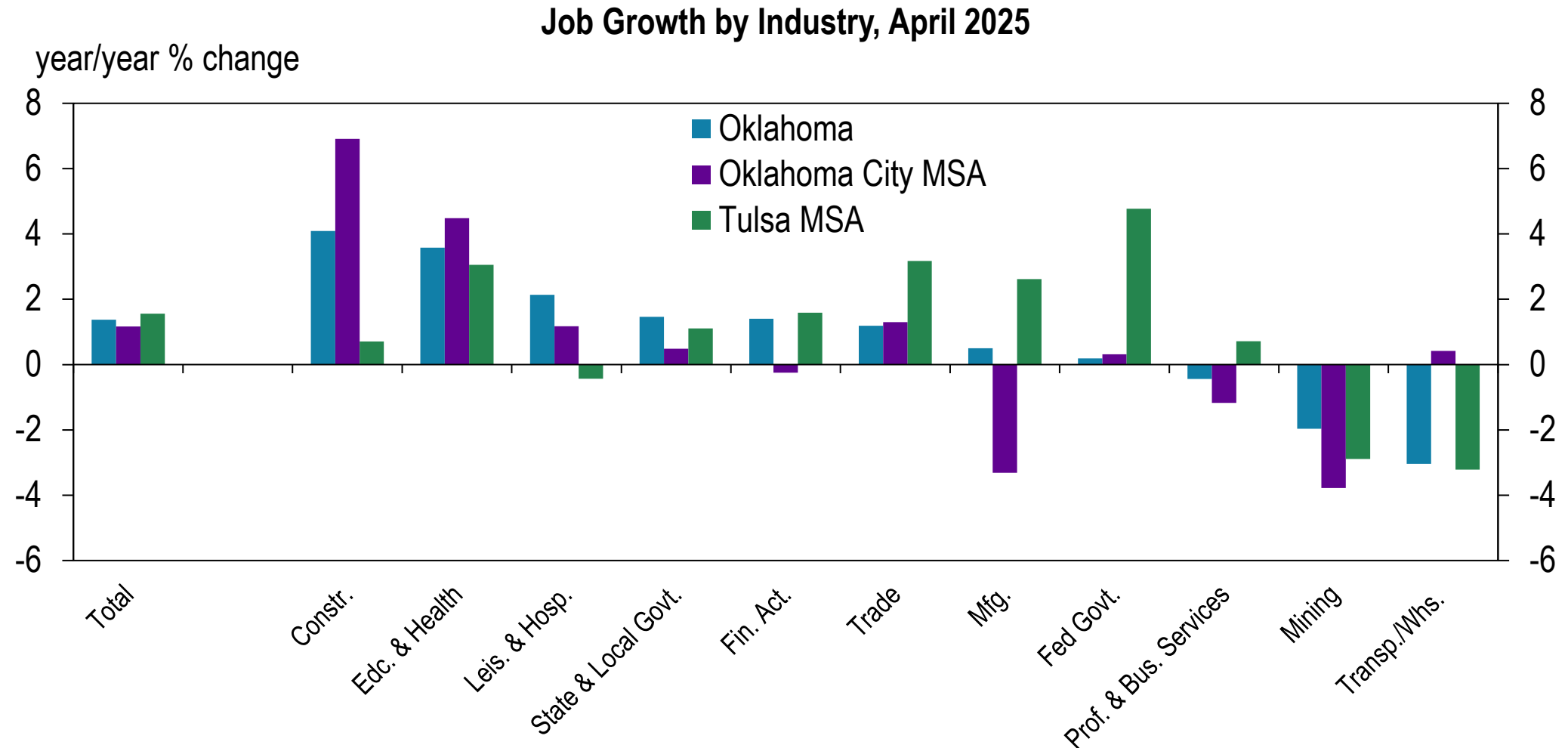
Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

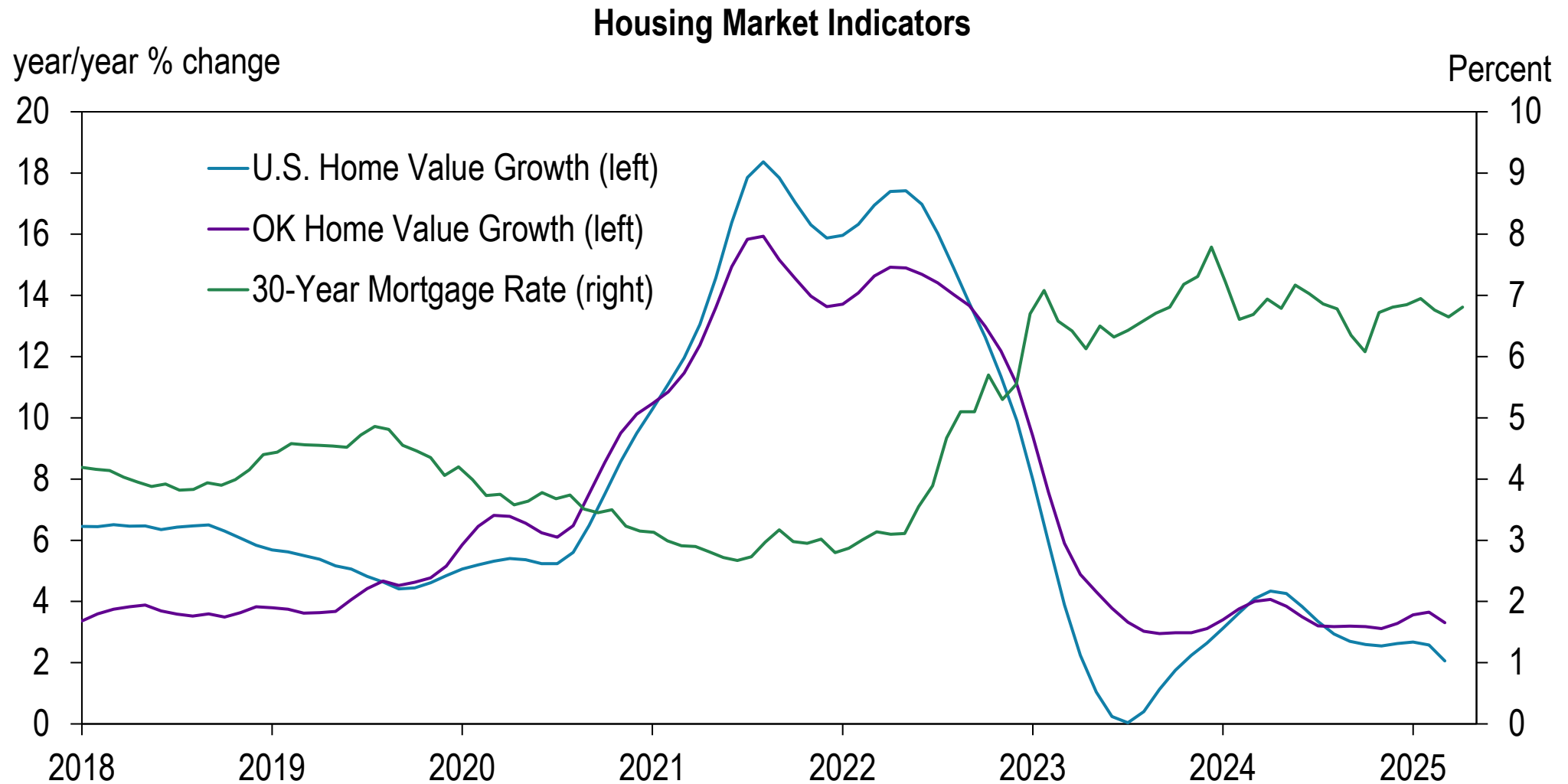
# Jobs in Oklahoma have continued to grow in 2025, while unemployment remains very low



# Most industries have added jobs across the state, particularly in construction, health care, and hospitality



# Home values spiked following the pandemic, but growth has eased with higher interest rates

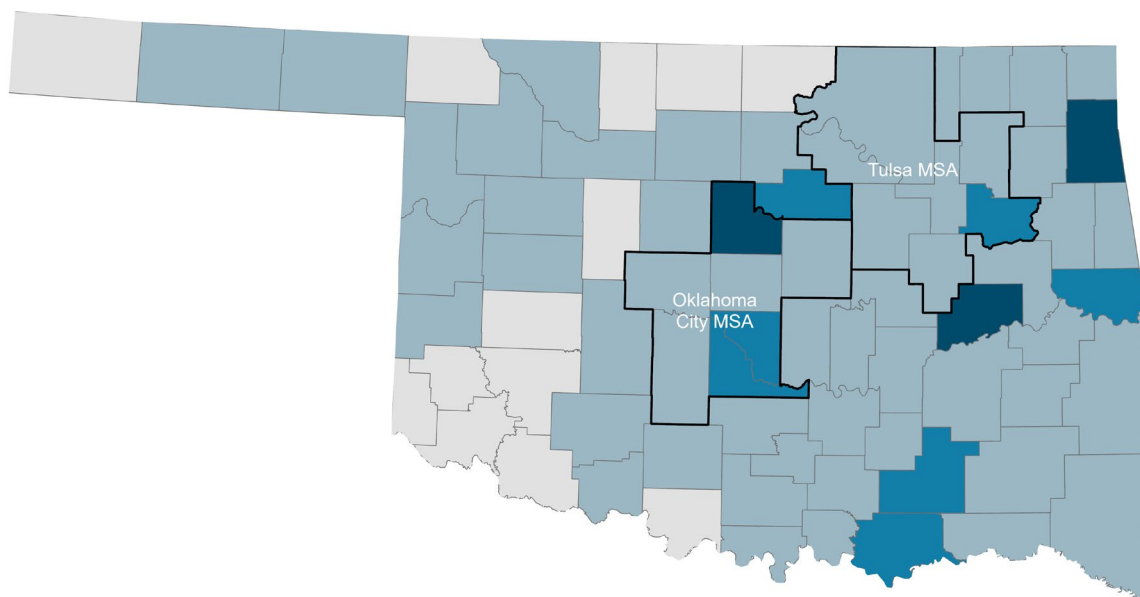


Sources: Freddie Mac, Zillow/Haver Analytics

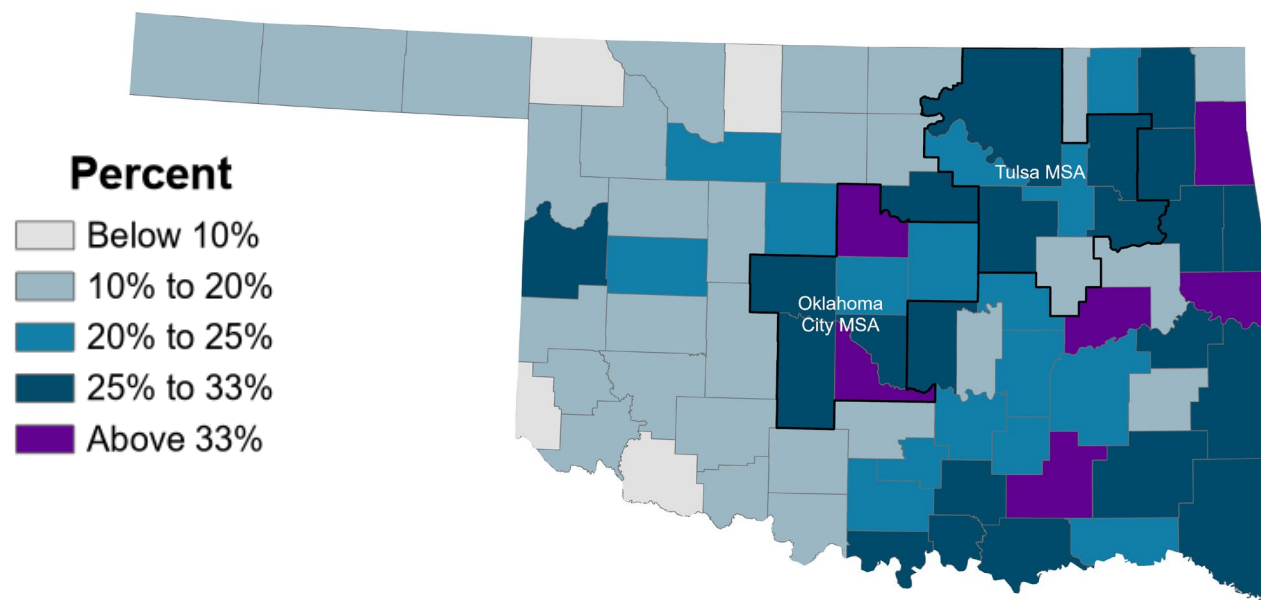
# Homeownership for first-time buyers became less affordable across Oklahoma in recent years, and Logan County housing remains expensive relative to income

## First-Time Homeownership Costs as a Share of Household Income

2018-2019



2024



### Percent

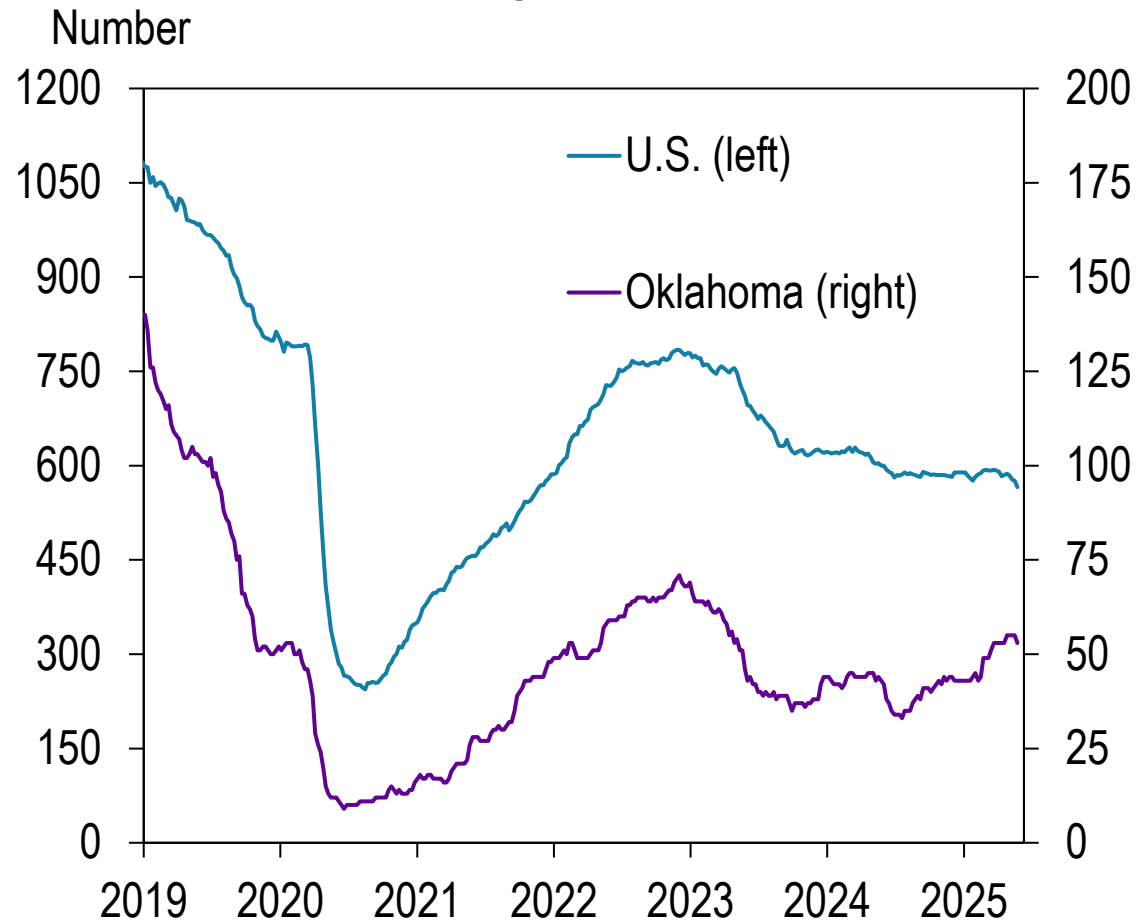
- Below 10%
- 10% to 20%
- 20% to 25%
- 25% to 33%
- Above 33%

Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.  
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

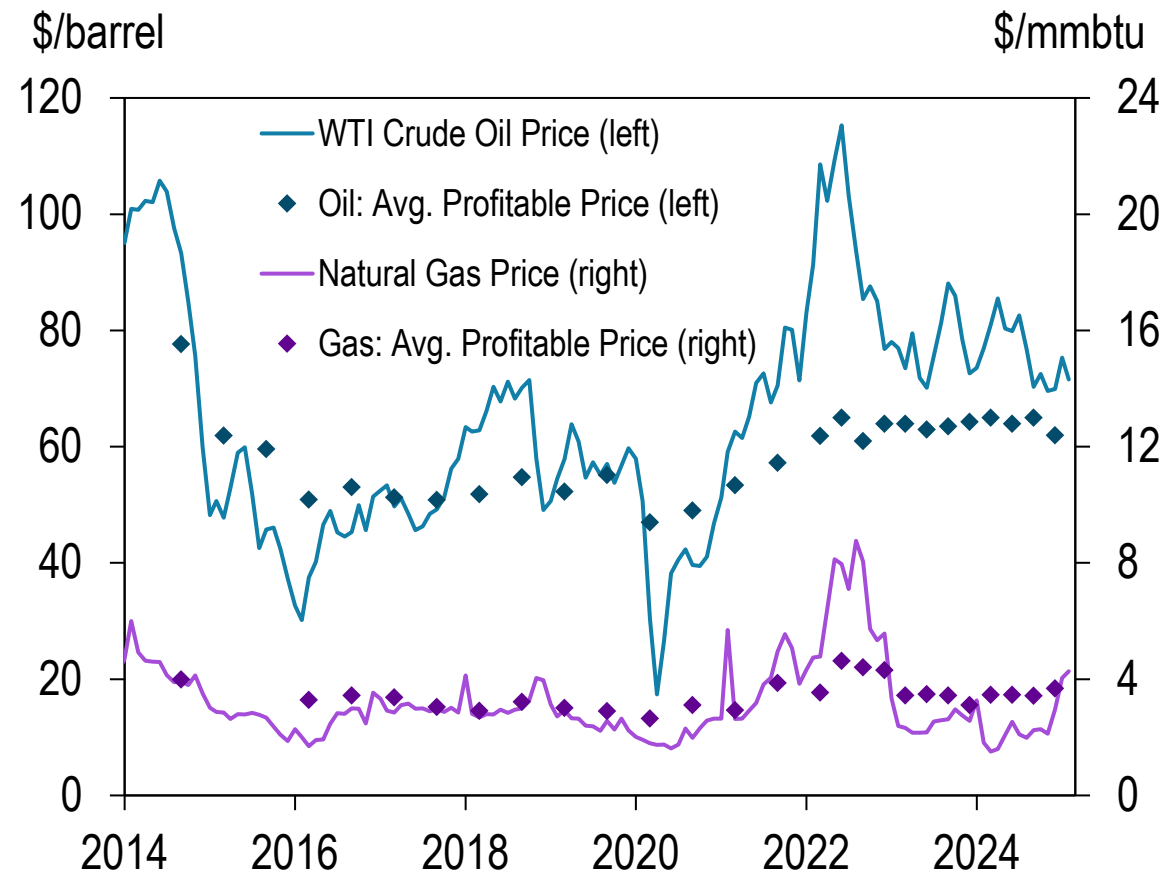


# Oil and gas drilling has picked up somewhat in Oklahoma as natural gas prices rise from all-time lows

## Rig Counts

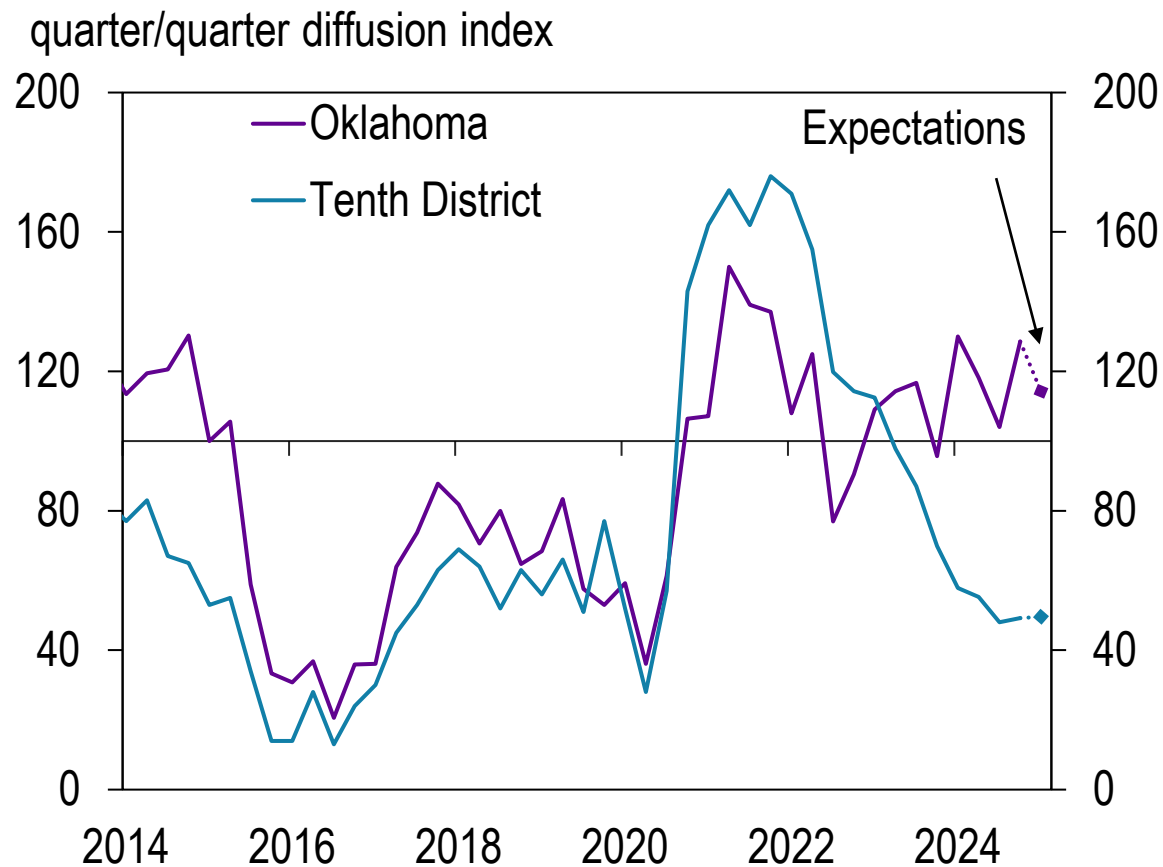


## U.S. Energy Prices

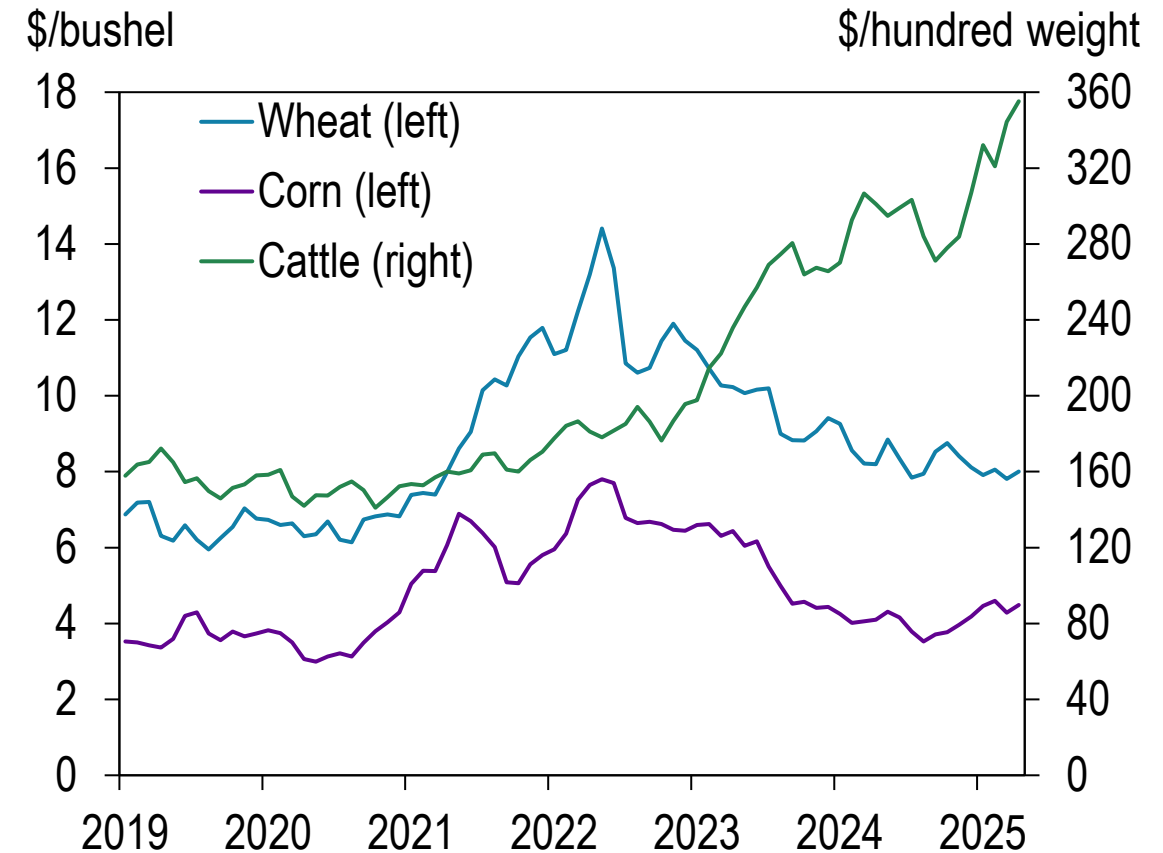


# Oklahoma farm income grew in Q4 while it declined in other District states, partially due to higher cattle prices

## Farm Income

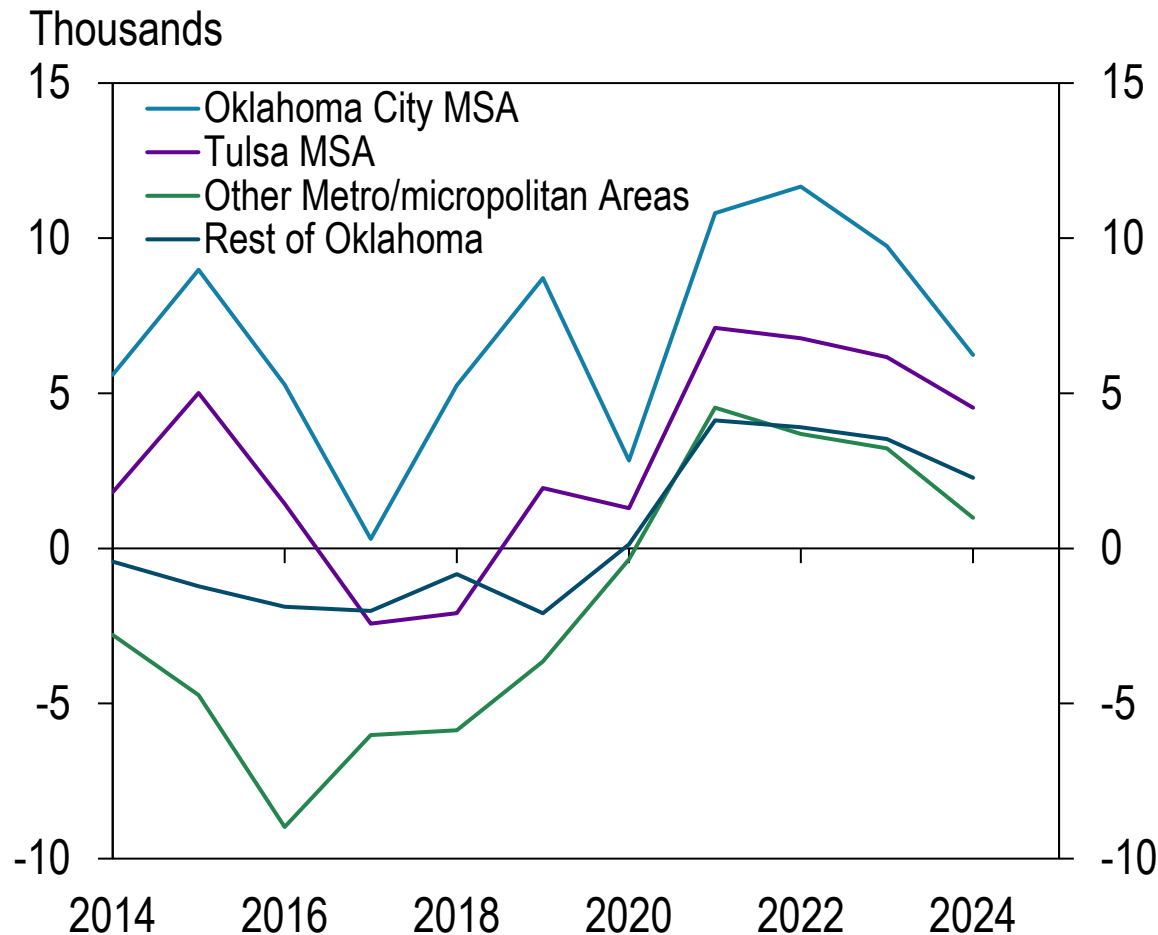


## Agricultural Commodity Prices

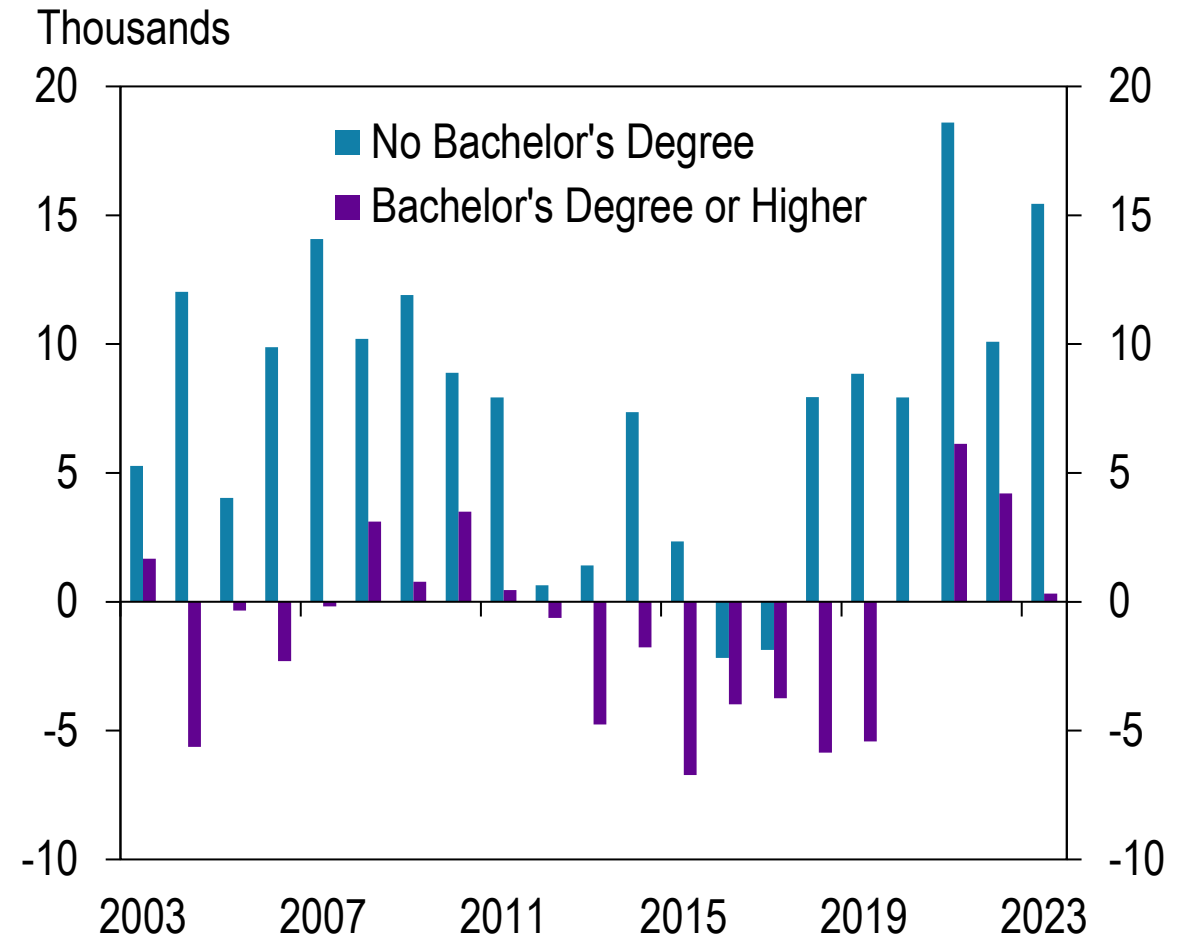


Both metropolitan and rural areas in Oklahoma have gained residents since 2020, and the net in-migration has included gains in college graduates.

Oklahoma Net Domestic Migration



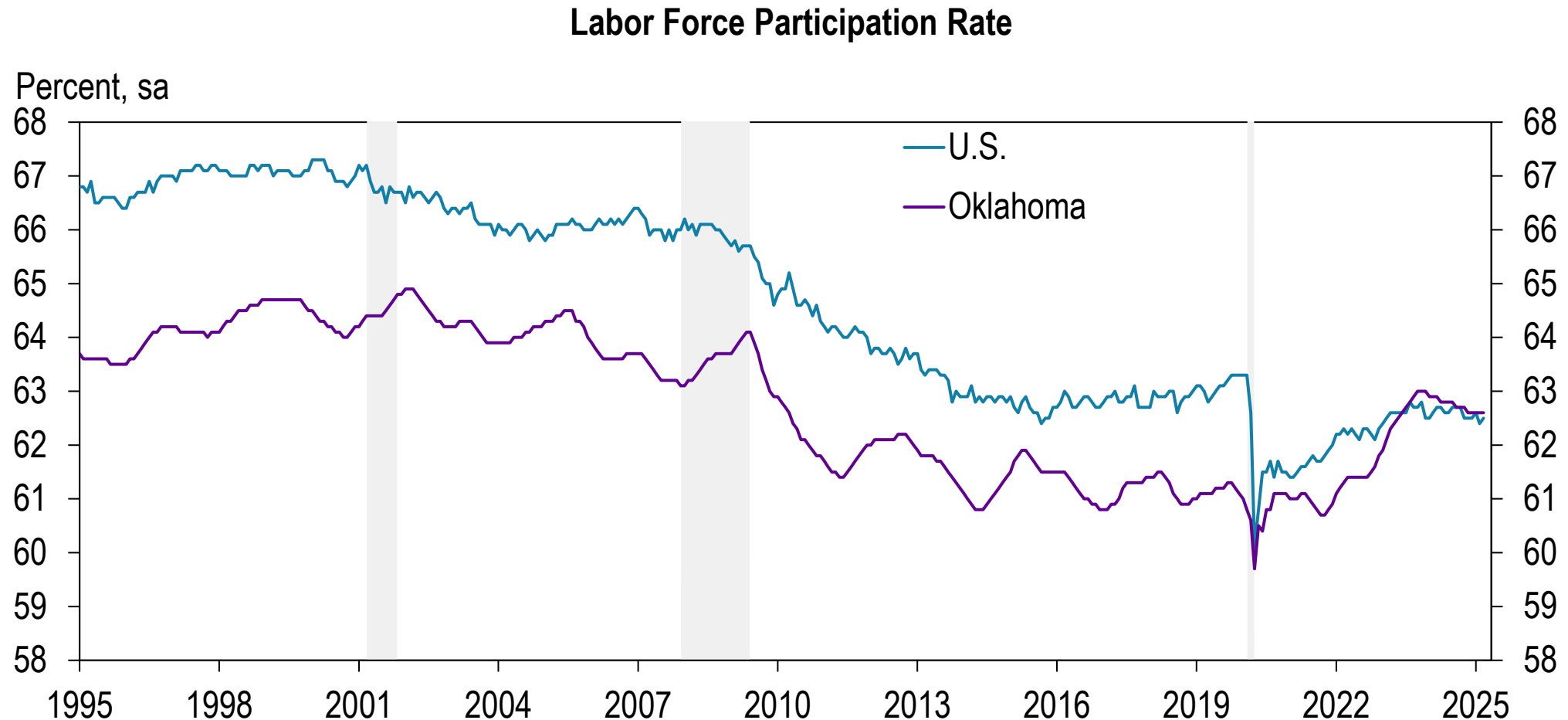
Oklahoma Net Domestic Migration by Education



Note: Sample shown in right chart is limited to age 25+.

Sources: U.S. Census Bureau, ACS 1-year estimates/IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org), authors' calculations

# Oklahoma's labor force participation rate has been higher than the U.S. since June 2023

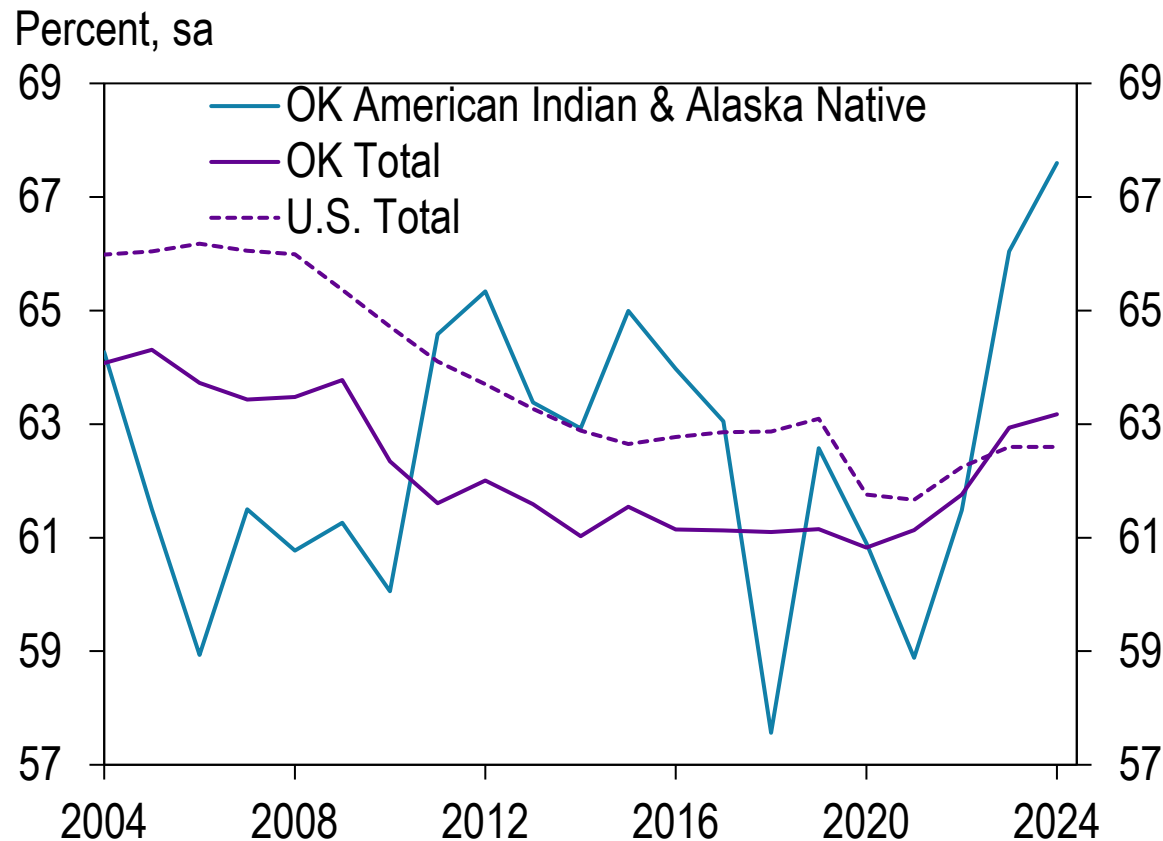


Note: Shading denotes NBER-defined recessions.

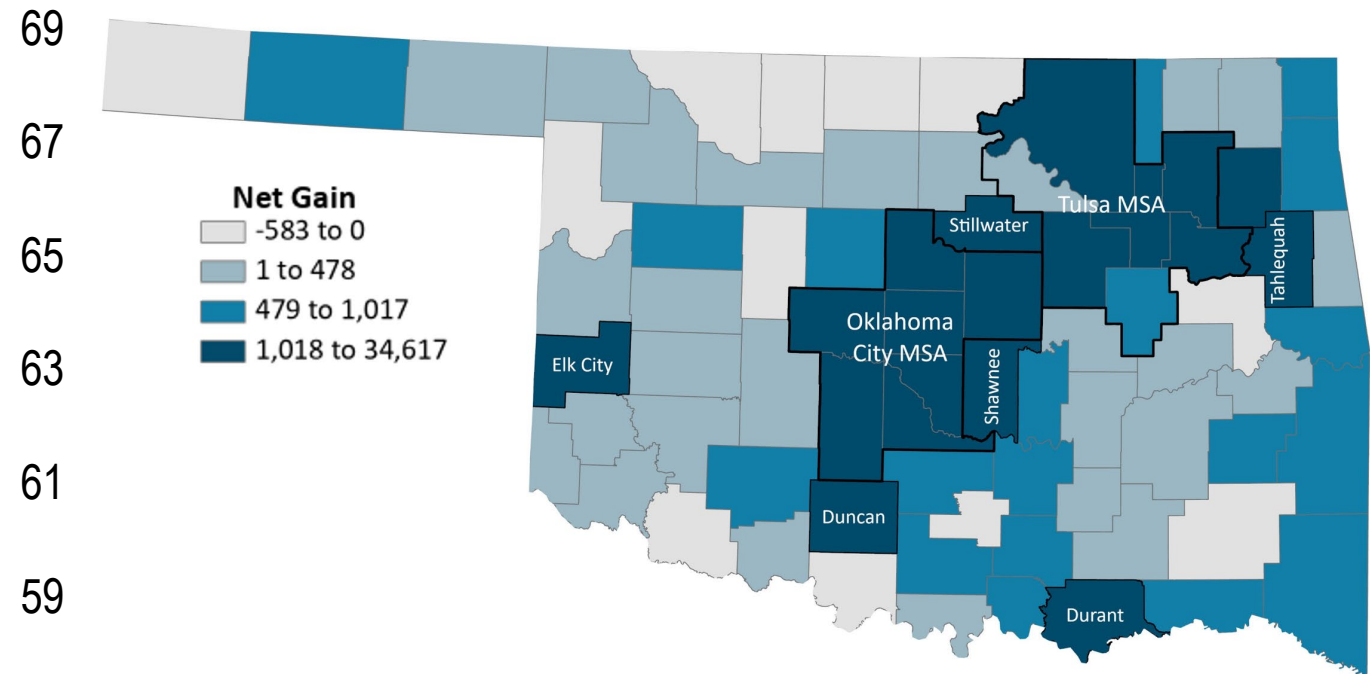
Sources: BLS, NBER/Haver Analytics

Oklahoma's Native American participation reached its highest level in over two decades, and the tribal-heavy southeastern corner of the state gained workers

## Labor Force Participation Rate



## Labor Force Gains by County, 2021-H1 2024



Note: 2024 rates are the average monthly rate for H1 2024 (January to June).

Sources: BLS, CPS, staff calculations



# Summary

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- Inflation has come down to near 2%, and the labor market remains strong
  - But upside risks have increased for both
- Oklahoma's economy also continues to grow, and unemployment is low
- Oklahoma's labor force participation rate met the national average for the first time in over three decades, driven primarily by Native Americans

# Questions?

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