

U.S. and Oklahoma Economic Outlook

Enid Noon Rotary

June 30, 2025

Cortney Cowley

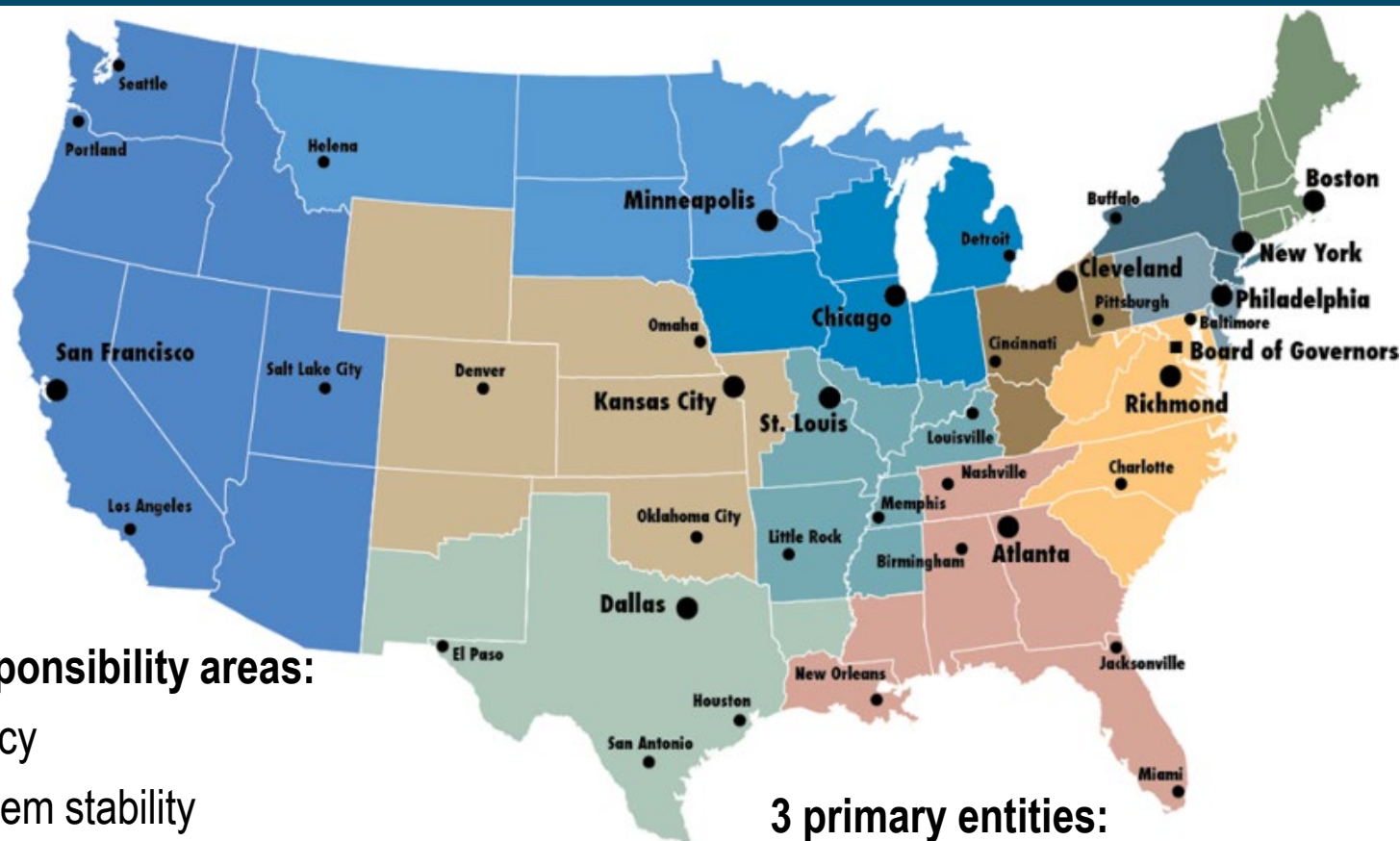
AVP & Oklahoma City Branch Executive

*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

- **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**

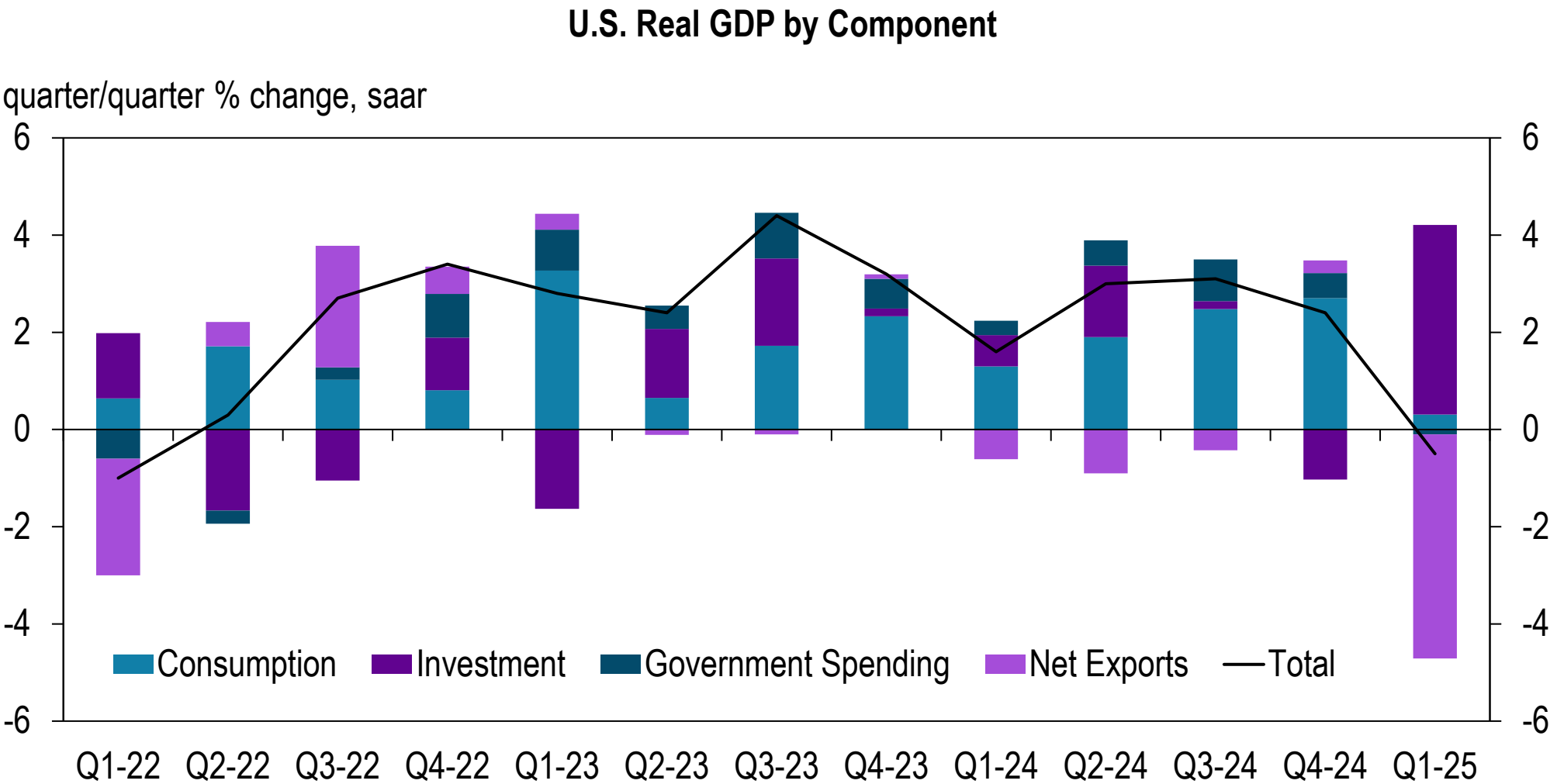
- **Rhonda Hooper (chair)**, President & CEO, Jordan Advertising, OKC
- **Mark Burrage**, CEO, FirstBank, Antlers/Atoka
- **Scott Case**, President, Case & Associates Properties, Tulsa
- **Jason A. Garner**, Crawley Petroleum Corporation, OKC
- **Terry Salmon**, President, Computer System Designers, OKC
- **Brady Sidwell**, Principal, Sidwell Enterprises, Enid
- **Rebecca Thompson**, CFO, Treasurer, & VP Finance, AAON, Inc., Tulsa



Overview

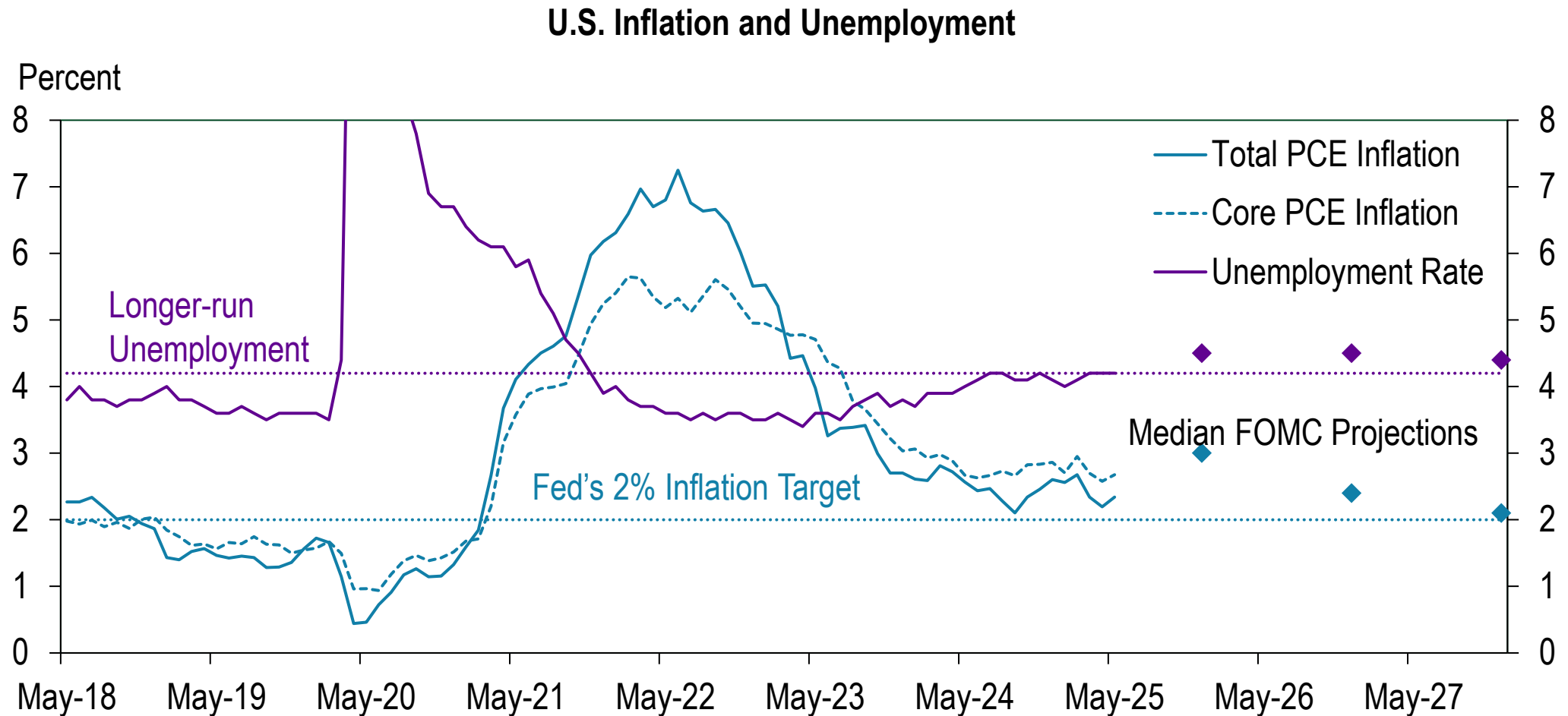
- U.S. GDP fell slightly in Q1 as firms front-loaded imports, and unemployment is up slightly but remains near long-term averages
- Inflation has come down to near 2%, and the labor market remains strong
- Oklahoma's economy also continues to grow, and unemployment is low
- Oklahoma's labor force participation rate met the national average for the first time in over three decades, driven primarily by Native Americans

U.S. GDP fell by 0.5% in Q1 as firms front-loaded imports, and consumption growth eased

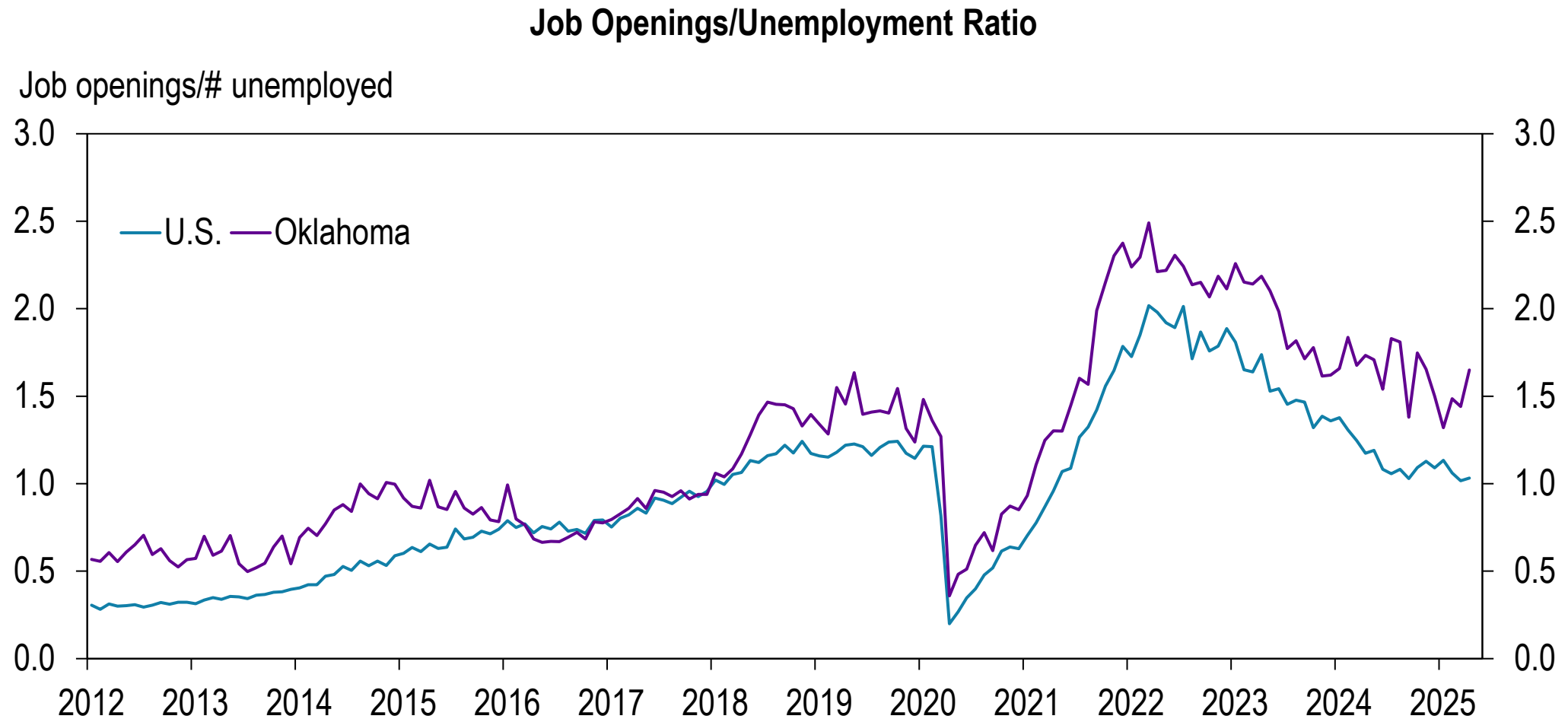


Sources: BEA/Haver Analytics

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

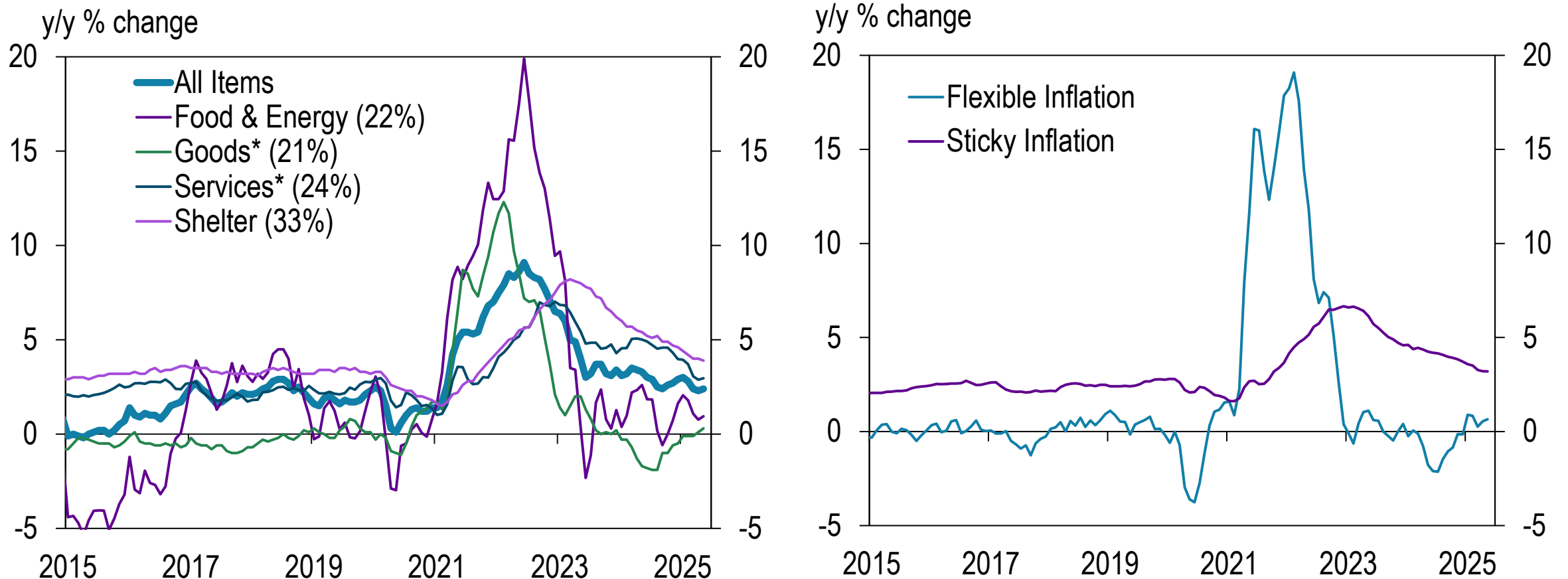


The labor market is balanced. Job openings still exceed unemployed workers in Oklahoma but have returned to near pre-pandemic levels



CPI inflation ticked up to 2.4% in May, as shelter cooled and flexible inflation stays mostly flat

Consumer Price Index by Component



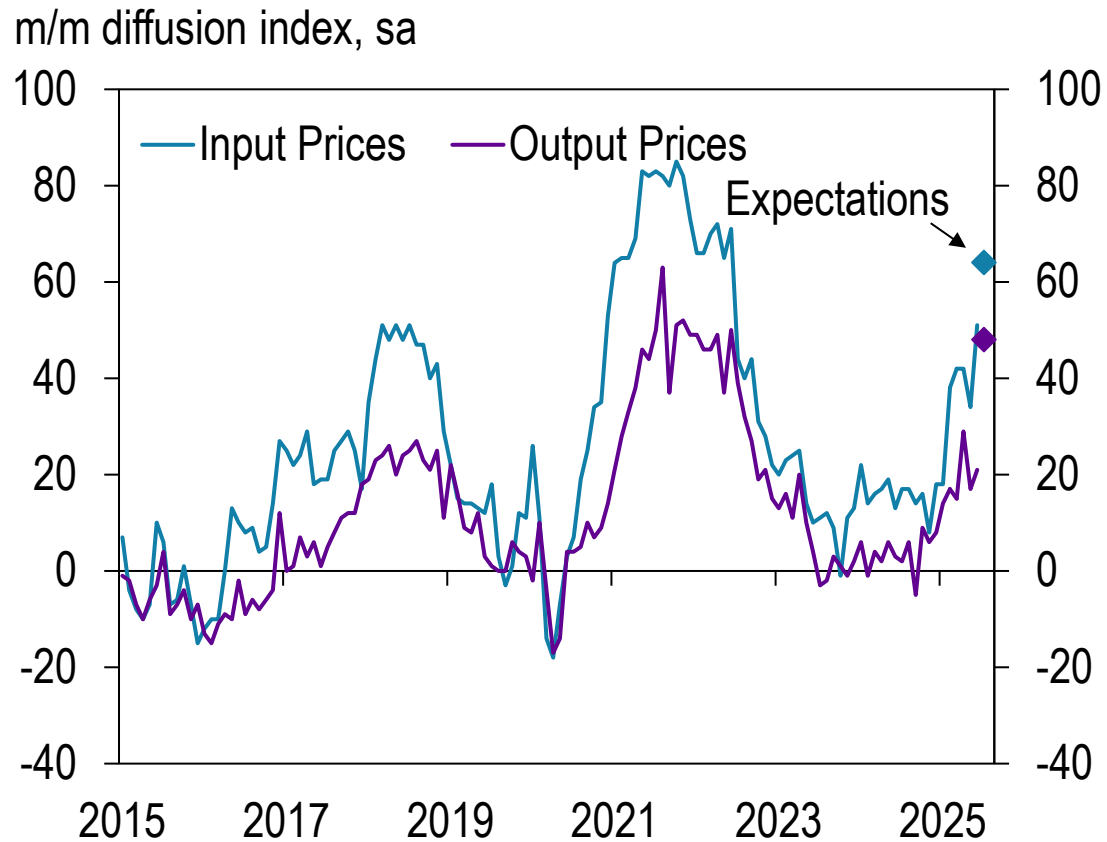
*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

Sources: BLS, Atlanta Fed/Haver Analytics

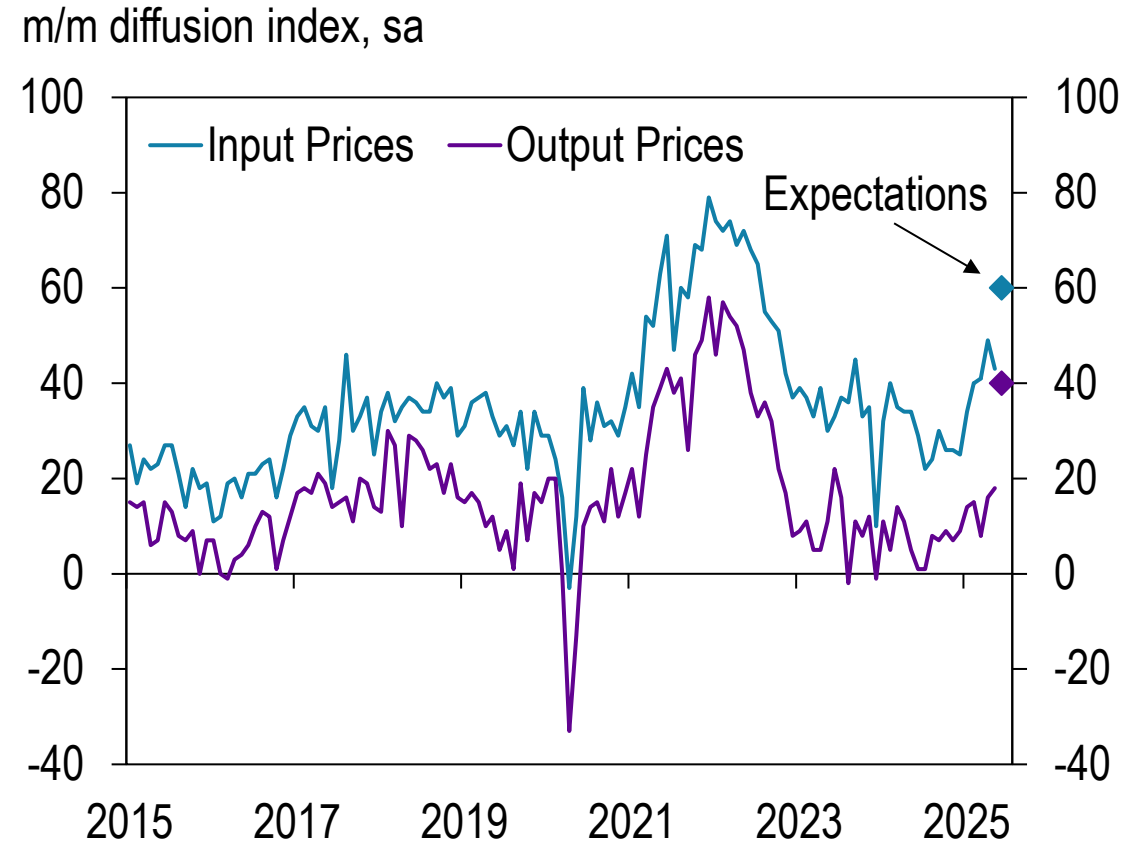
Tenth District firms have faced higher costs, and some have raised output prices accordingly

Kansas City Fed Price Indexes

Manufacturing Firms

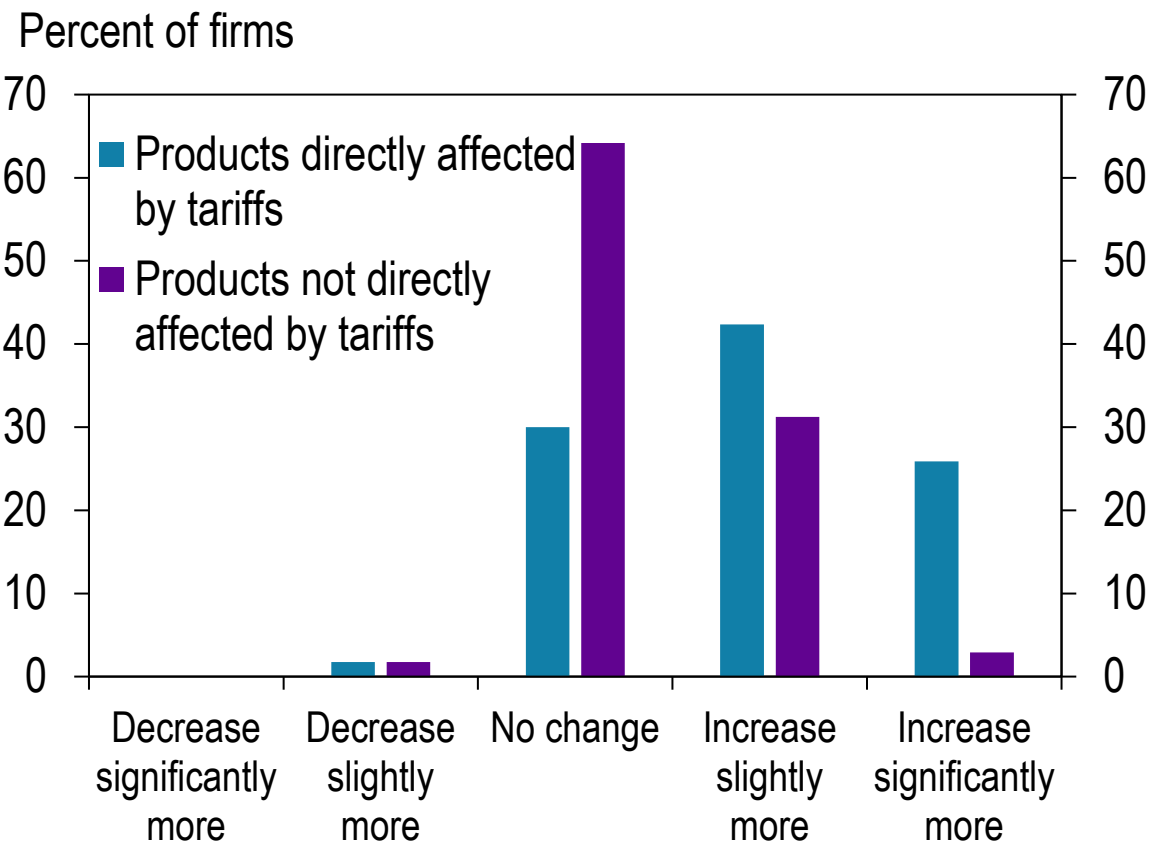


Services Firms

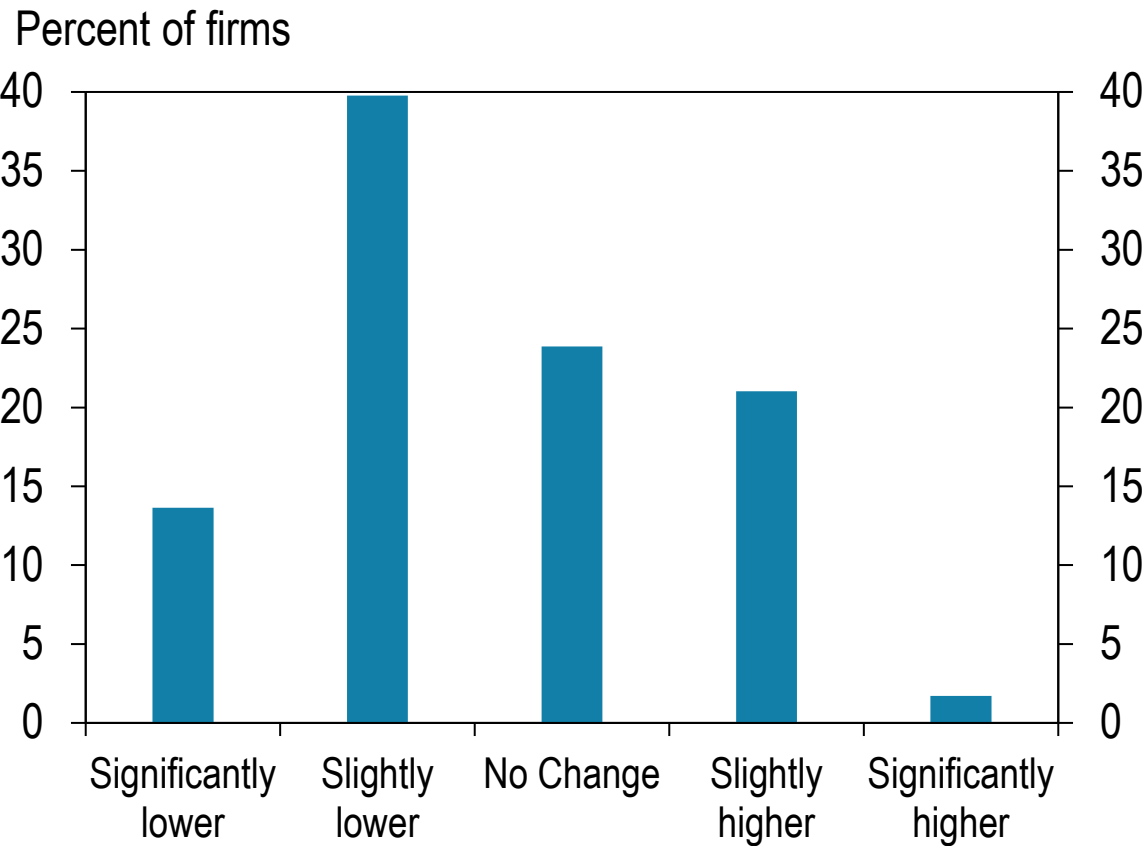


Most Tenth District firms expect to increase prices further due to recent trade policy, but their outlook for demand is still mixed

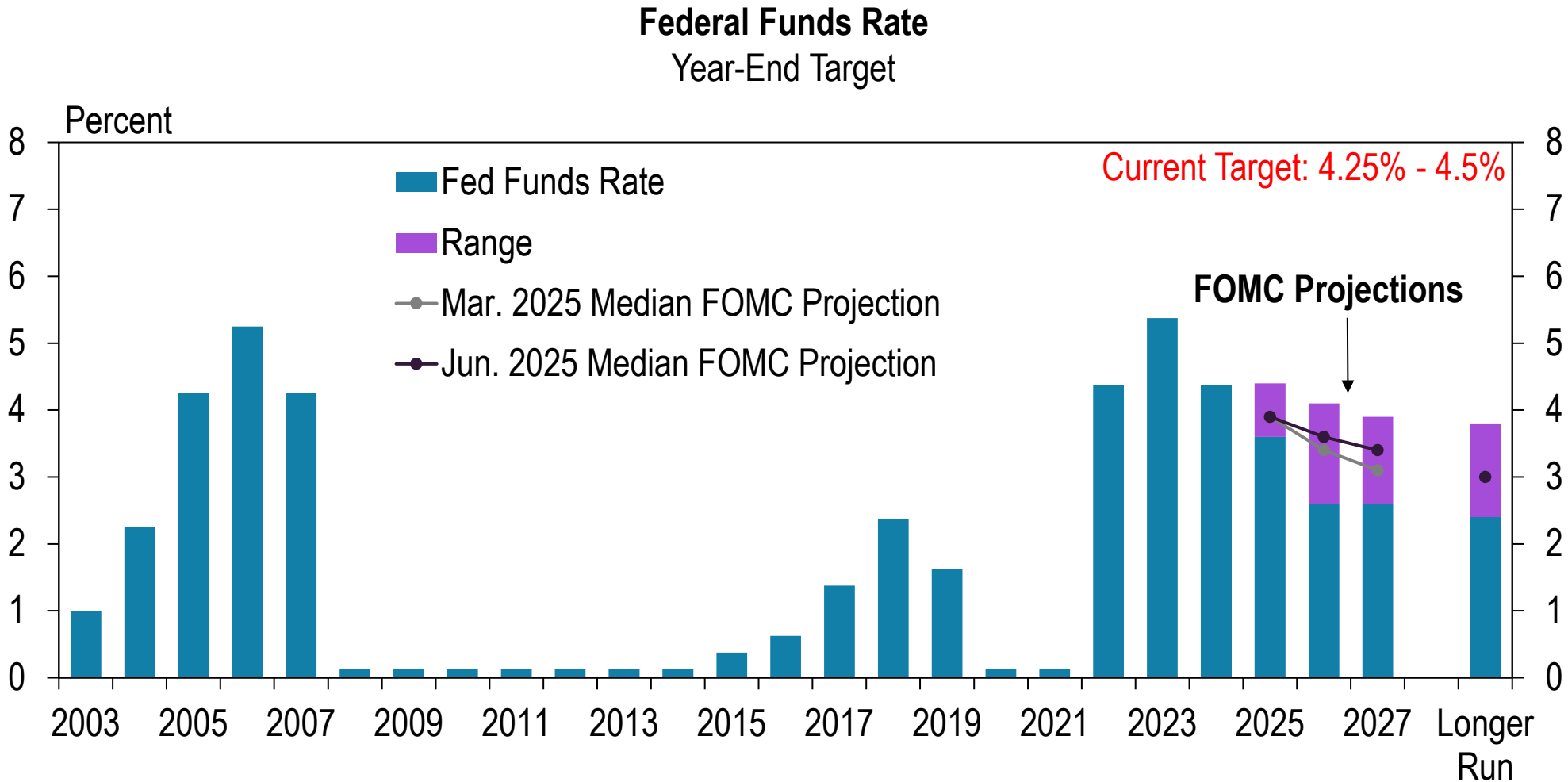
Apr-25: How do you expect to adjust prices this year compared to your pricing strategy at the beginning of the year?



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



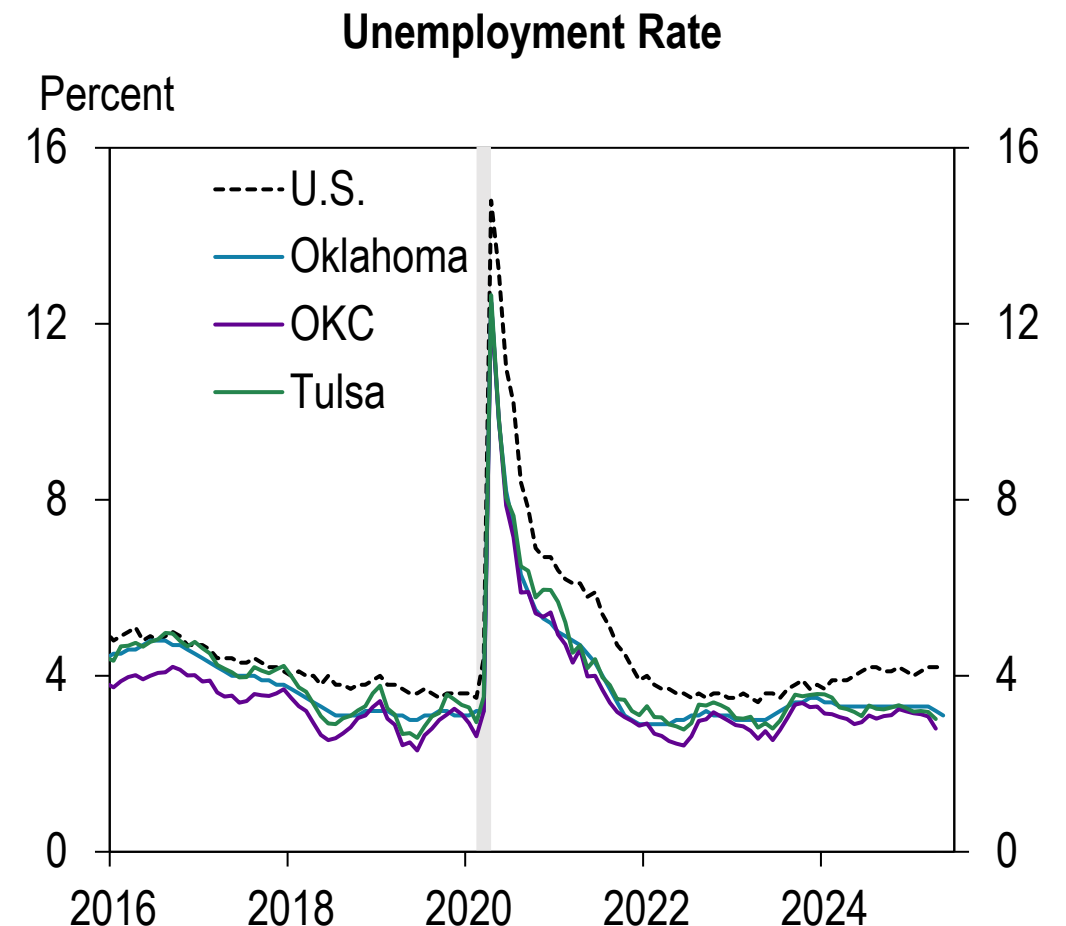
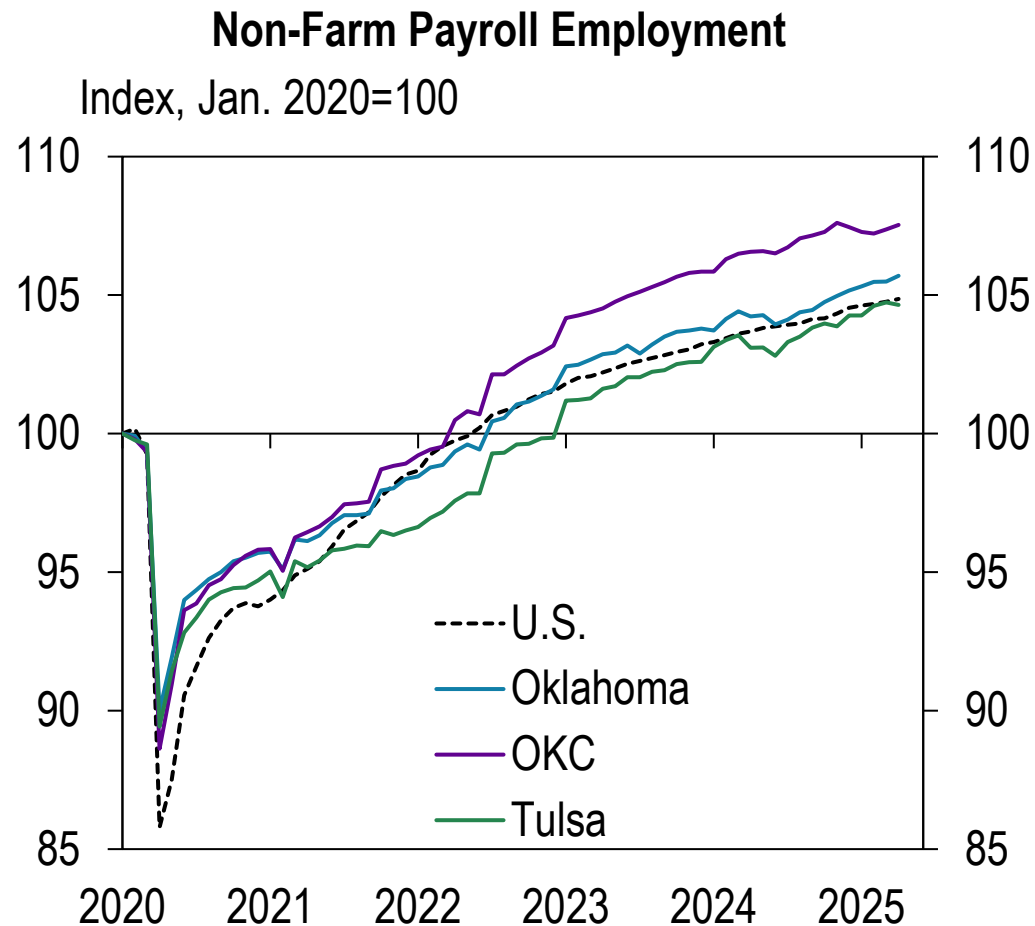
The Fed held the federal funds rate steady in June, and the latest projections are shown



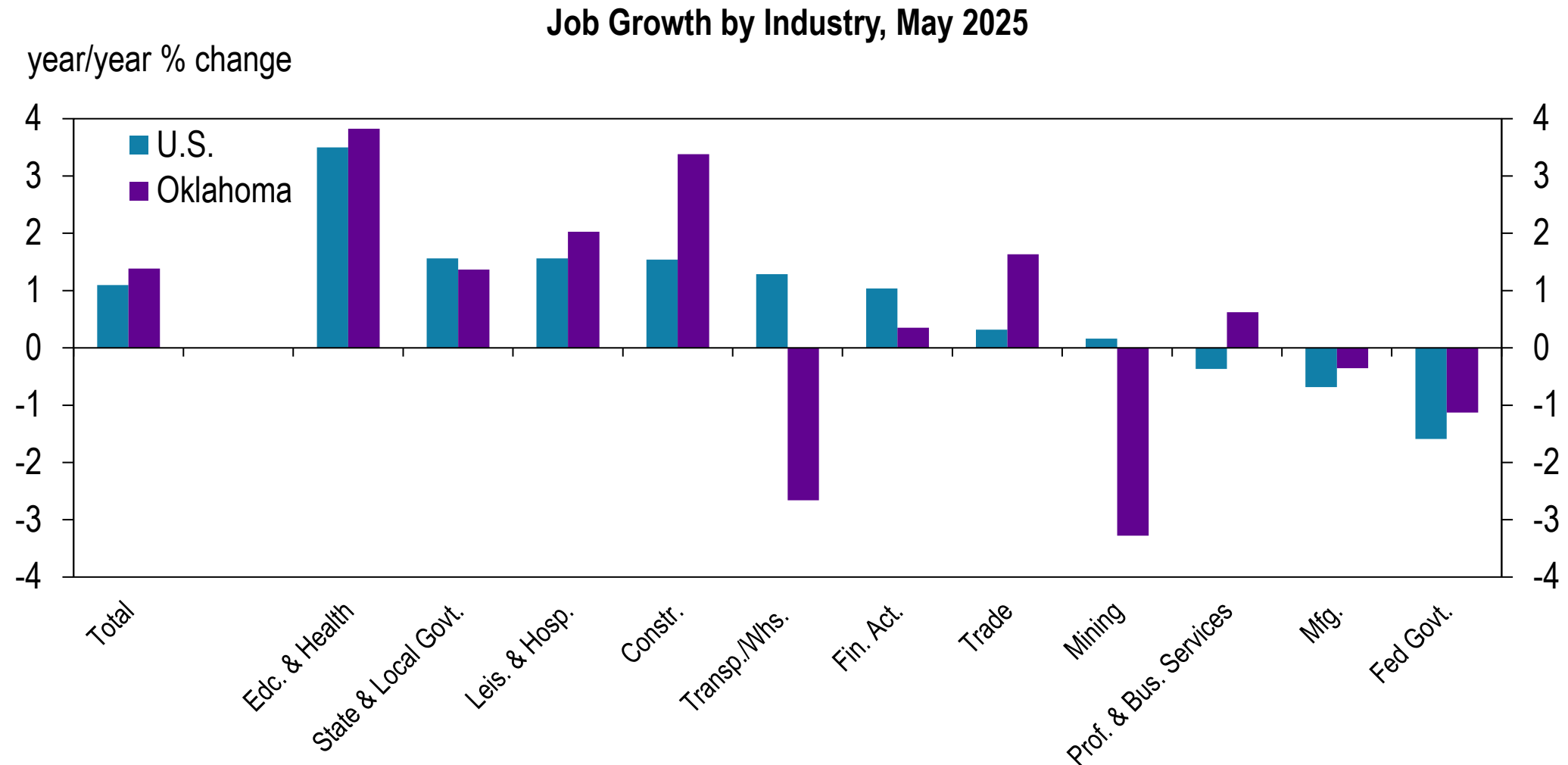
Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

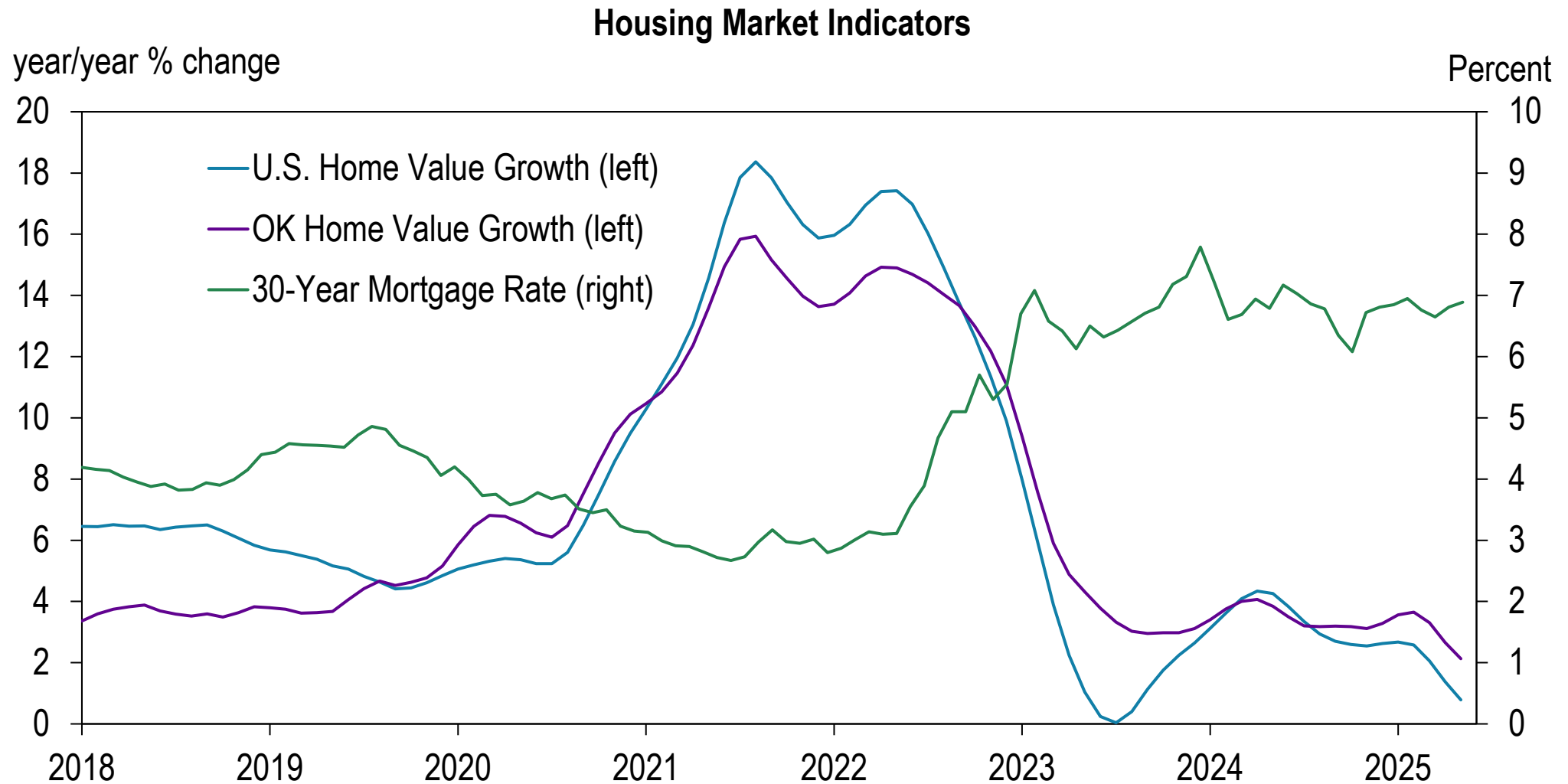
Jobs in Oklahoma have continued to grow in 2025, while unemployment remains very low



Oklahoma's job growth slightly outperformed the nation's over the past year, driven by healthcare, construction, leisure/hospitality, and retail



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

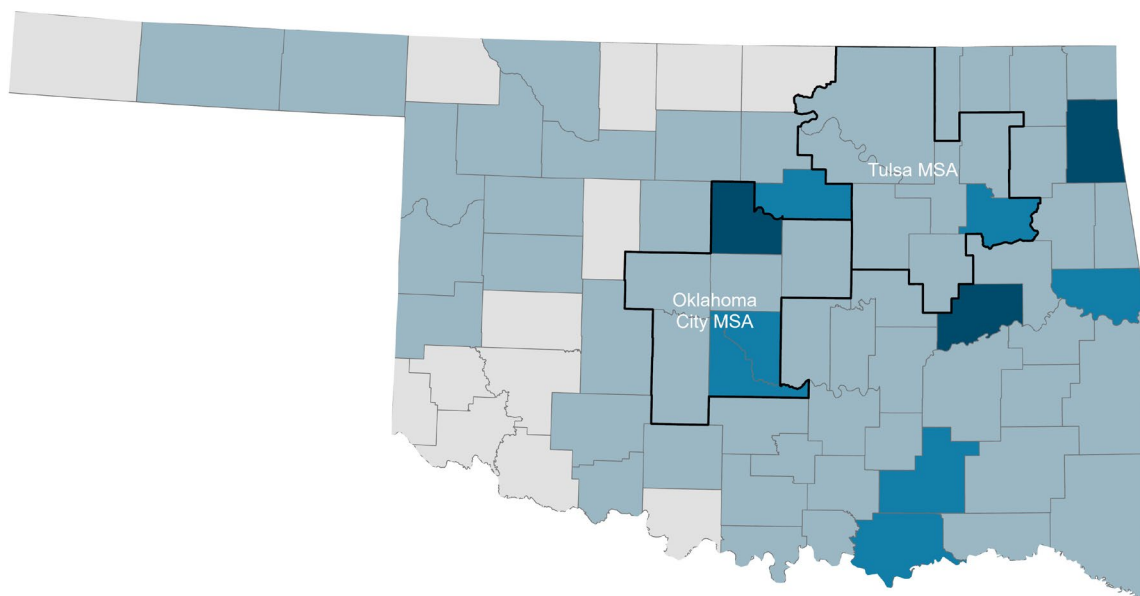


Sources: Freddie Mac, Zillow/Haver Analytics

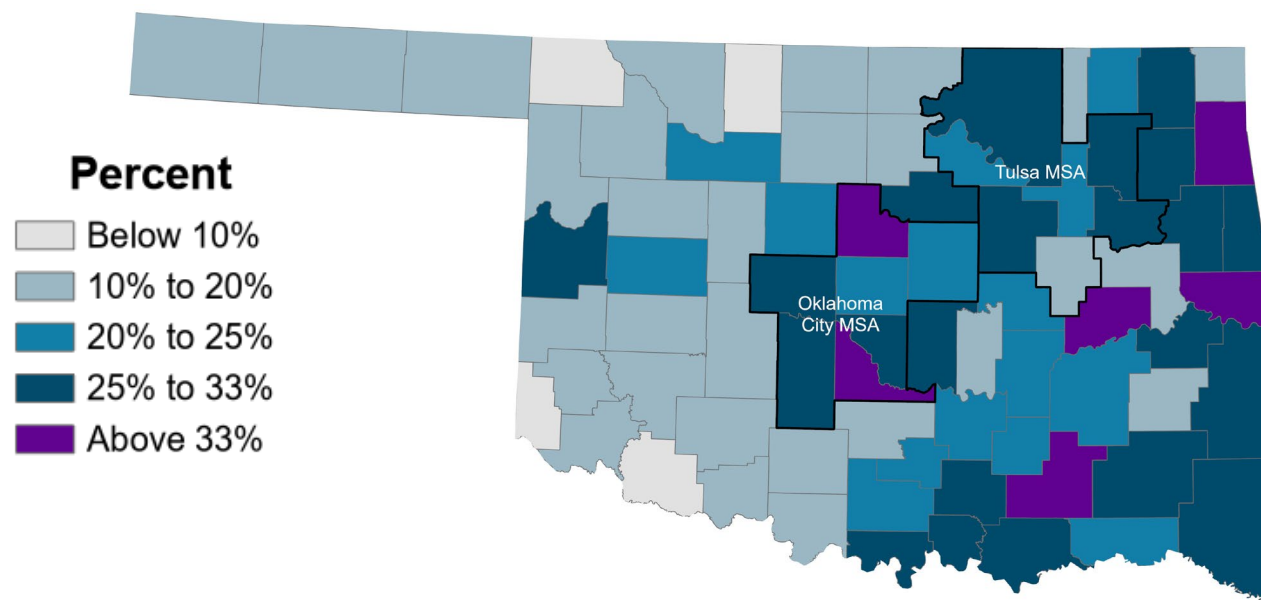
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019



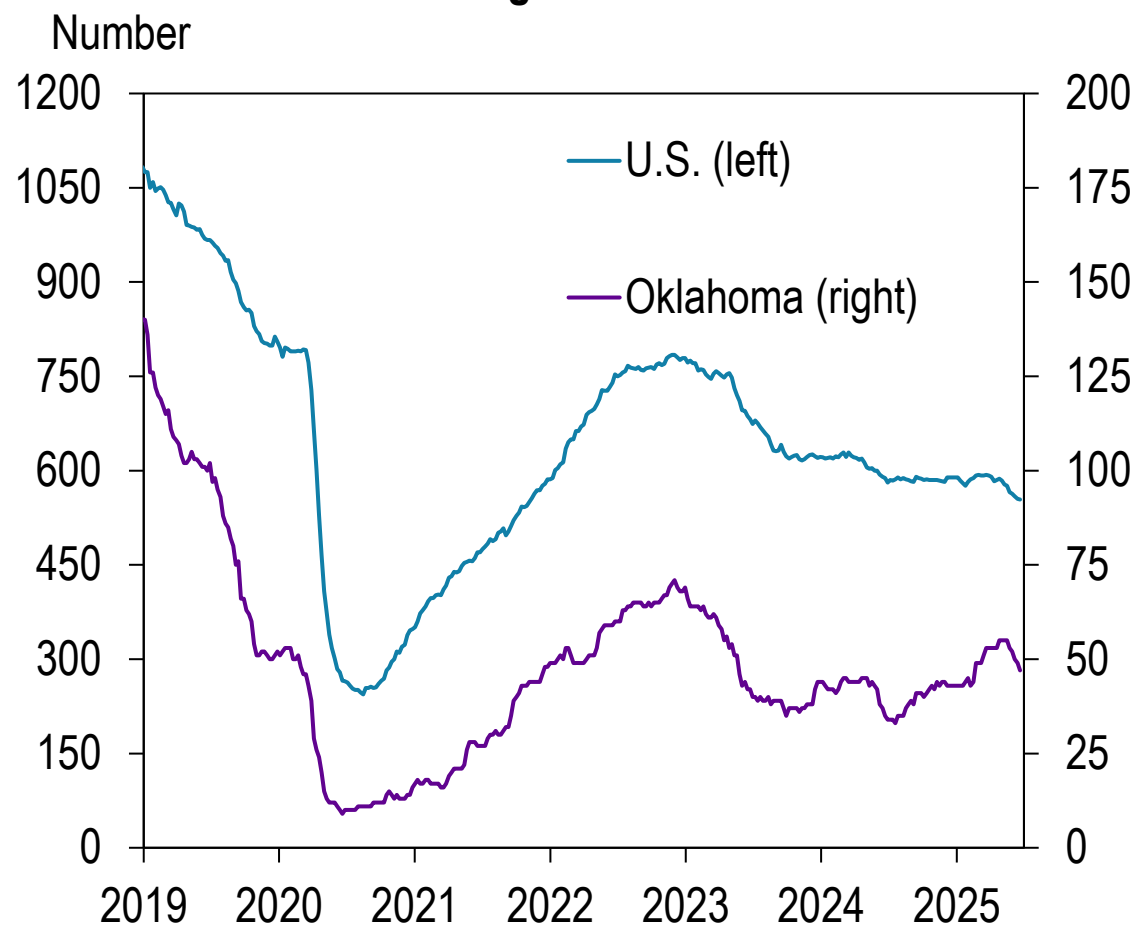
2024



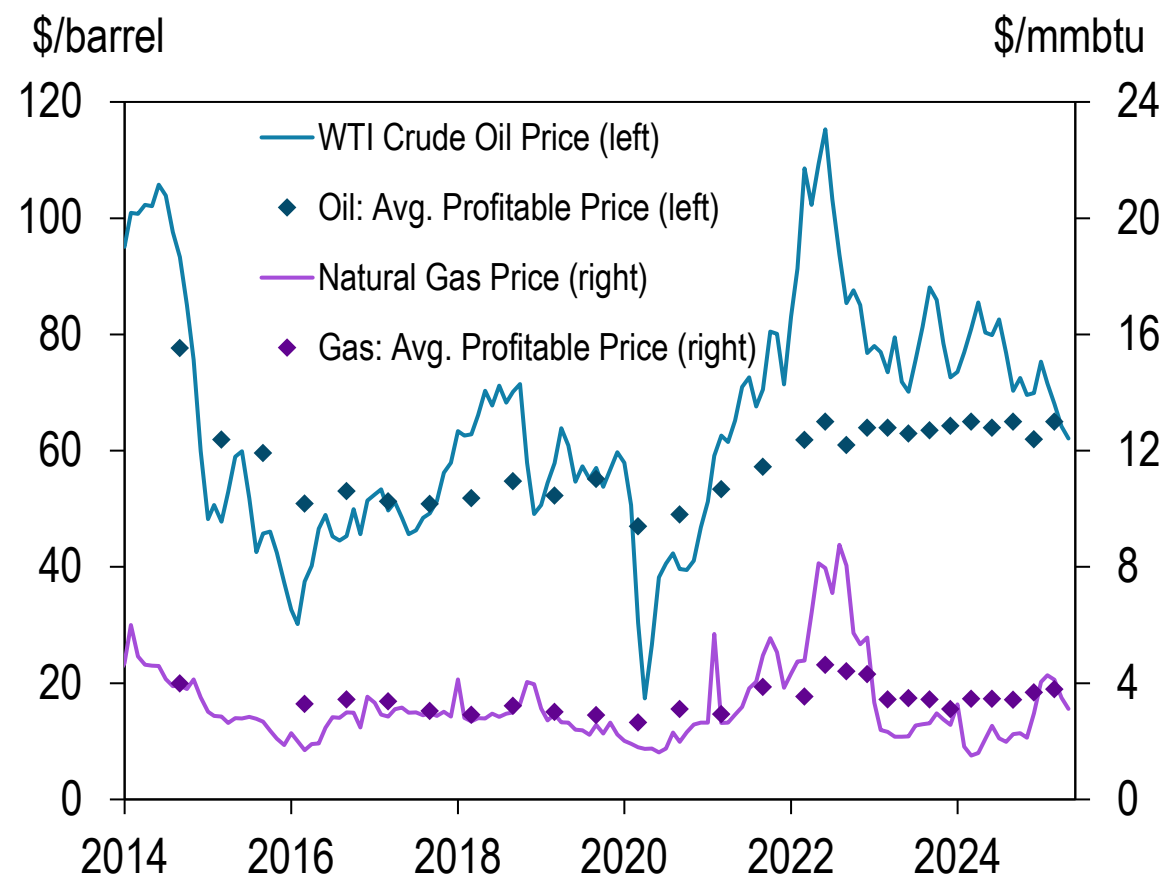
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

Drilling activity has increased in Oklahoma in 2025 due to rising natural gas prices, but has cooled more recently with falling oil prices

Rig Counts

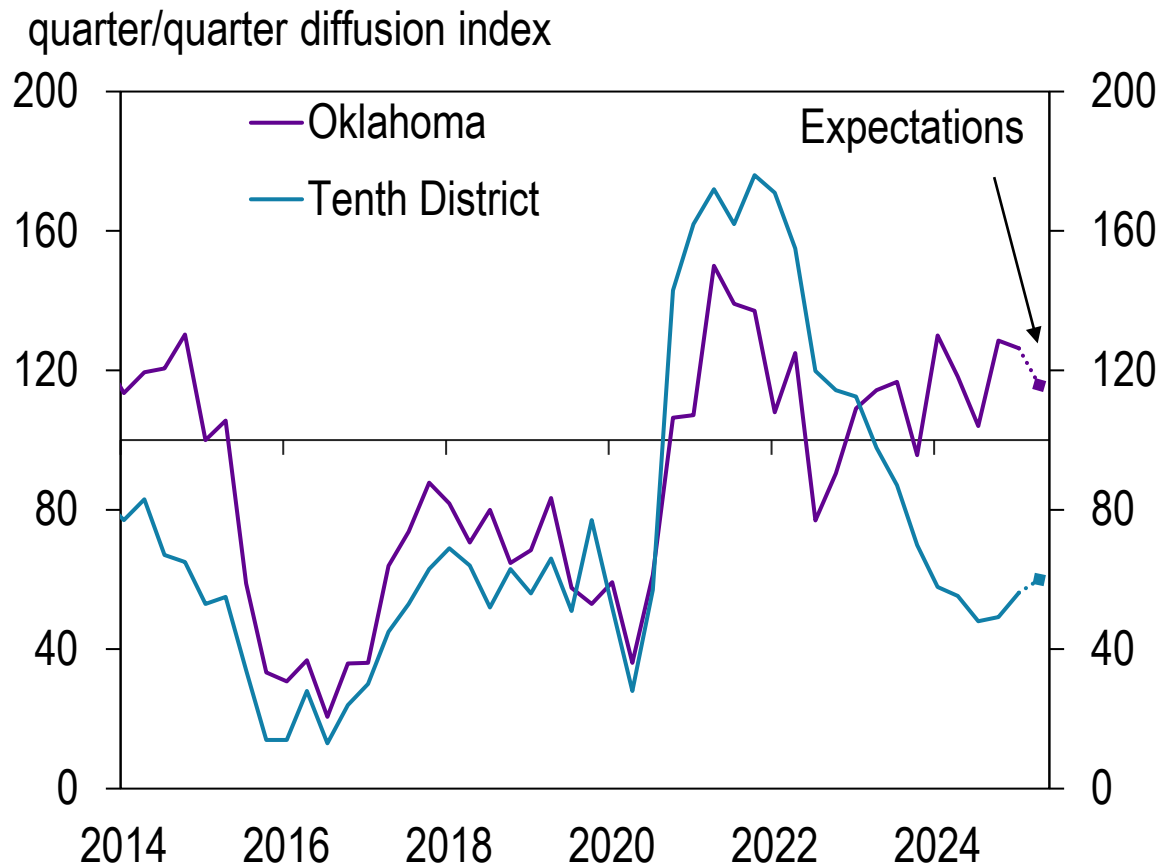


U.S. Energy Prices

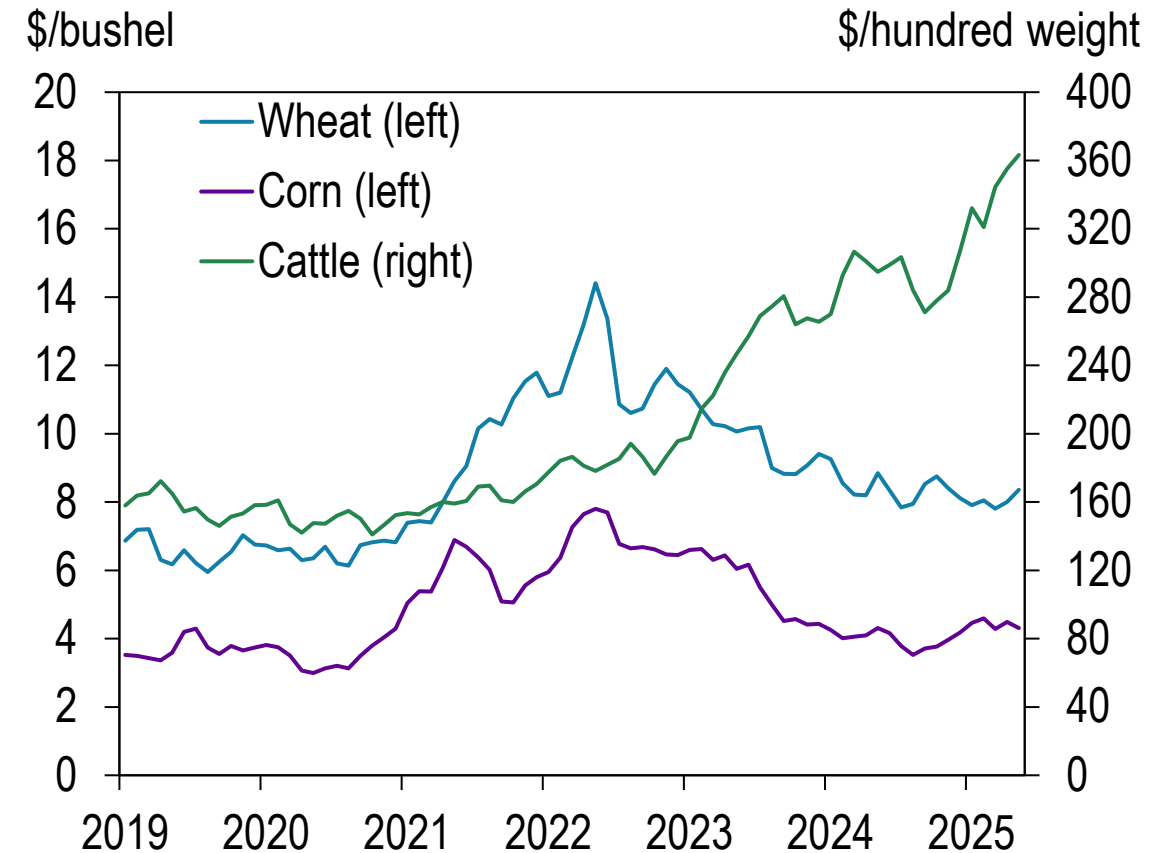


Oklahoma farm income grew in Q1 while it declined in other District states, partially due to higher cattle prices

Farm Income

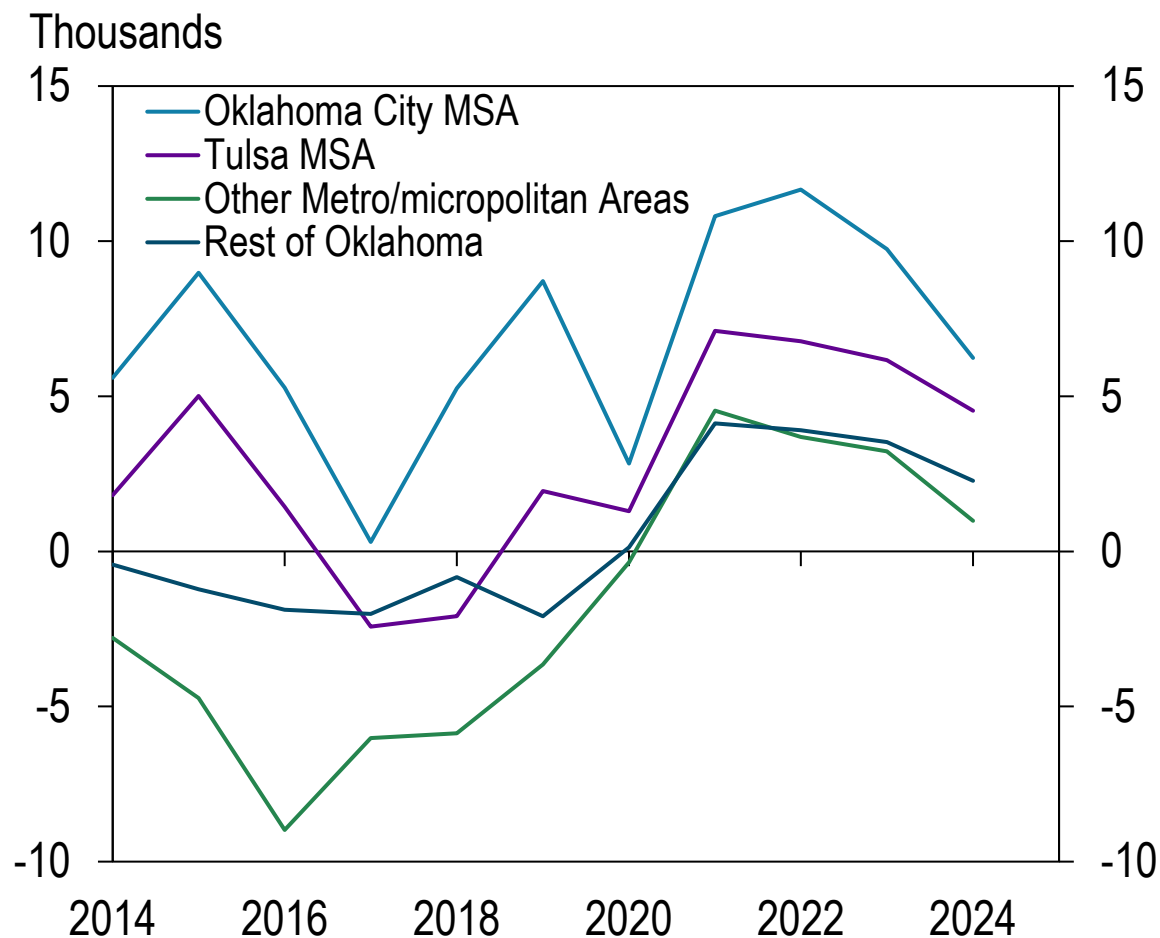


Agricultural Commodity Prices

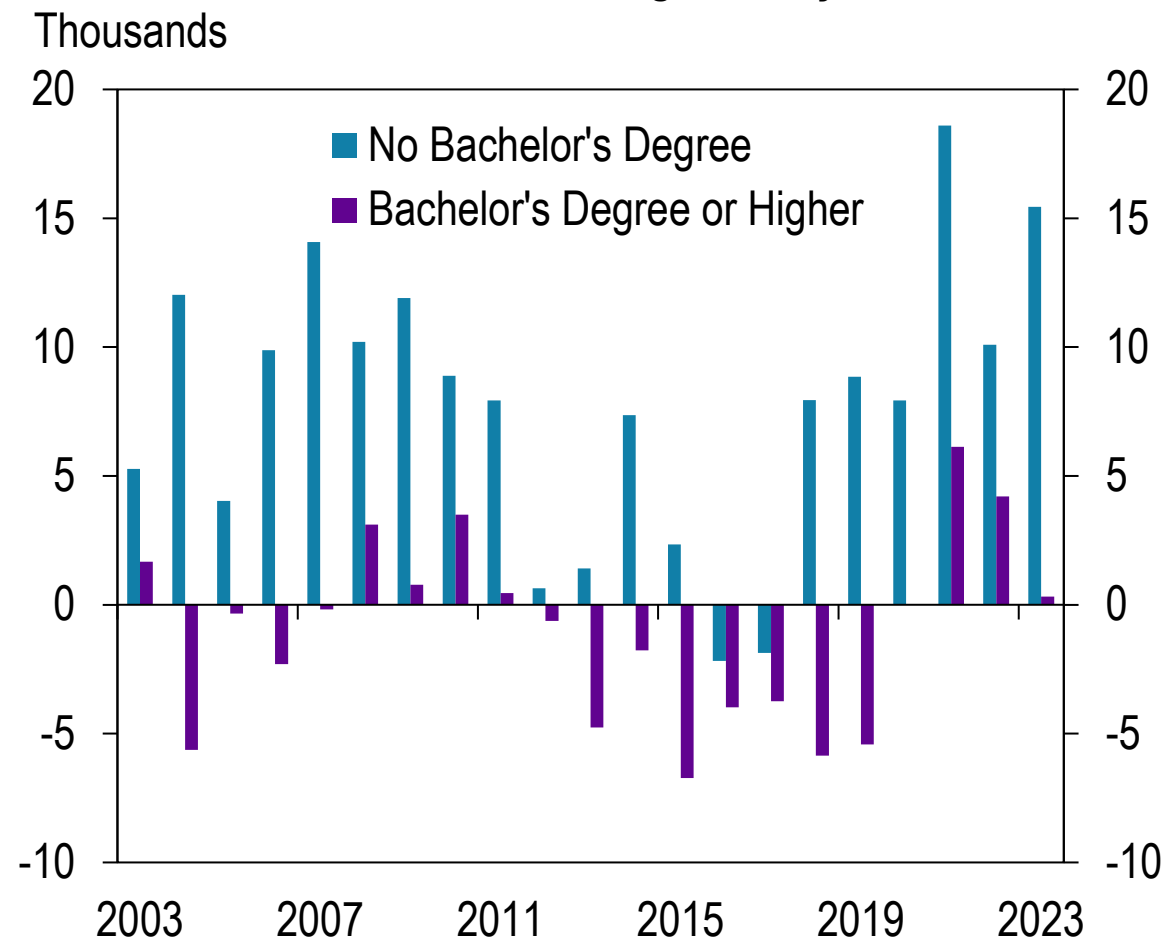


Both metropolitan and rural areas have gained residents on net, and the surge of college graduates into the state cooled in 2023

Oklahoma Net Domestic Migration



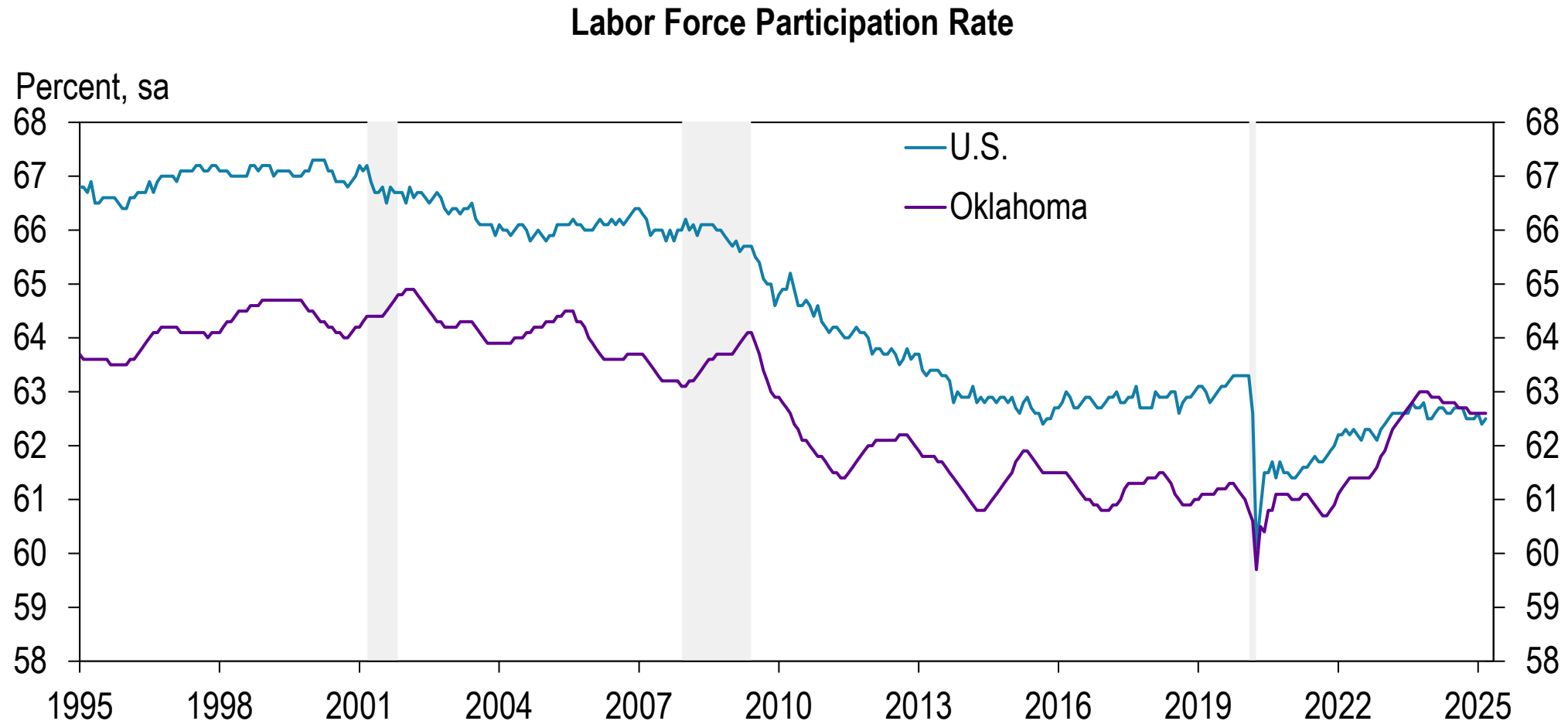
Oklahoma Net Domestic Migration by Education



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, authors' calculations

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

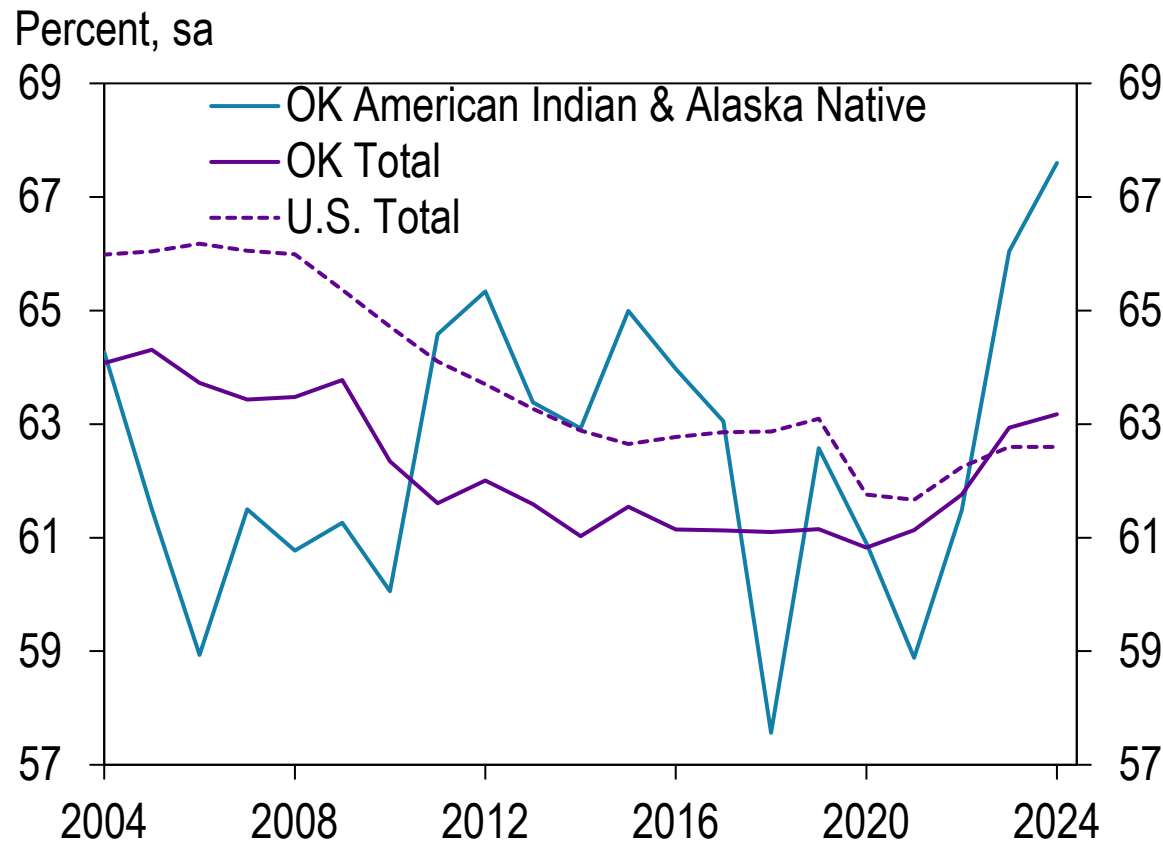


Note: Shading denotes NBER-defined recessions.

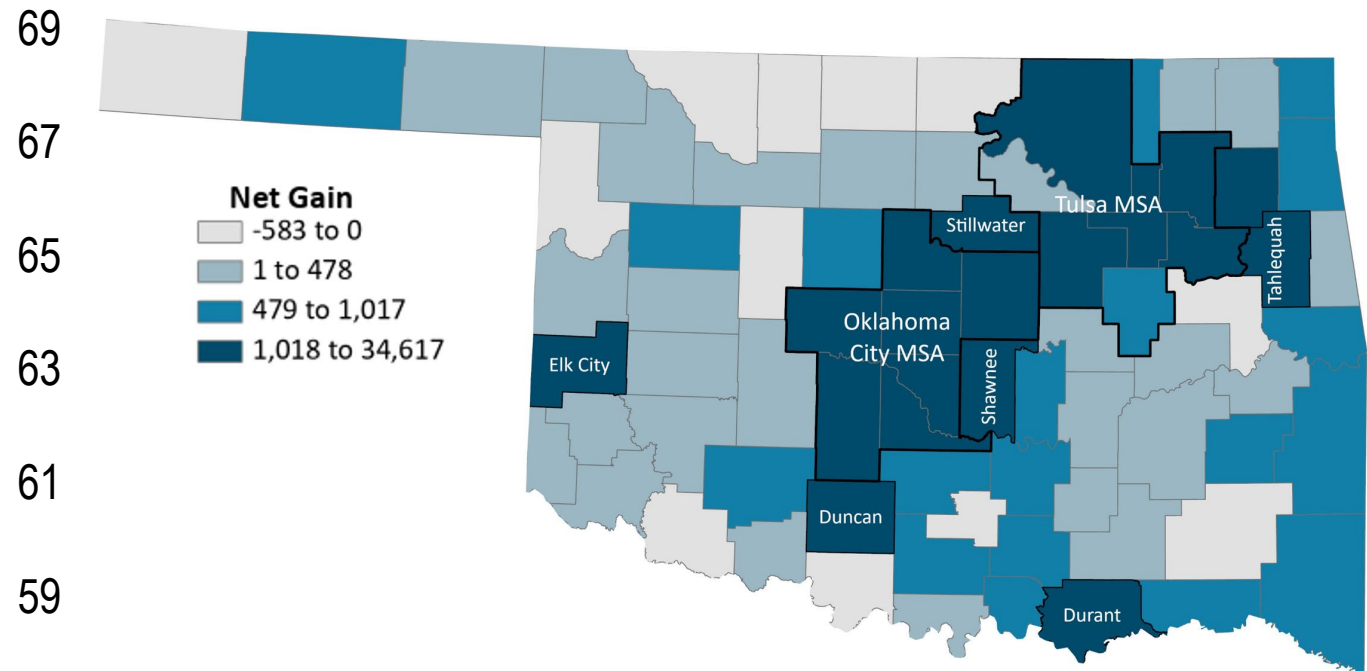
Sources: BLS, NBER/Haver Analytics

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

- U.S. GDP fell slightly in Q1 as firms front-loaded imports, 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

Questions?

RECEIVE REGULAR UPDATES ABOUT
Oklahoma's economy

For more analysis of the Oklahoma economy, regional manufacturing conditions and regional energy conditions, subscribe to receive e-mail alerts from the KANSAS CITY FED.

Visit *kansascityfed.org/lealert* to subscribe!

