

U.S. and Oklahoma Economic Outlook

Tinker Federal Credit Union Young Professionals

October 2, 2025

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*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.

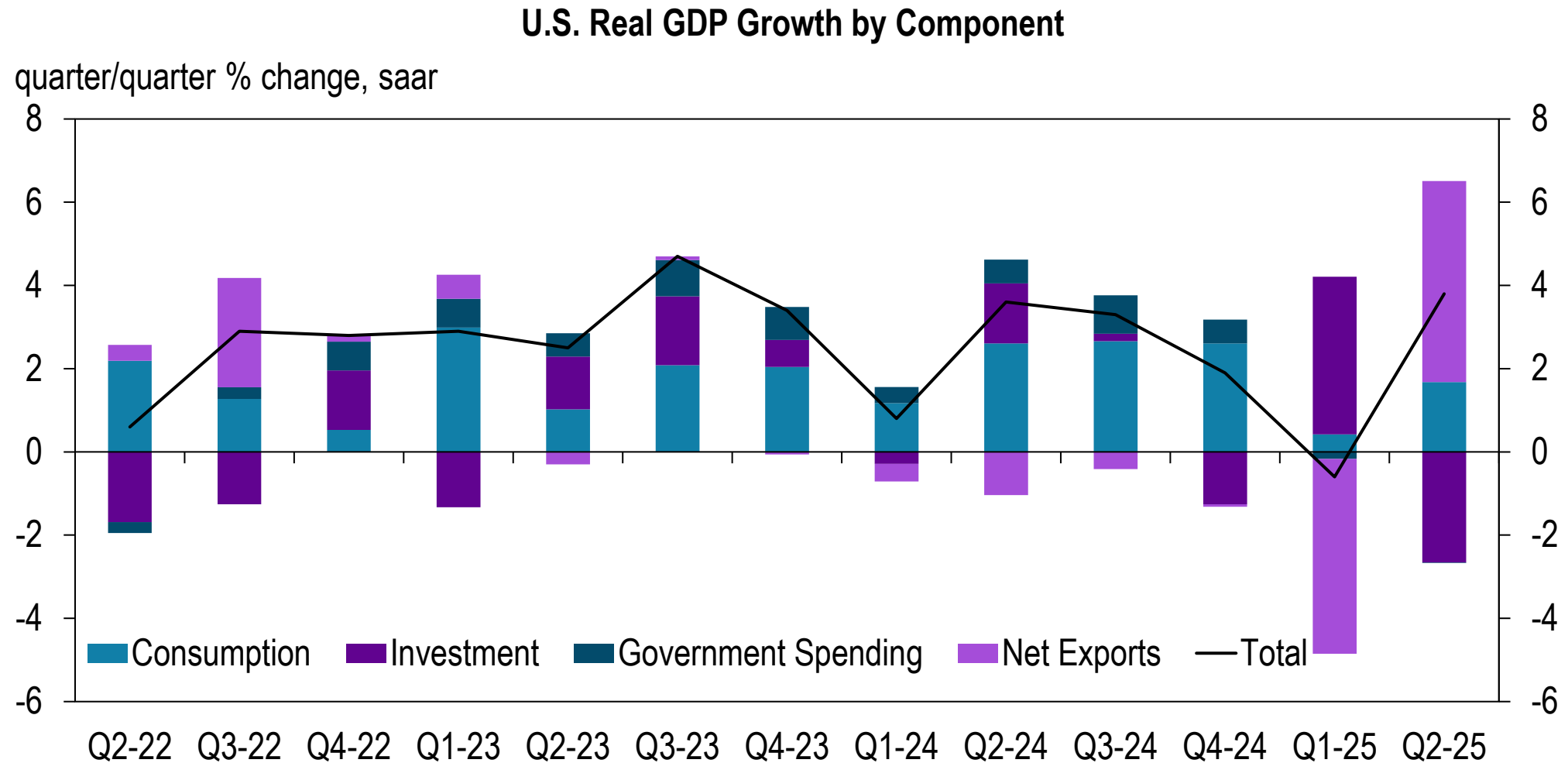


Denver / Oklahoma City / Omaha

Overview

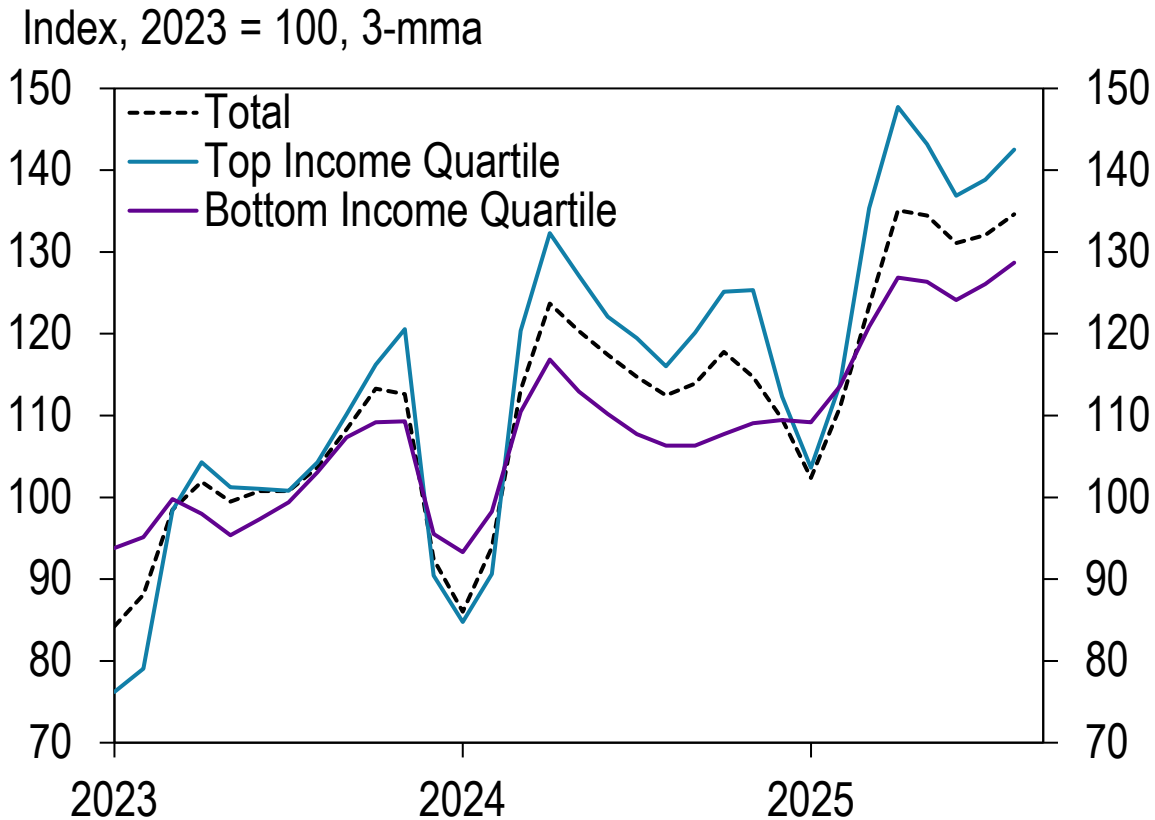
- U.S. economic growth remains solid, but is concentrated in certain sectors and segments of the population
- The labor market is balanced, but softening, as labor supply and demand fall together. Unemployment is up slightly but remains near long-term averages.
- Inflation has come closer to the Fed's target, but goods inflation is rising
- Oklahoma job growth is solid but leveling off, 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 grew 3.8% in Q2 following contraction in Q1 due to rebounds in next exports and consumption growth

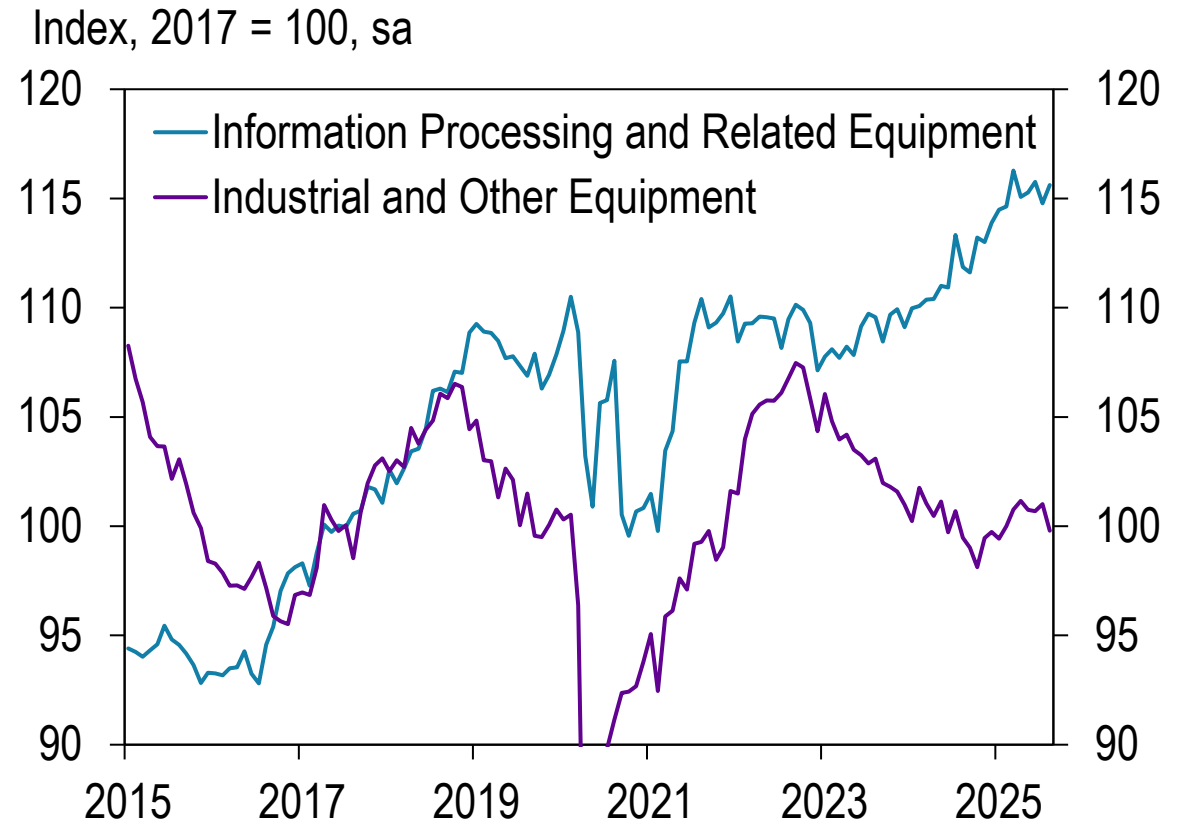


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

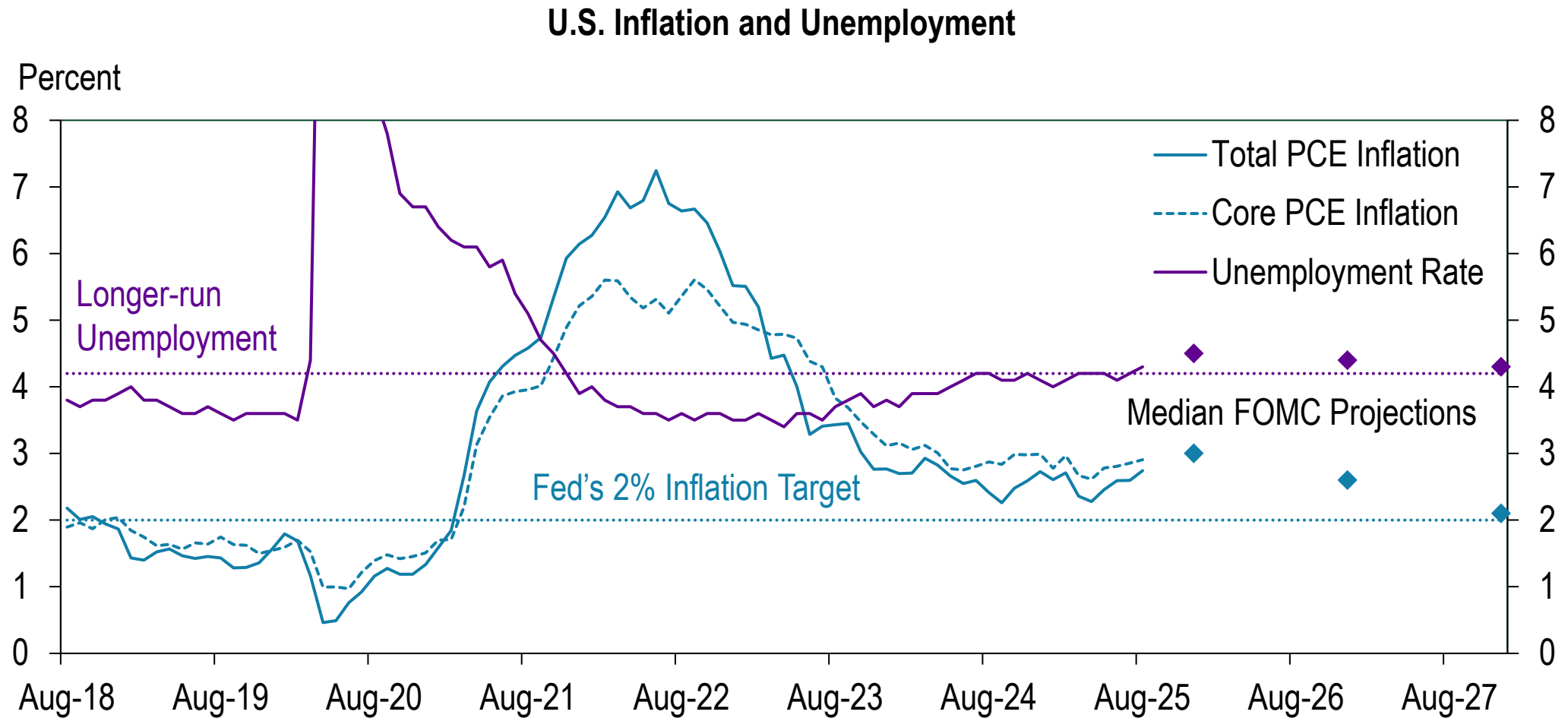
U.S. Credit Card Consumer Spending by Income



U.S. Industrial Production

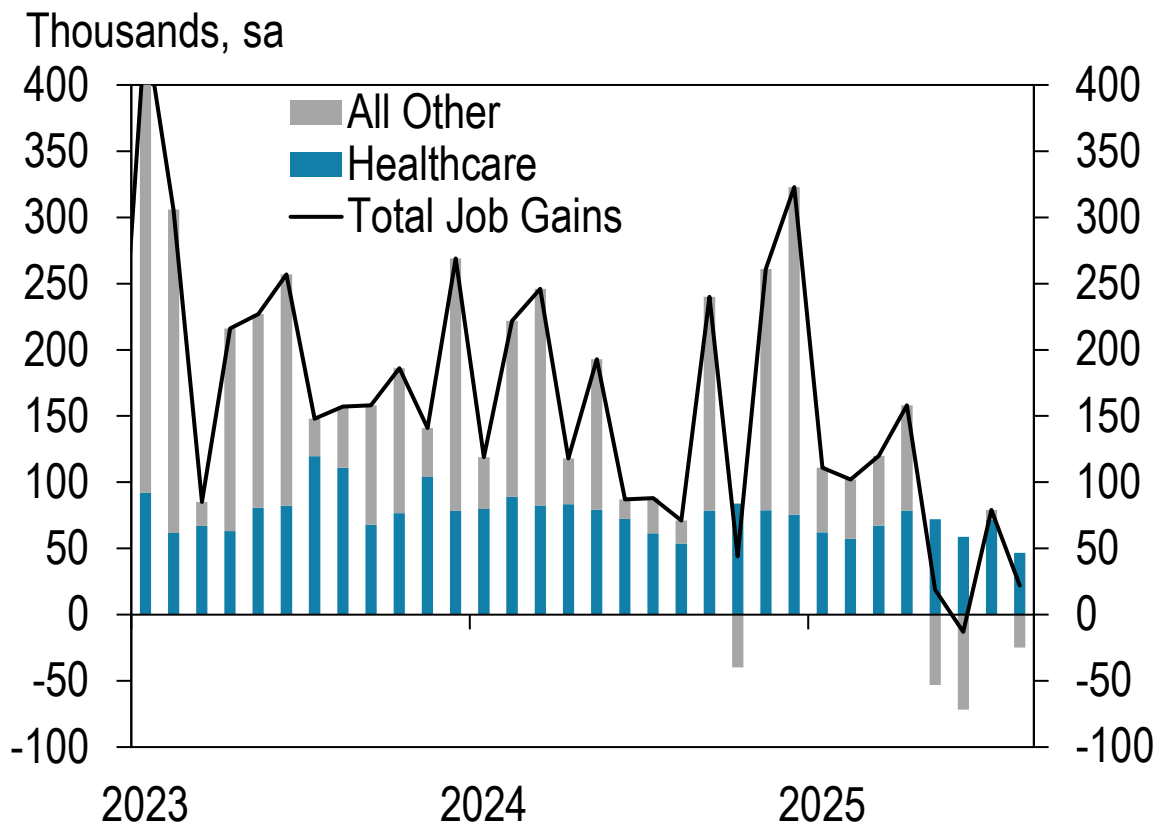


Inflation and unemployment have come closer to the Fed's targets, but there are upside risks to both

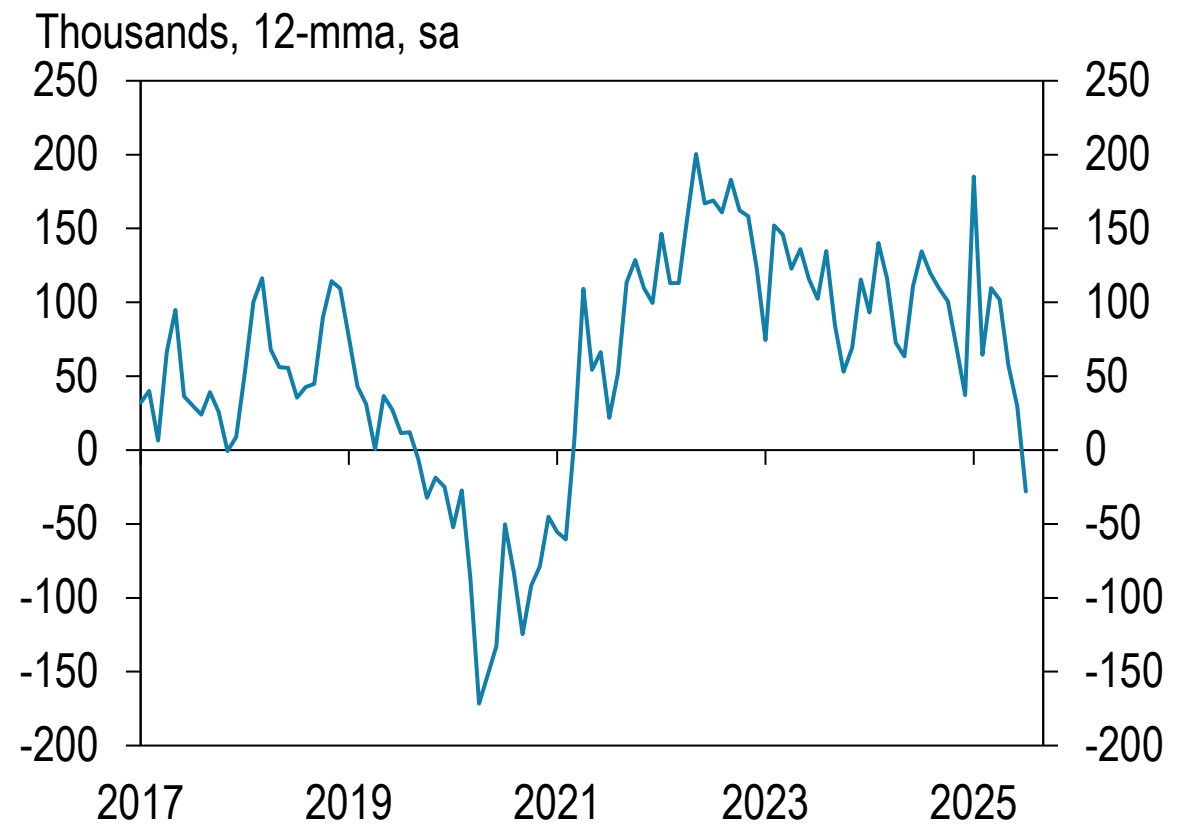


U.S. job gains have slowed in recent months and are largely concentrated in healthcare, partially due to reduced labor supply from immigration

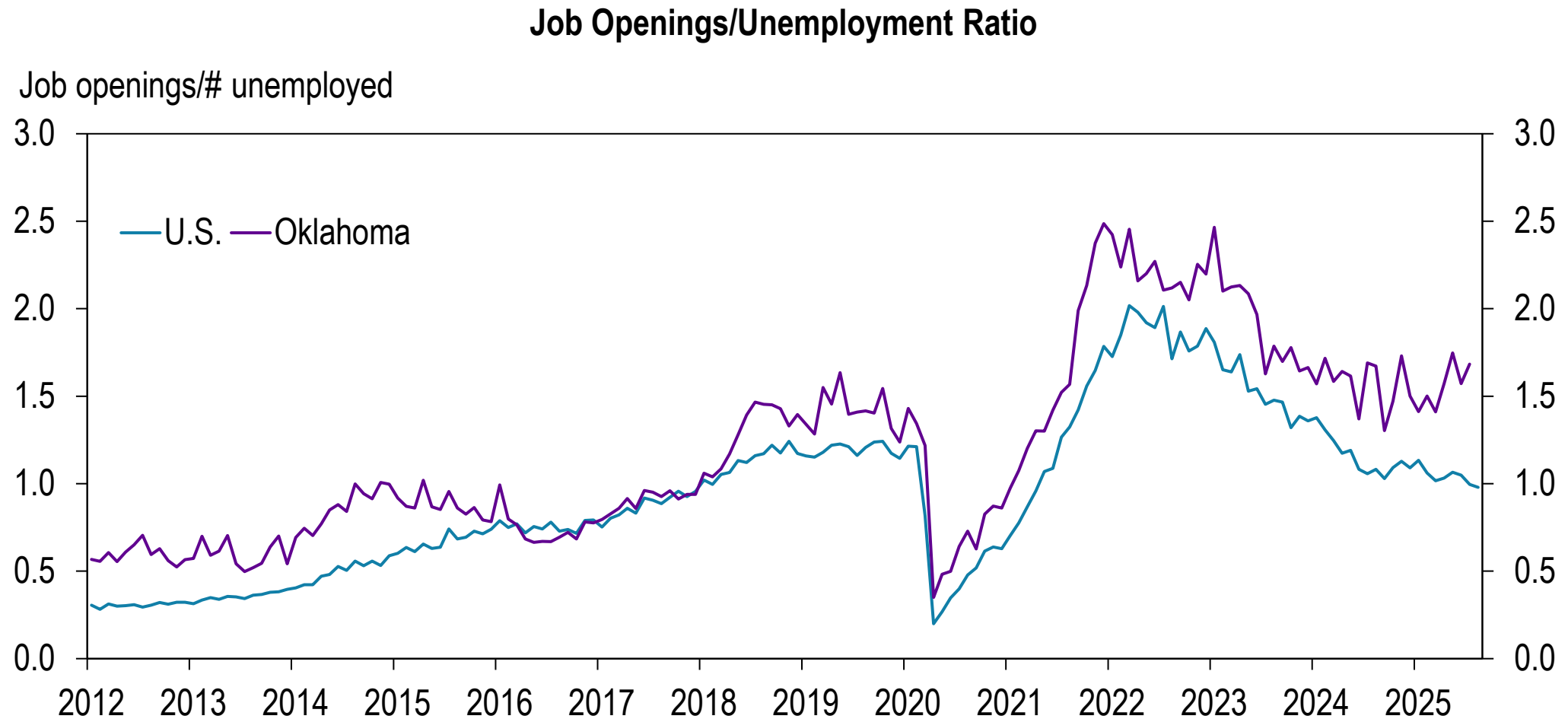
U.S. Net Monthly Job Gains



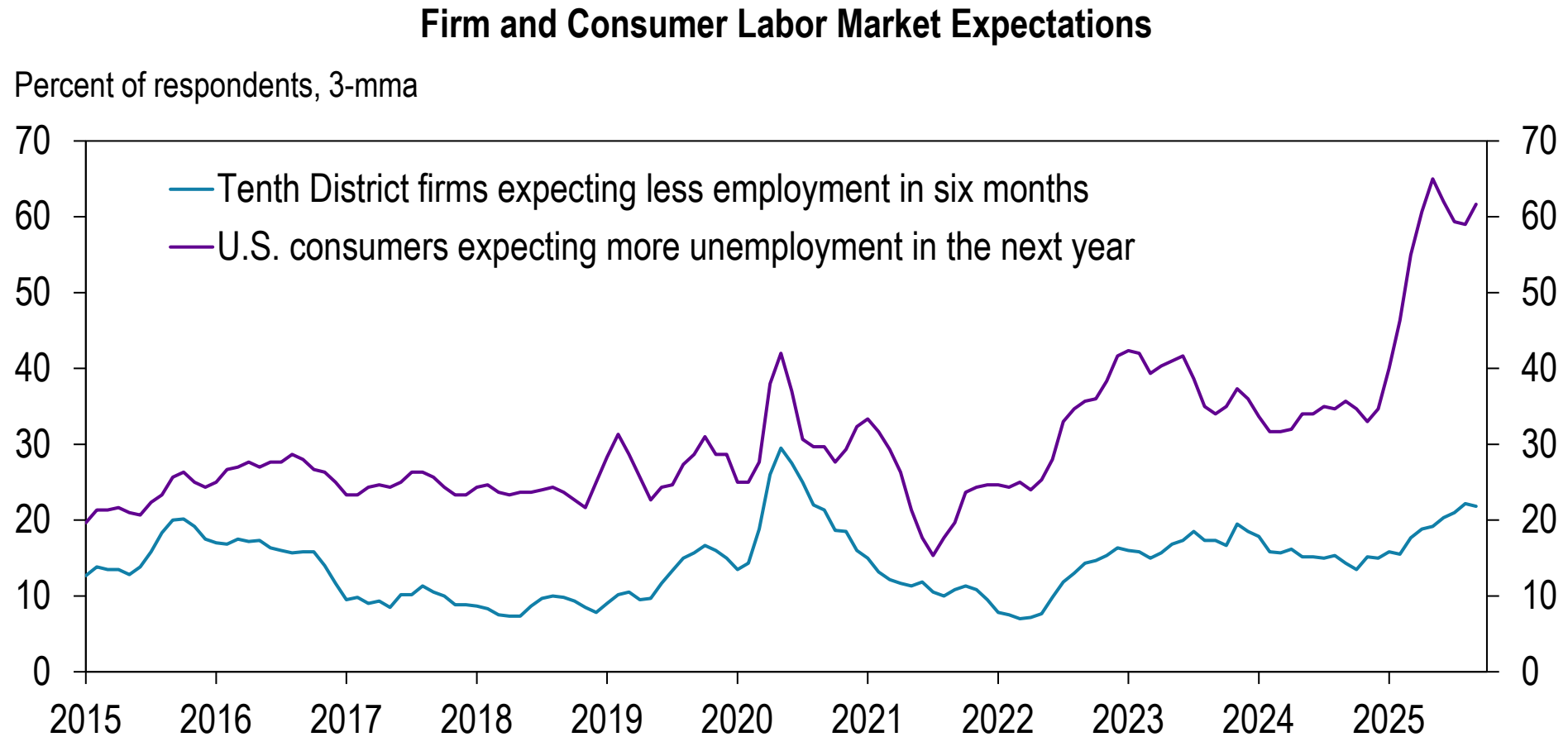
U.S. Net Immigration



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



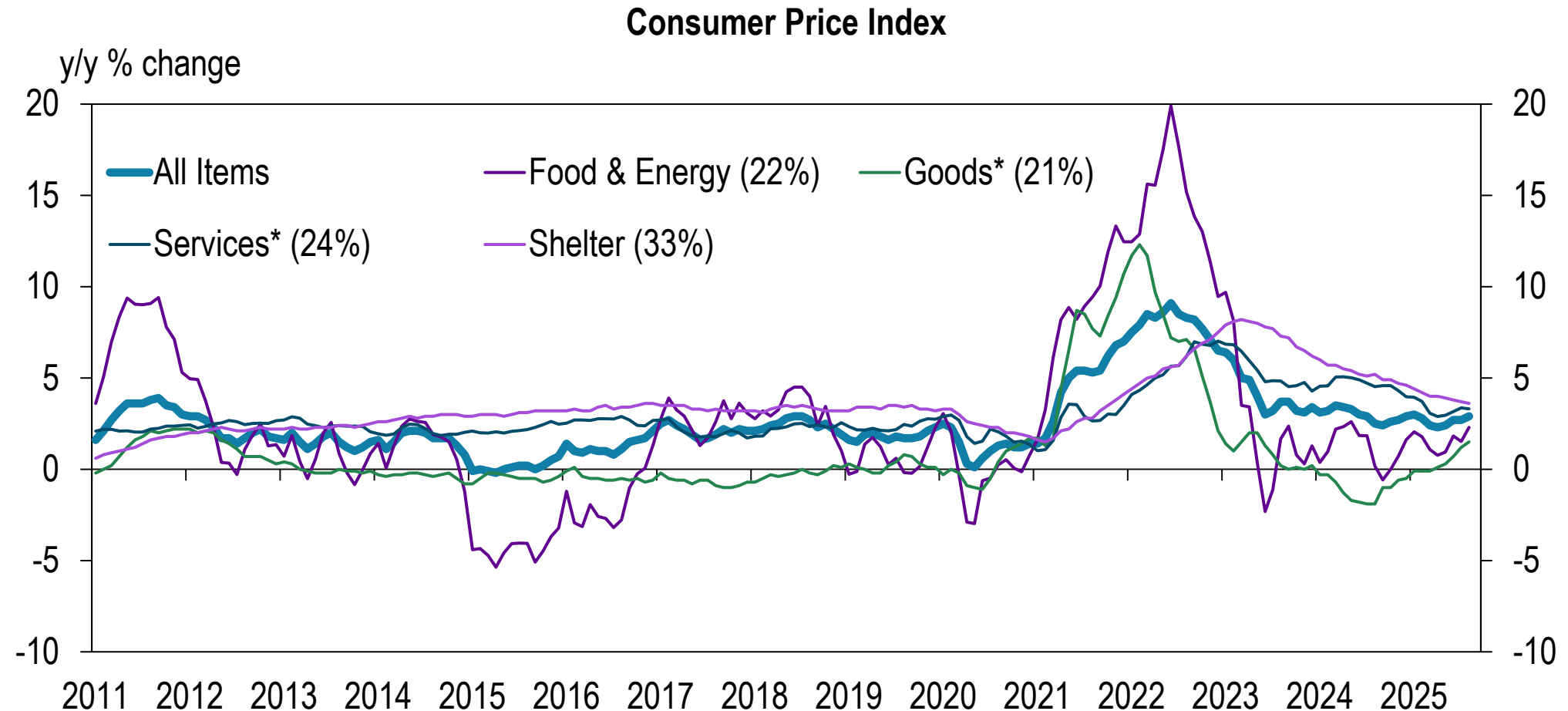
A rising share of consumers and businesses alike expect a weaker labor market in the coming months



Note: The blue line averages results from manufacturing and services firms.

Sources: Federal Reserve Bank of Kansas City, University of Michigan/Haver Analytics

CPI inflation rose to 2.9% in August, as goods and energy prices continued to rise while shelter and services cooled

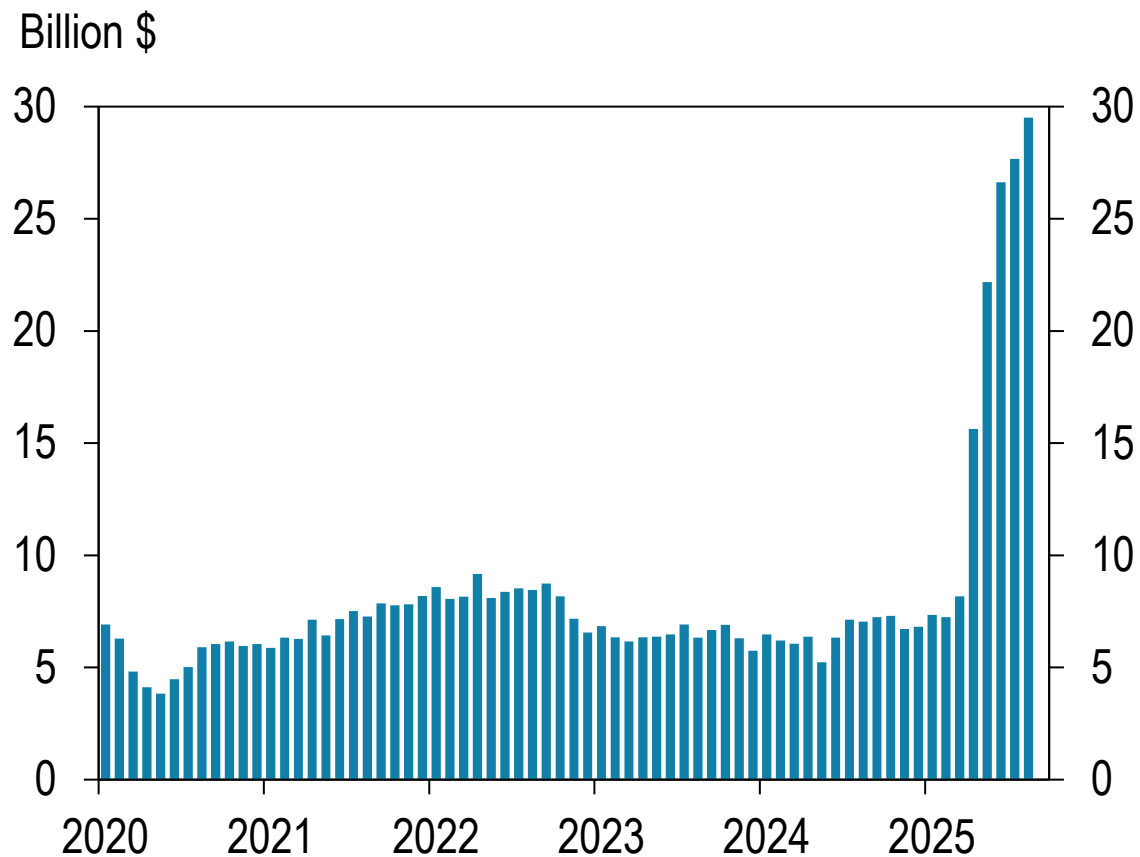


*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

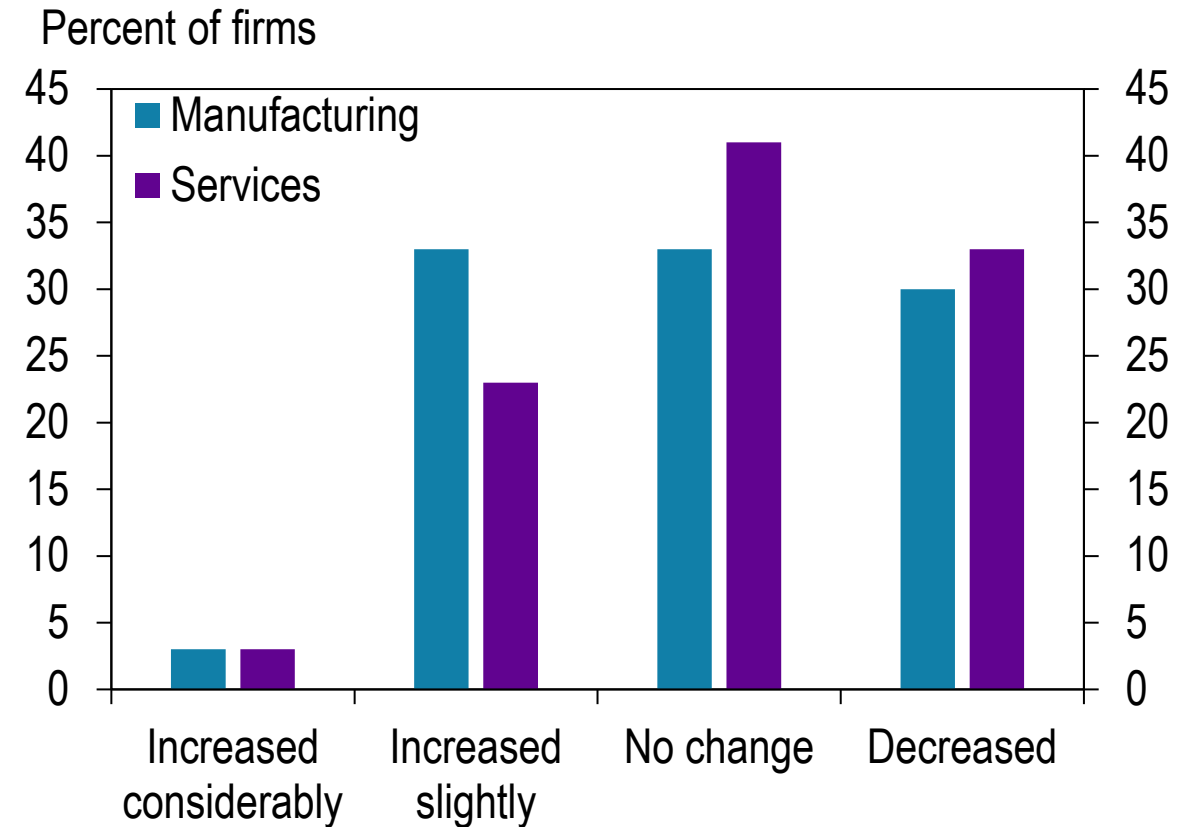
Sources: BLS/Haver Analytics

Someone is paying the tariffs, but their impact on consumer prices depends on the extent to which firms pass through cost increases

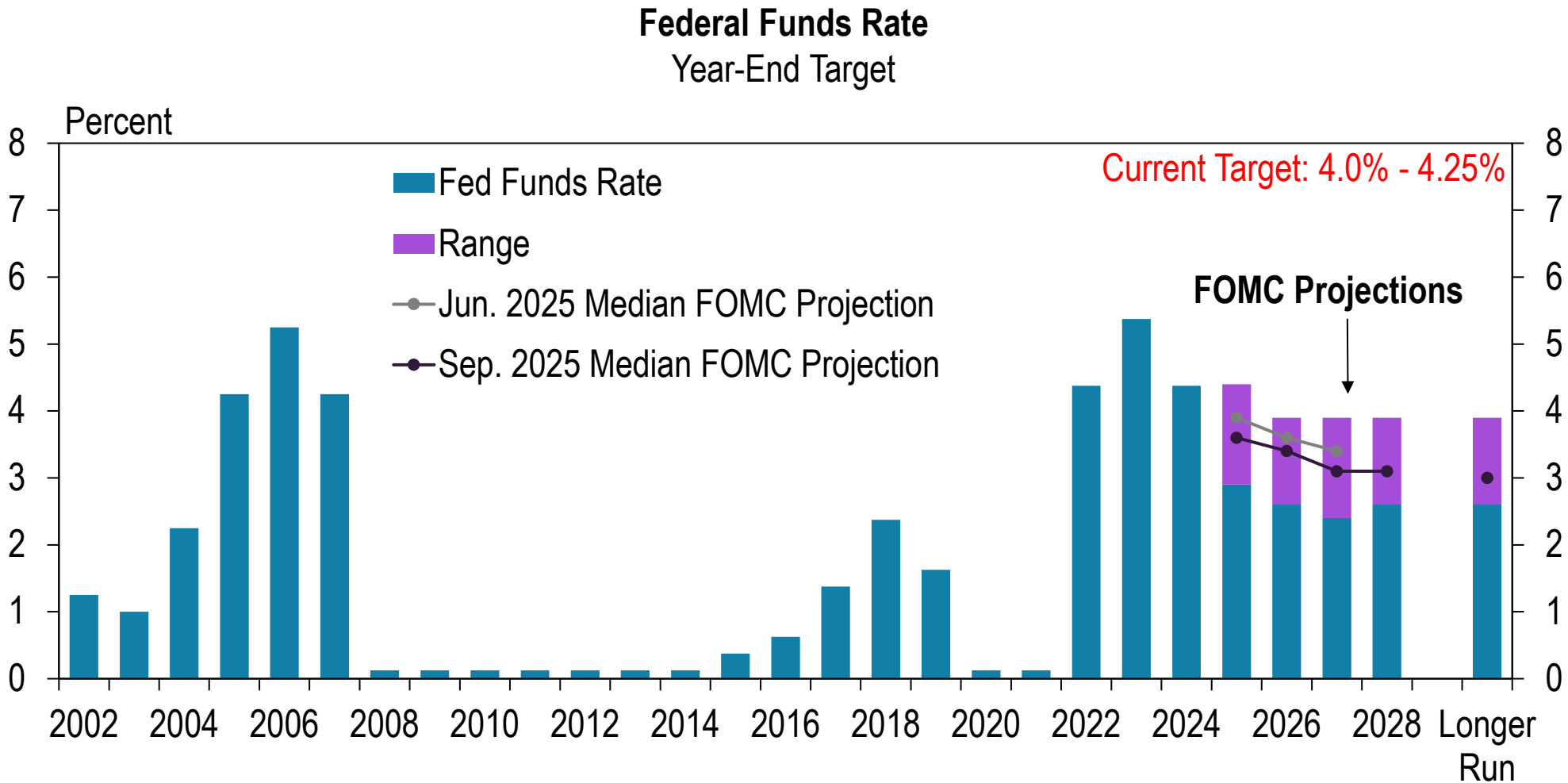
U.S. Customs Taxes Collected



July-25: How has your firm's ability to pass through rising input prices changed in the last few months?



The Fed cut the federal funds rate by 25 basis points in September and lowered future projections

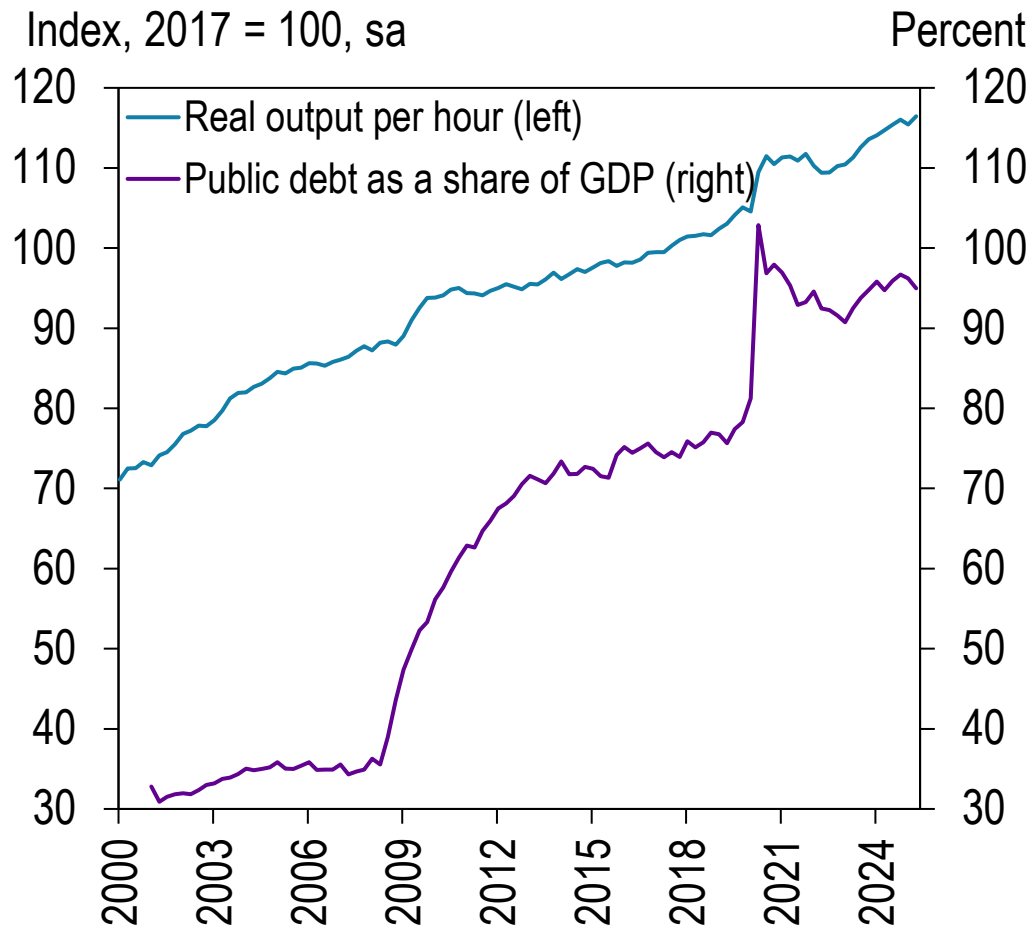


Note: Data and FOMC projections are for year-end.

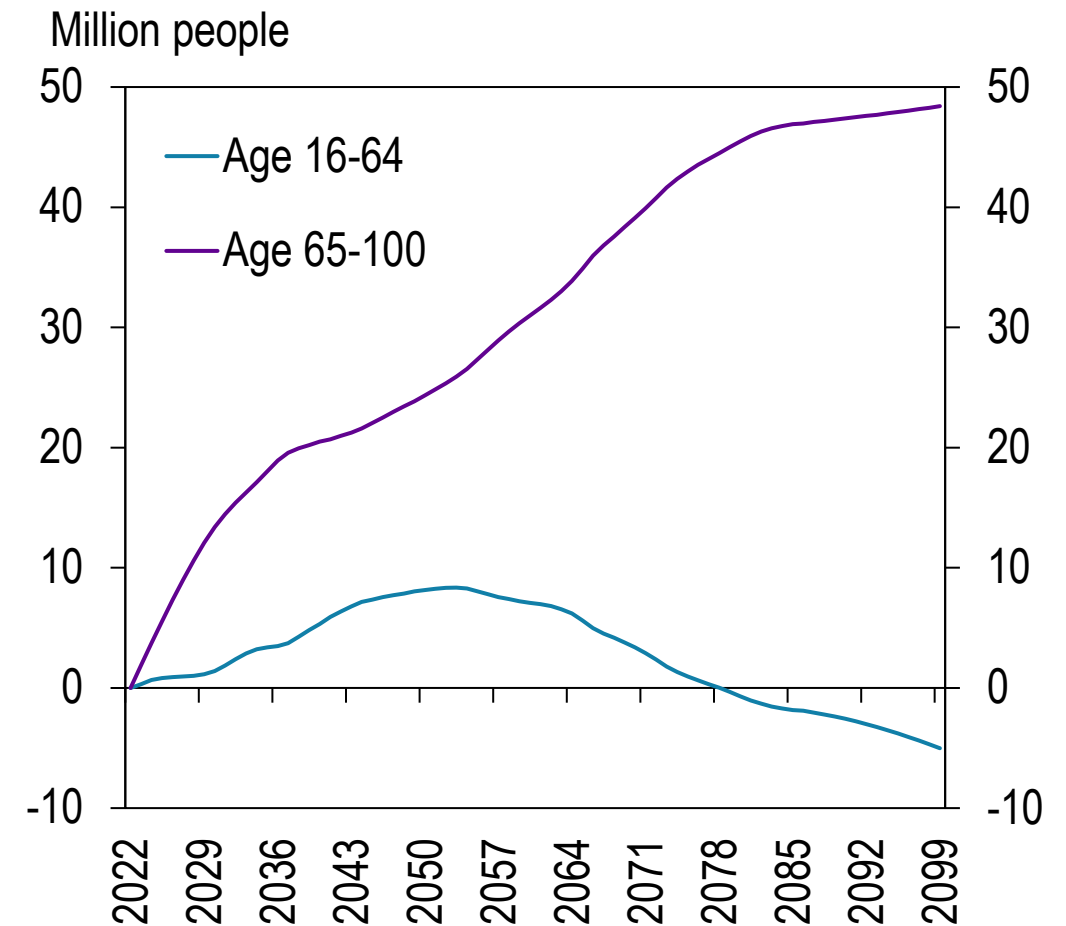
Sources: Bureau of Economic Analysis, FOMC

Long-term, productivity and government debt could push interest rates higher, but demographic trends could push them lower

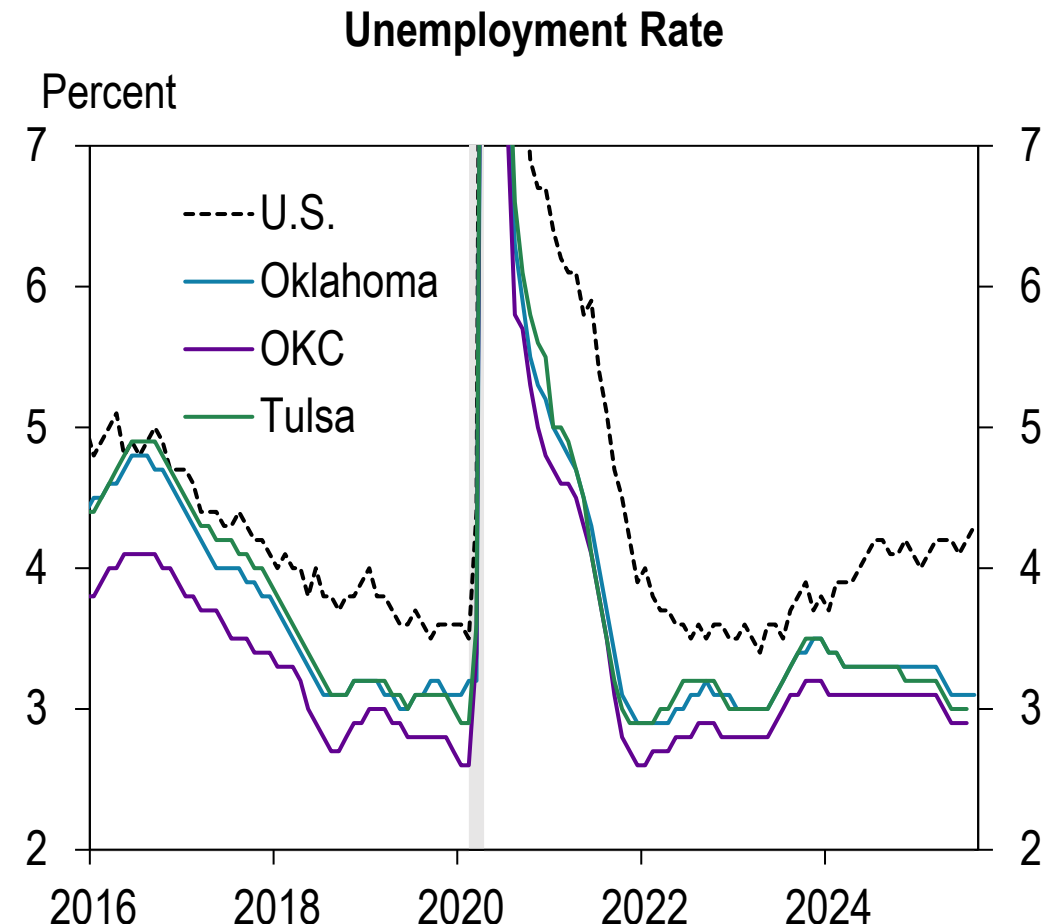
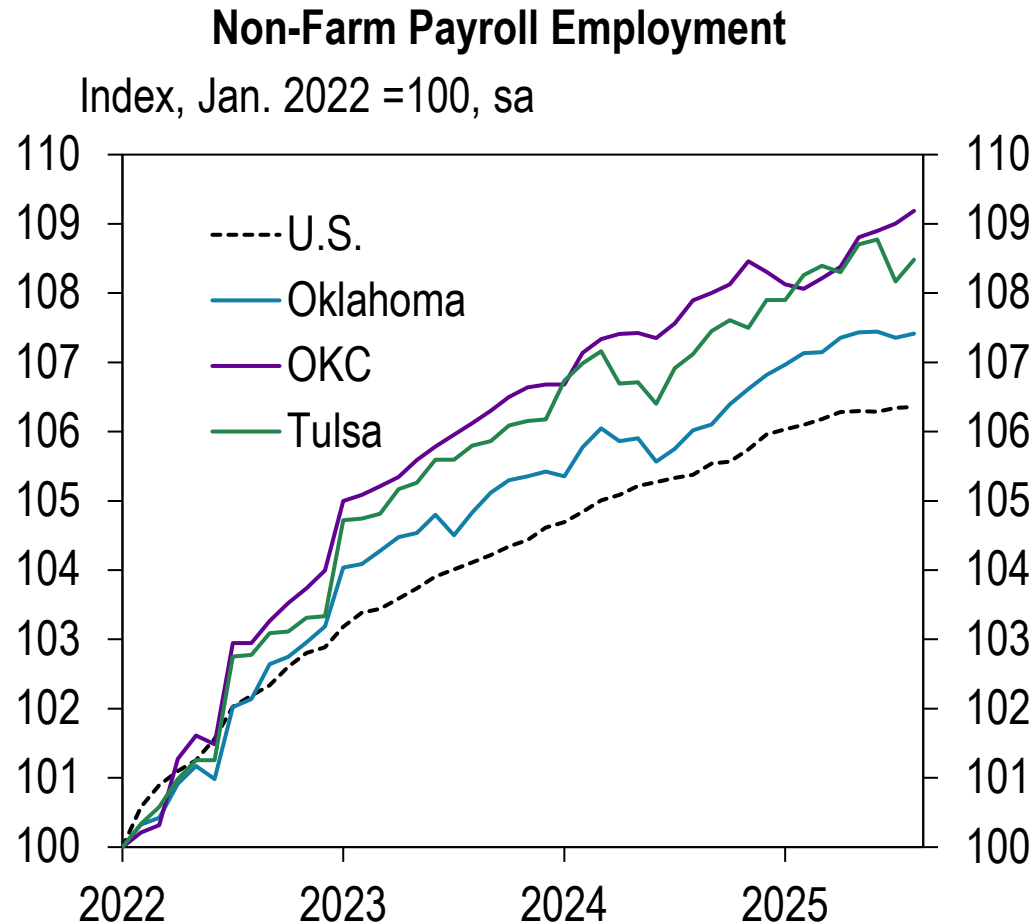
U.S. Productivity and Debt



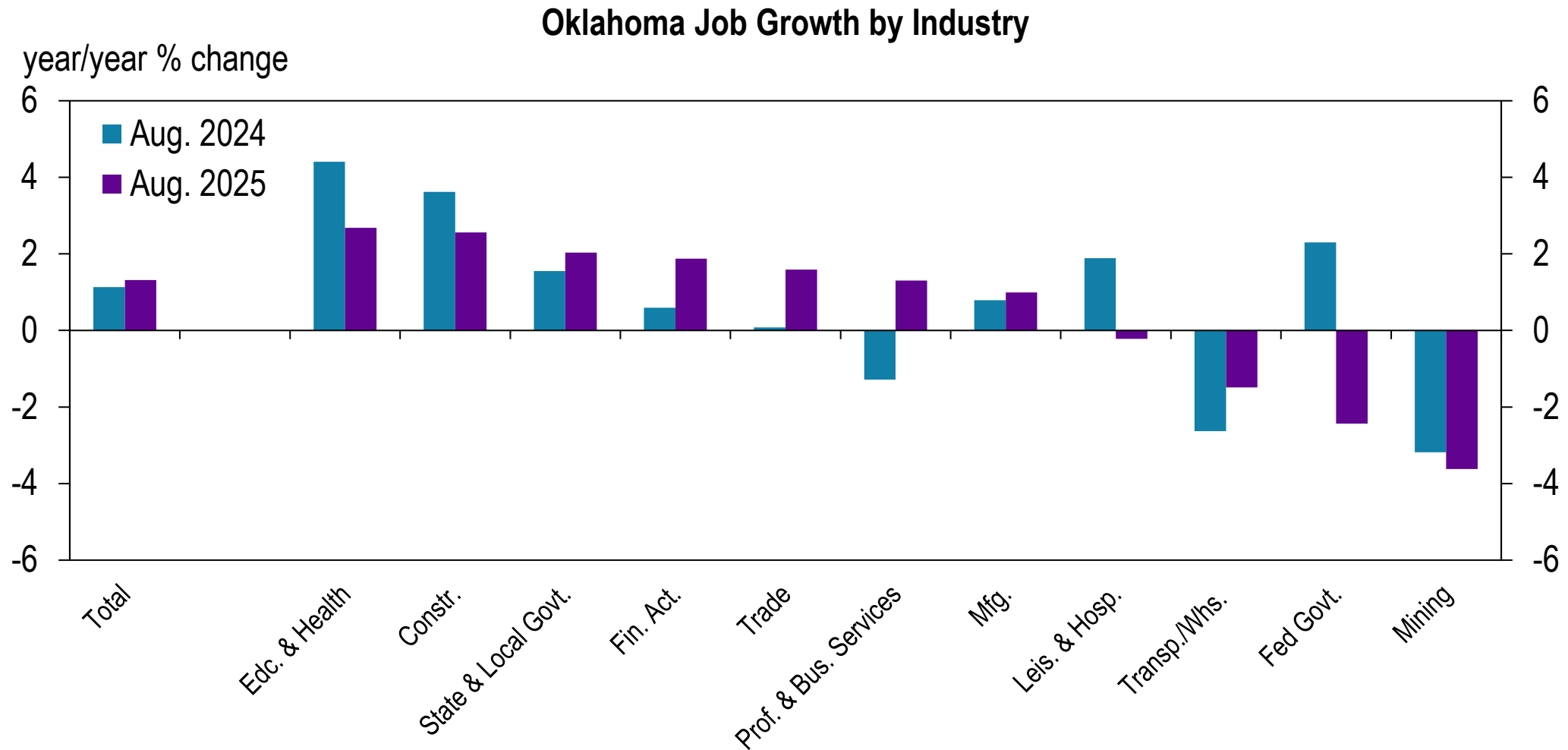
U.S. Projected Population Change from 2022



Jobs in Oklahoma have grown, but gains are leveling off, and unemployment remains very low



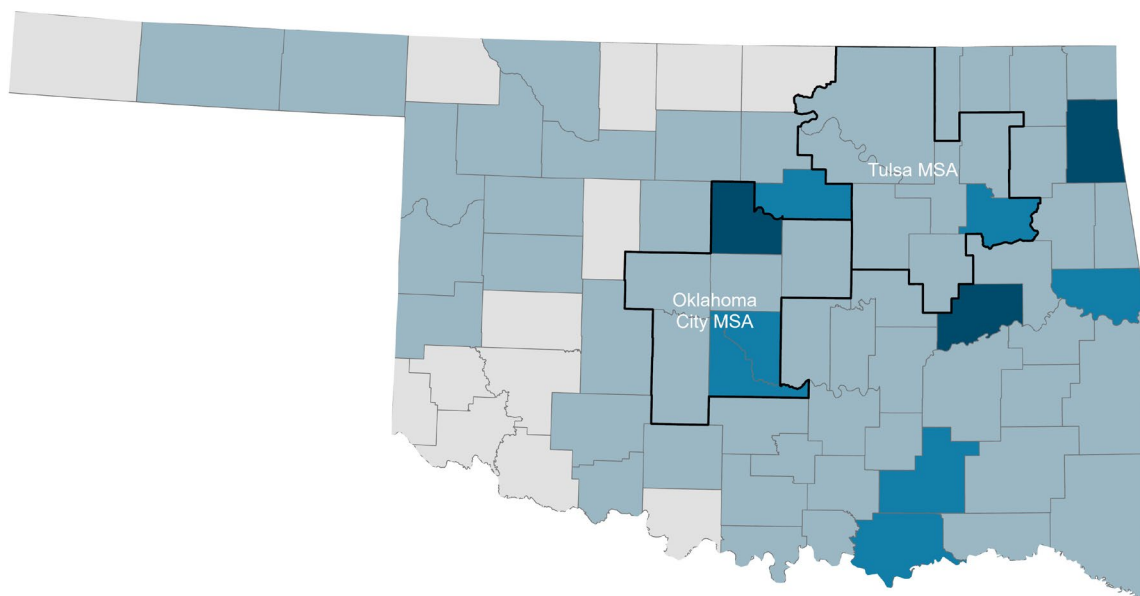
Oklahoma's job growth has remained solid over the past year, driven by growth in healthcare, construction, and retail



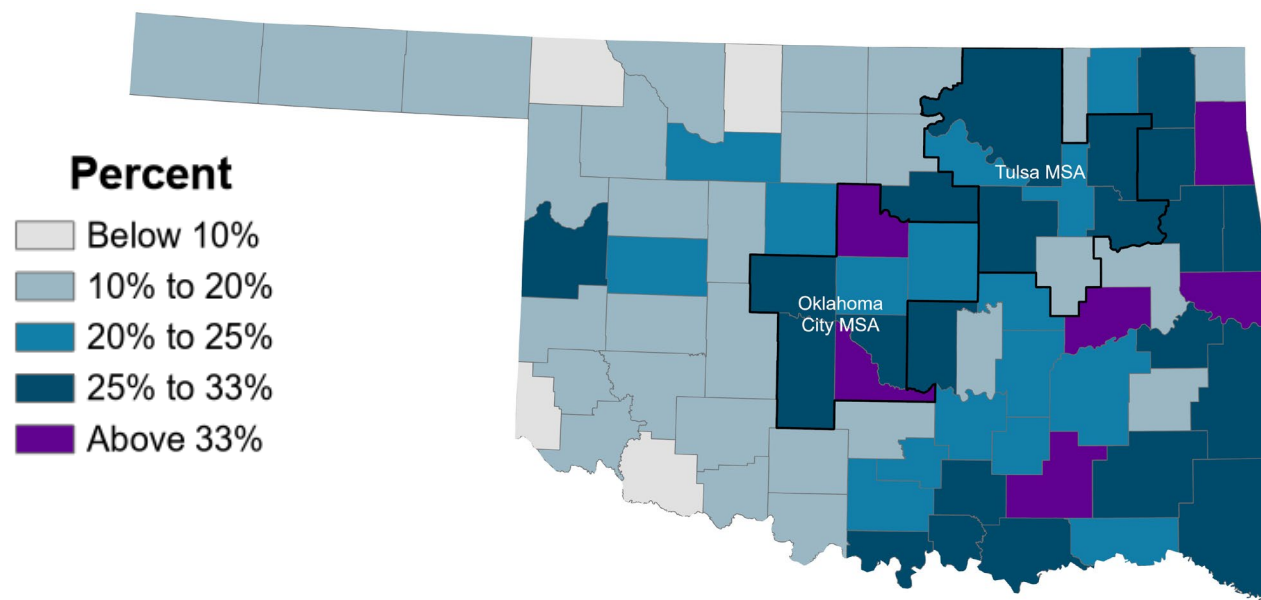
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019



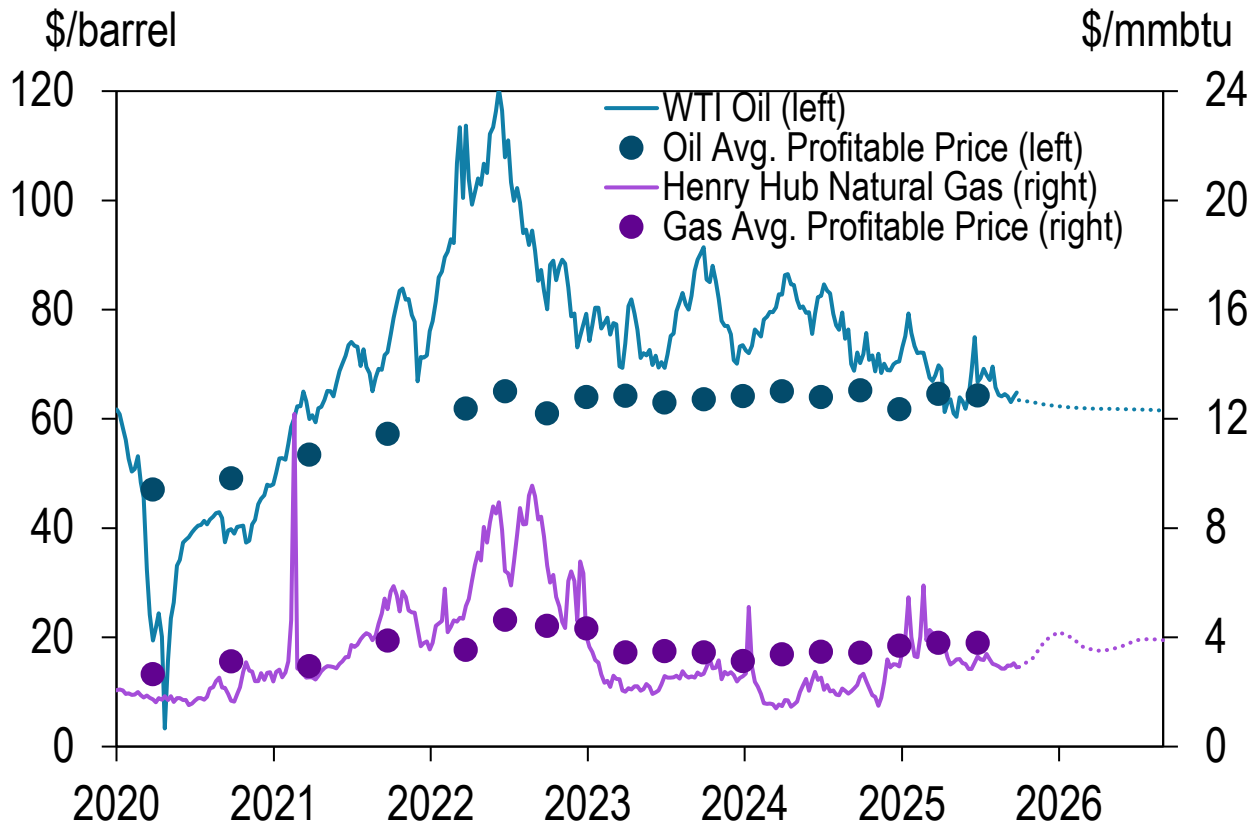
2024



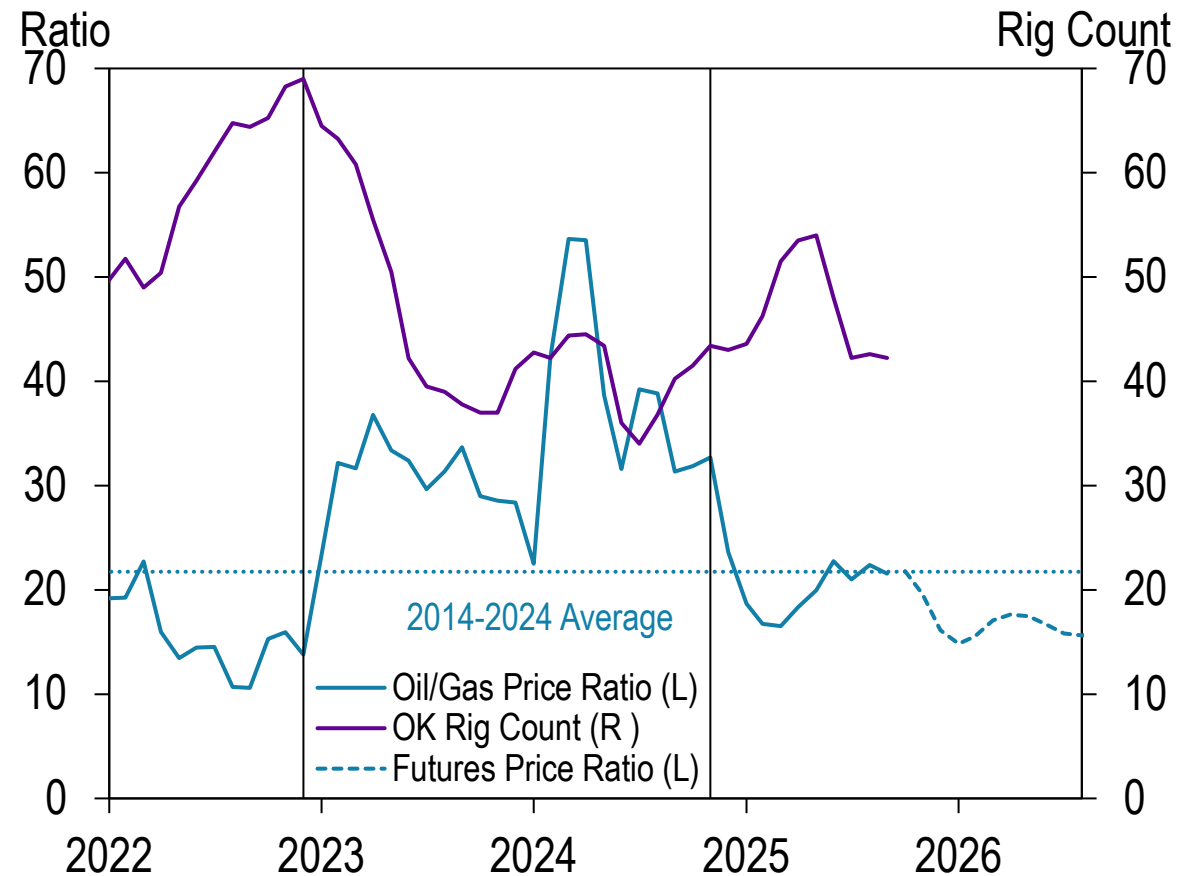
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

Drilling activity increased in Oklahoma in H1 2025 as gas price rose relative to oil, but has cooled more recently has this trend reversed

U.S. Energy Prices



Oil & Gas Price Ratio and Oklahoma Rig Count

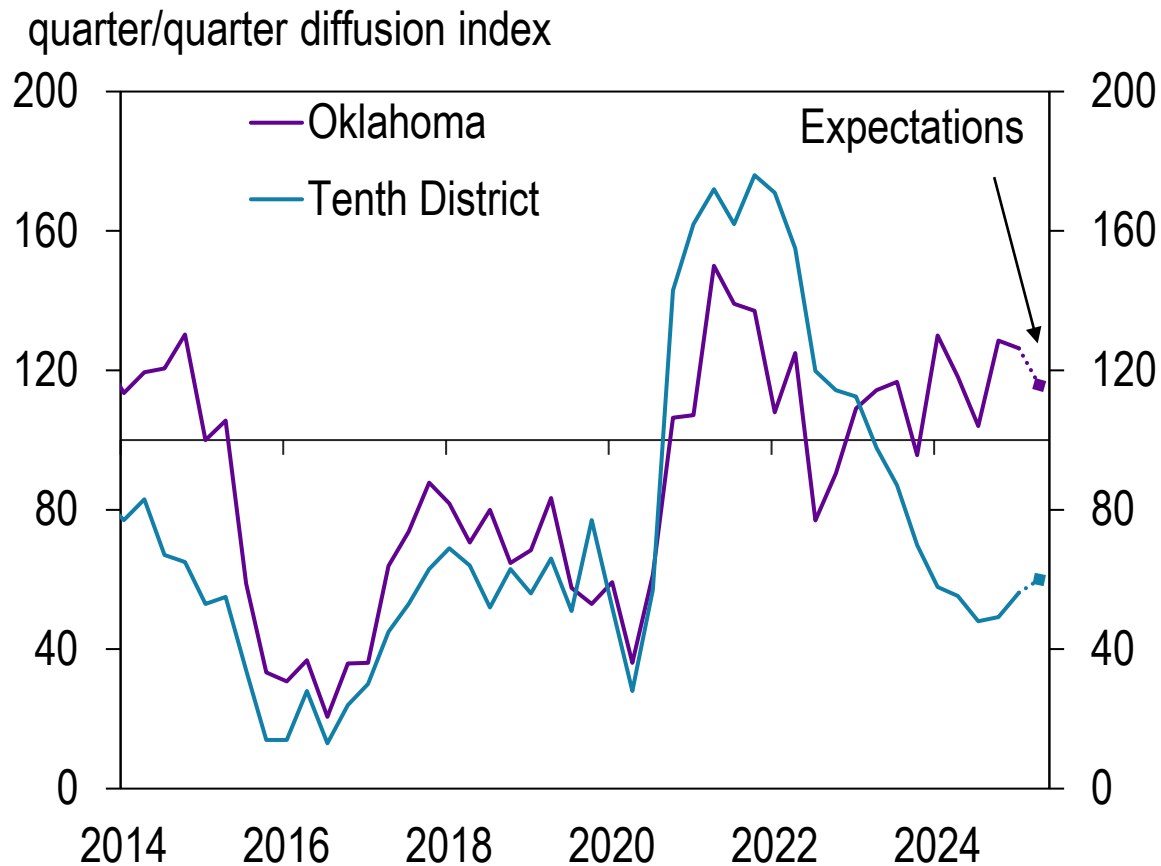


Note: Dashed lines show NYM futures prices.

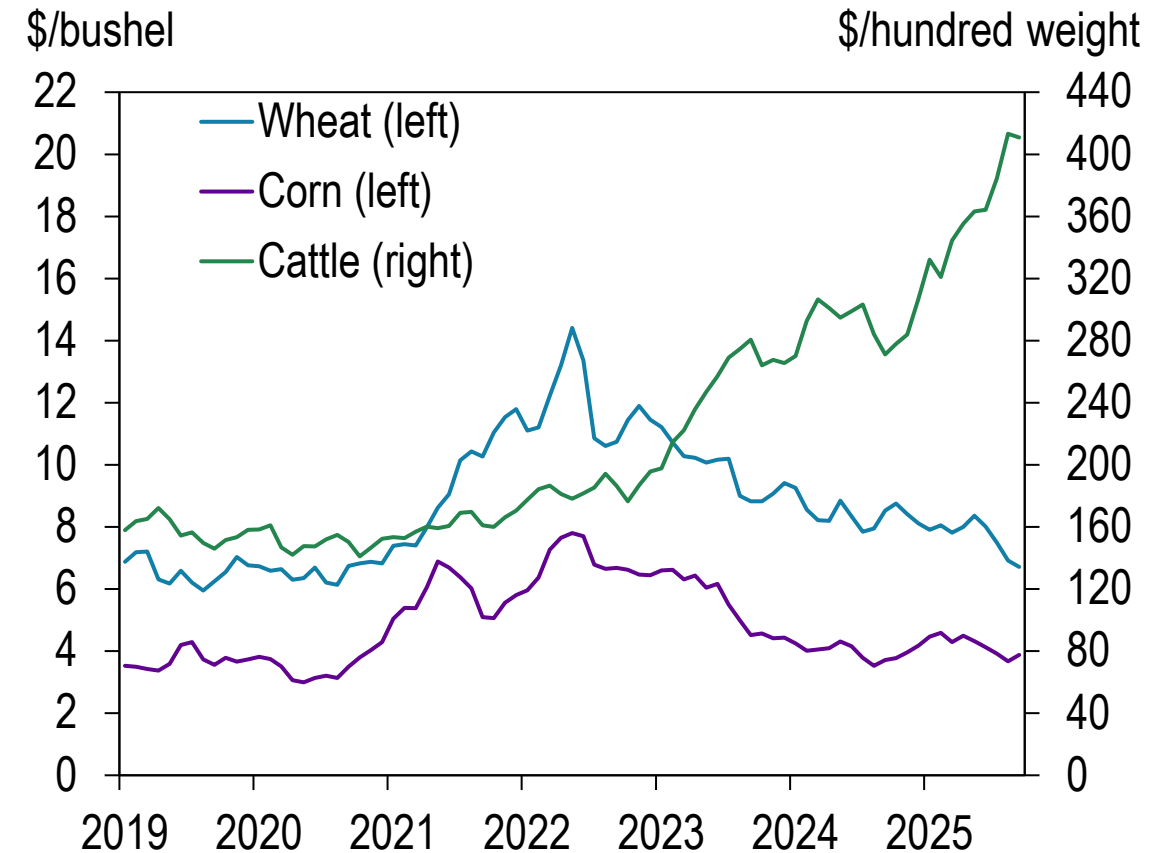
Source: Baker Hughes, EIA/Haver Analytics

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

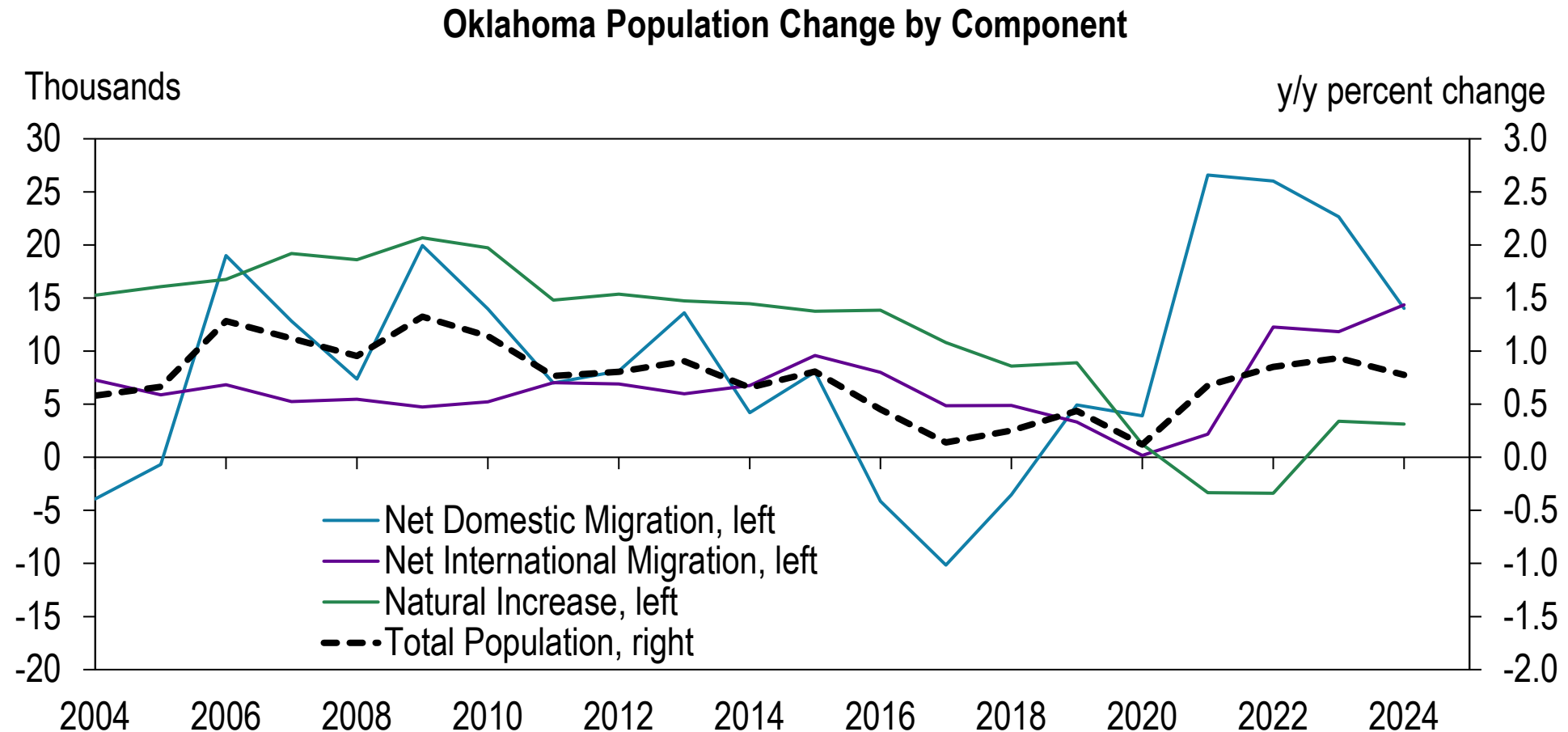
Farm Income



Agricultural Commodity Prices

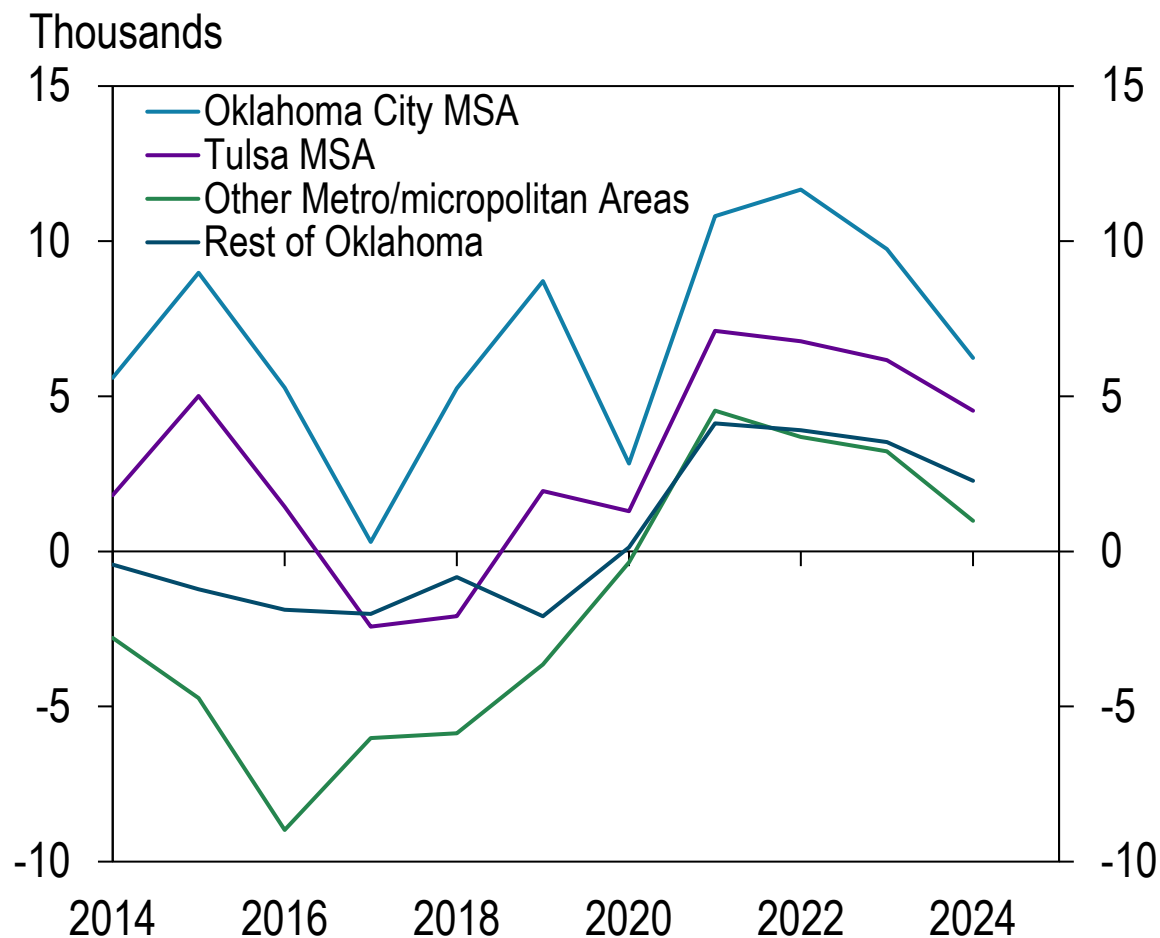


Oklahoma's population grew at a slightly slower pace in 2024, as net domestic migration slowed from pandemic-era highs

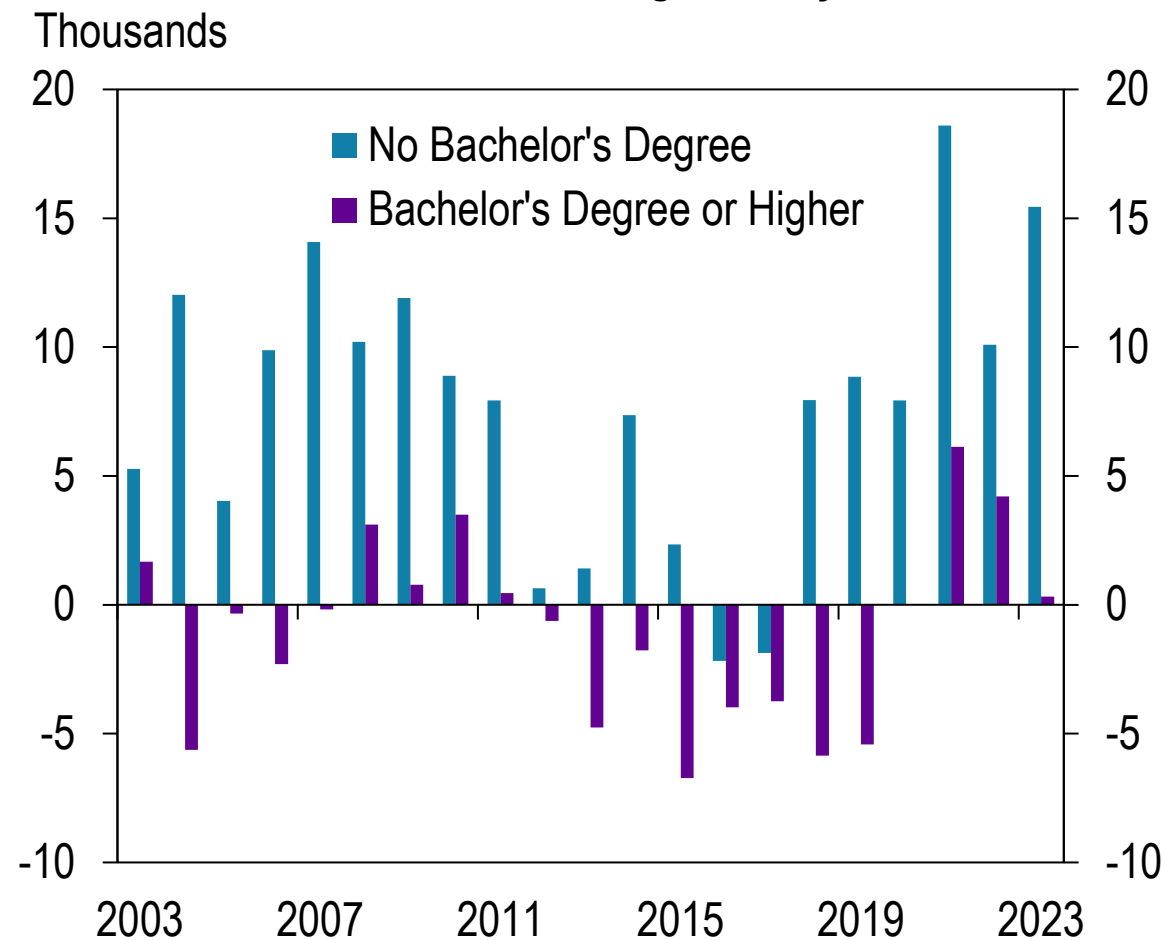


Both metropolitan and rural areas have gained residents on net, and the surge of college graduates into the state cooled in 2023

Oklahoma Net Domestic Migration



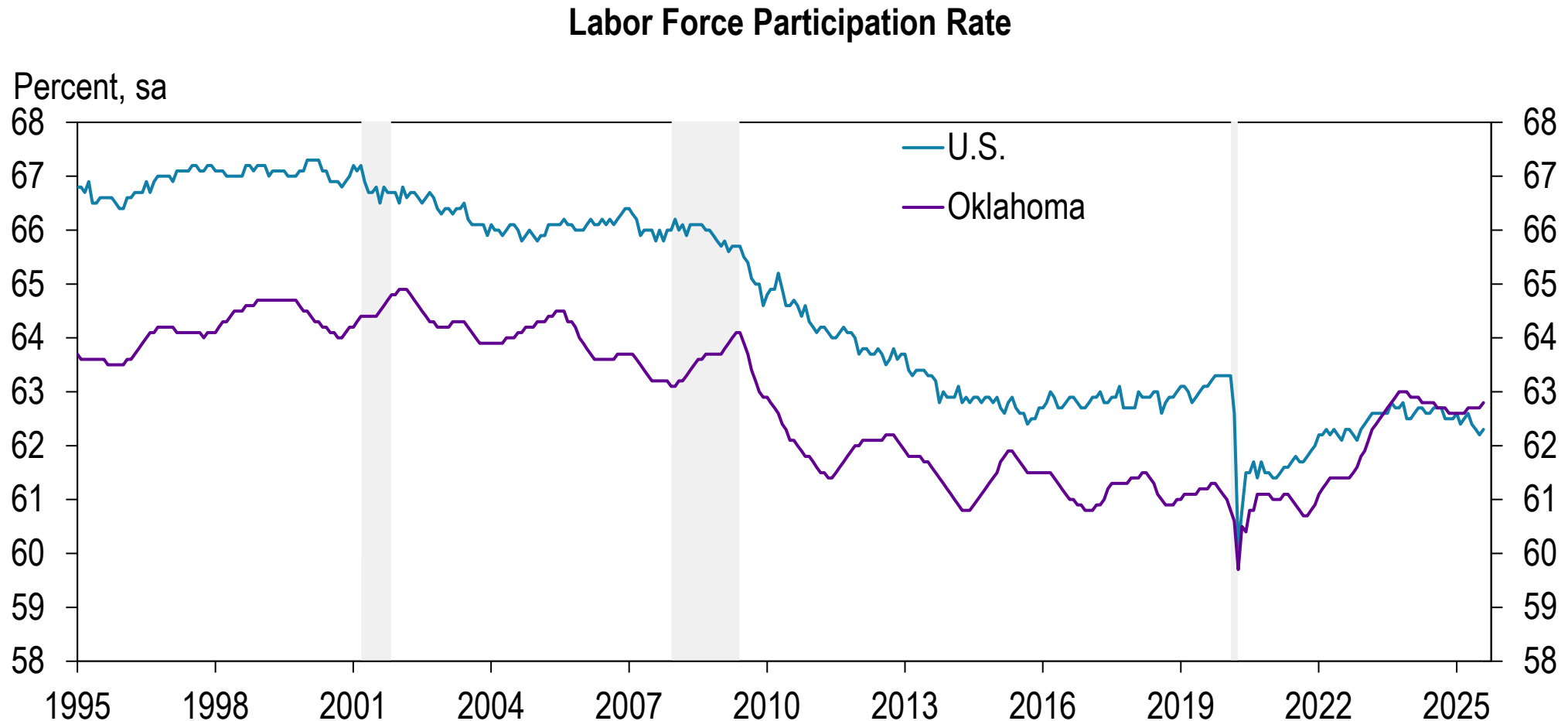
Oklahoma Net Domestic Migration by Education



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

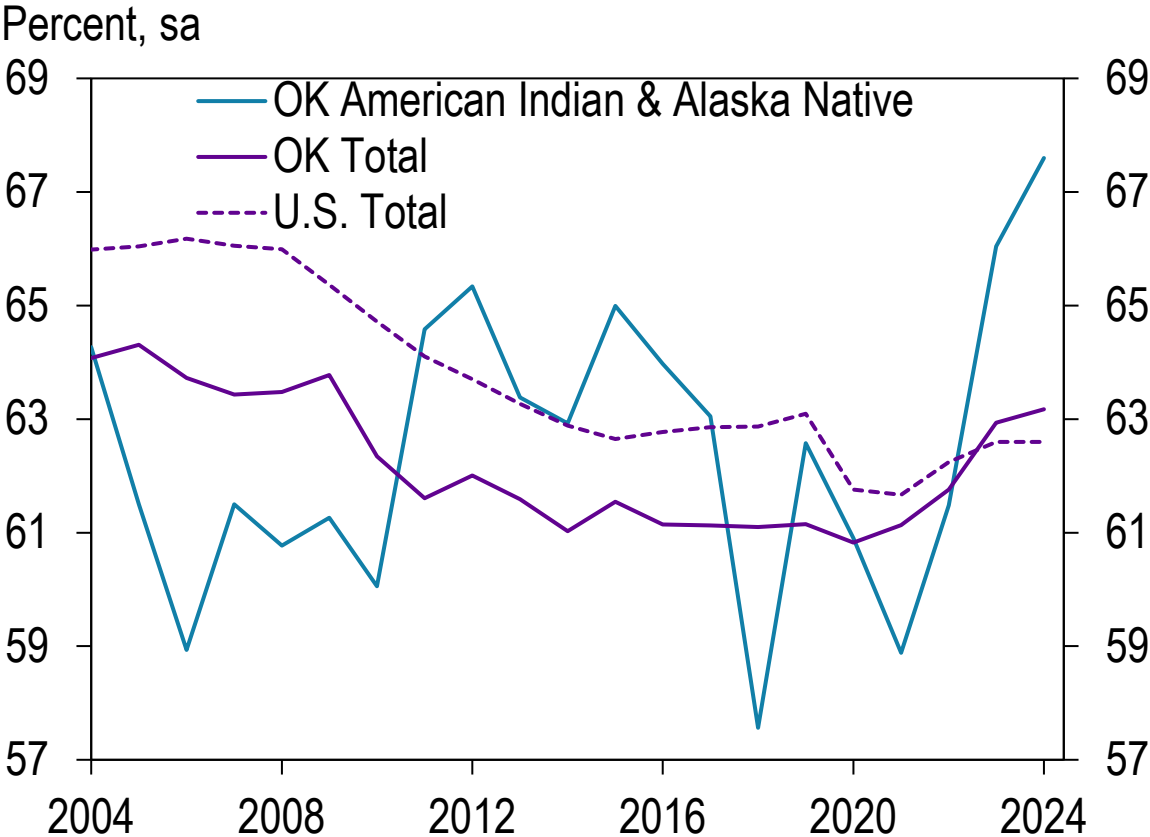


Note: Shading denotes NBER-defined recessions.

Sources: BLS, NBER/Haver Analytics

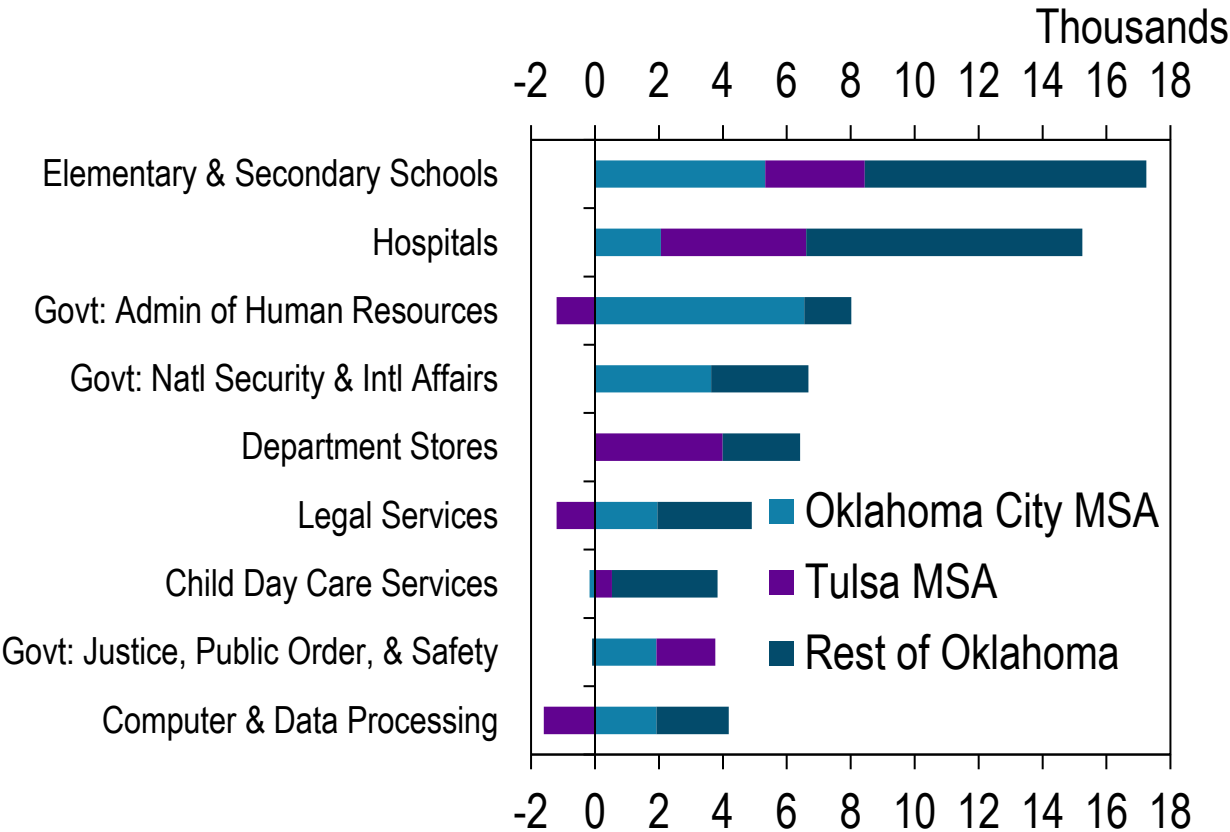
Oklahoma's Native American participation reached its highest level in over two decades, and the tribal-heavy southeastern corner of the state gained workers

Labor Force Participation Rate



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

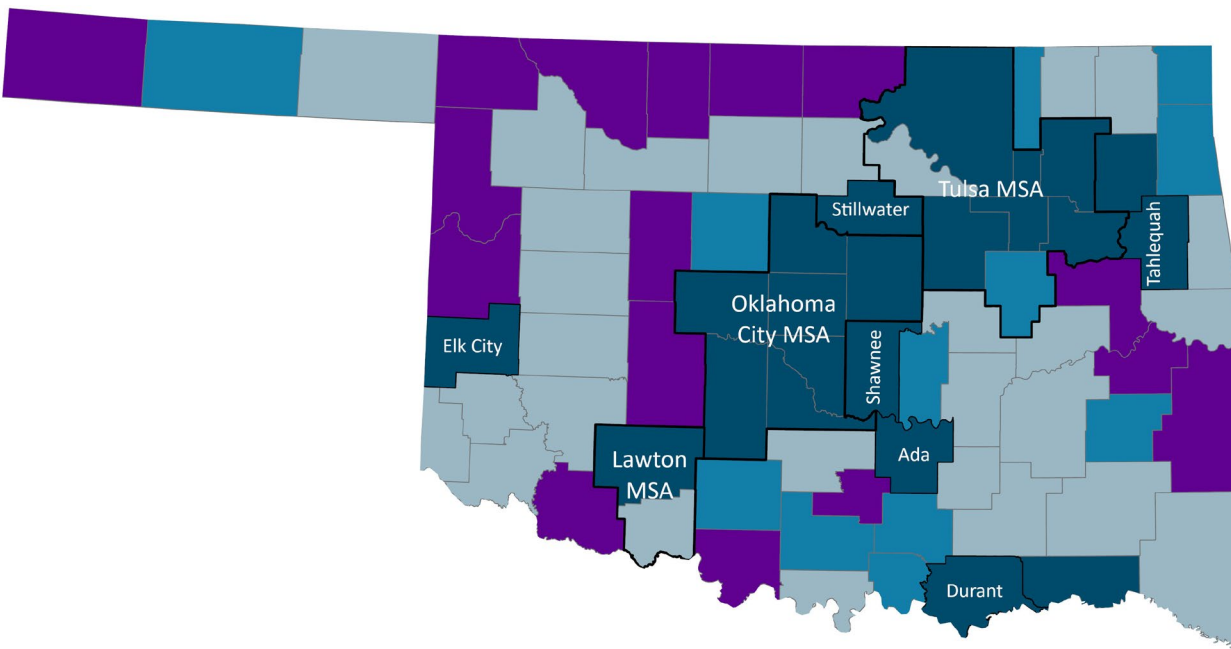
OK American Indian/Alaska Native Job Gains
in Top Industries by Area, 2021-H1 2024



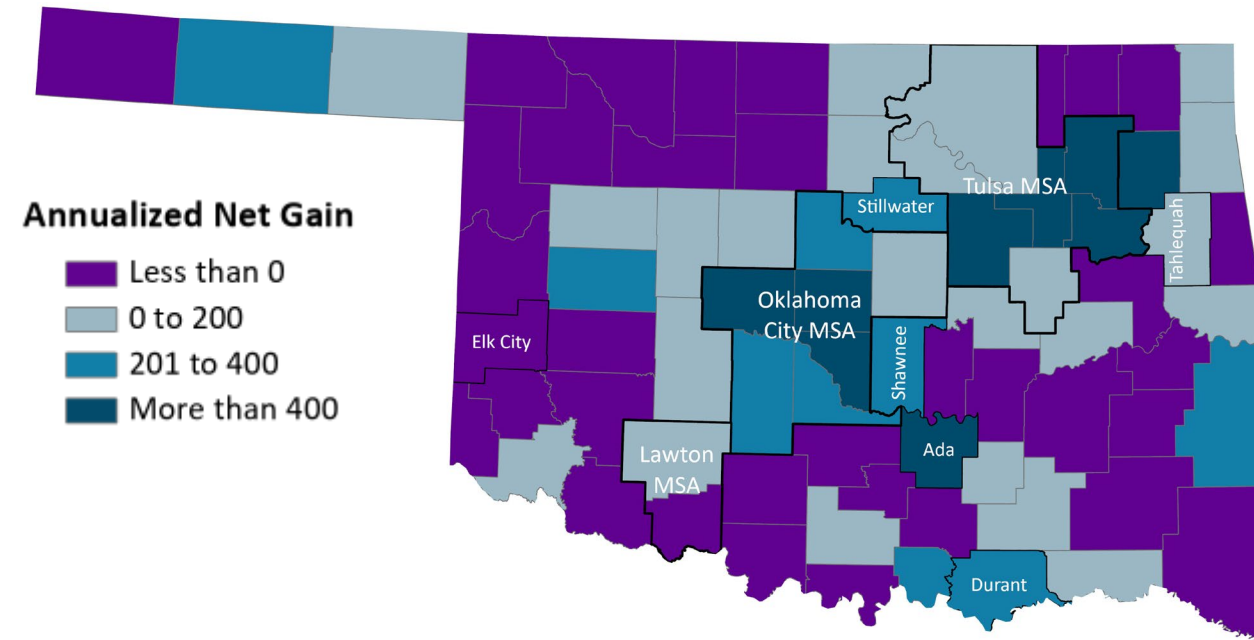
Sources: BLS, CPS, staff calculations

OKC, Tulsa, and the southeastern quadrant of the state gained worked from 2021 to 2024, but some areas have lost some of the gains recently

Labor Force Gains by County, 2021-H1 2024



Labor Force Gains by County, H1 2024-H1 2025



Summary

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Questions?

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