

U.S. and Oklahoma Economic Outlook

Central Oklahoma Financial Planning Association

January 12, 2026

Megan Williams

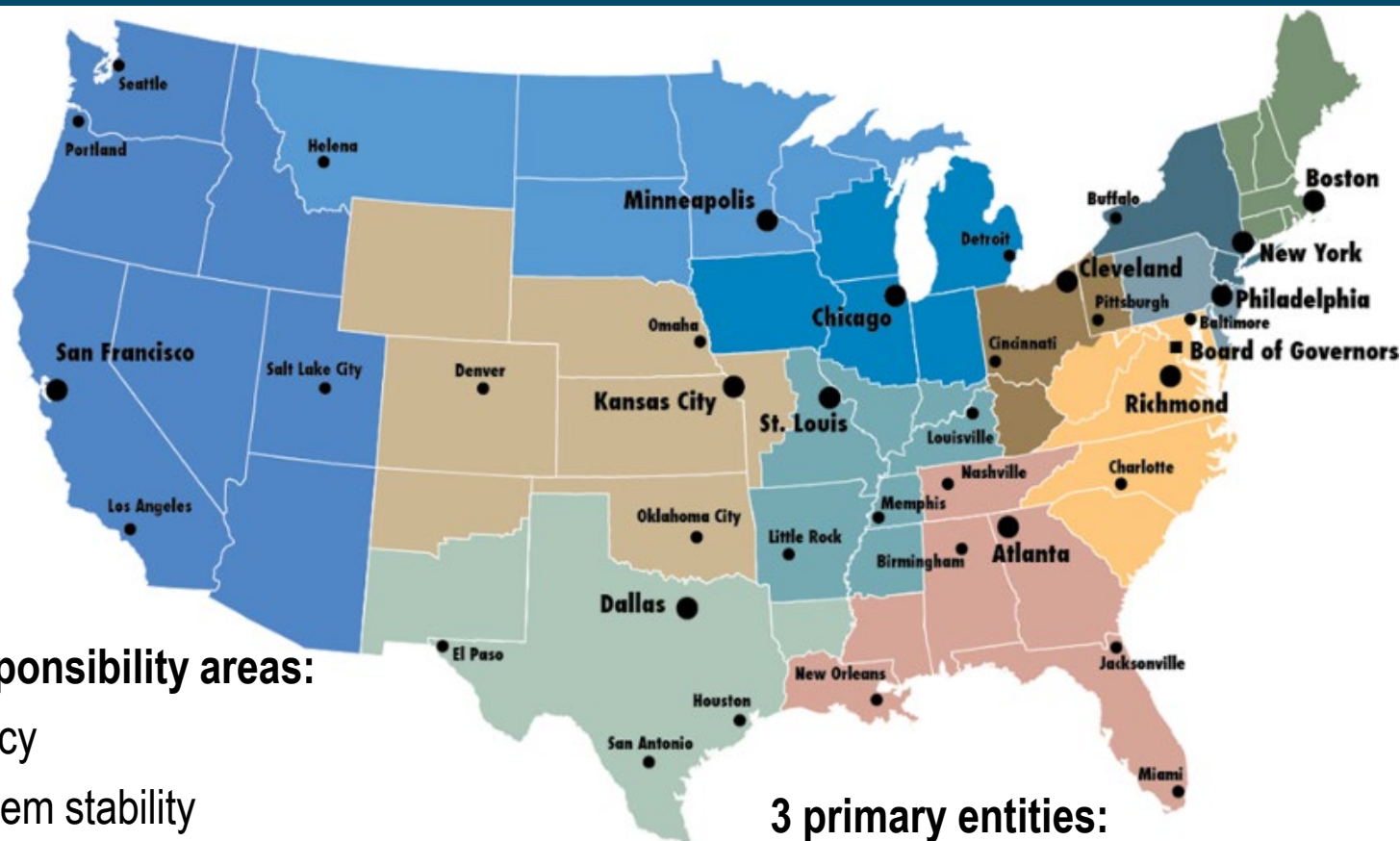
Associate Economist & Senior Manager

*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**

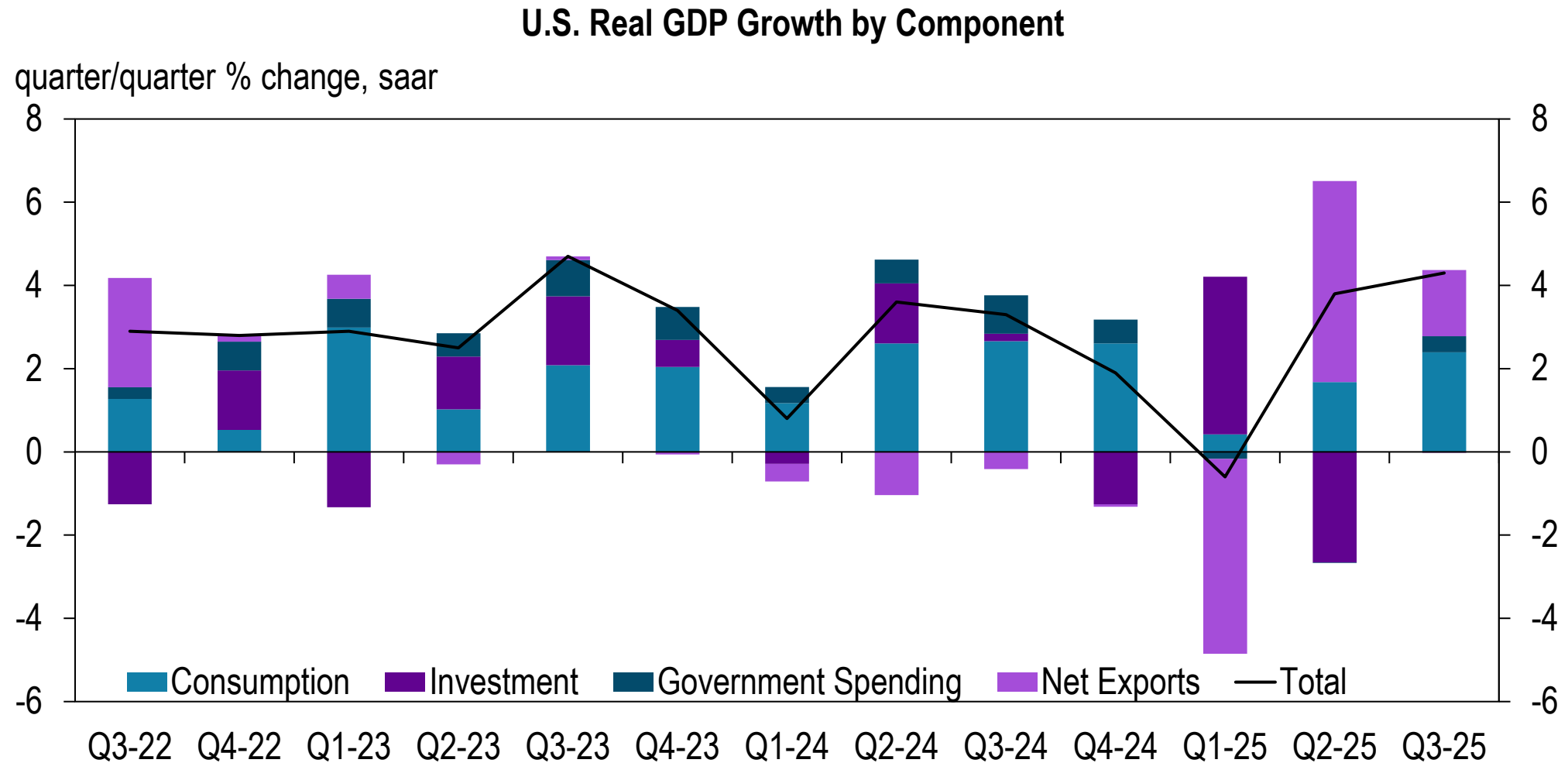
- **Rhonda Hooper (chair)**, President & CEO, Jordan Advertising, OKC
- **Mark Burrage**, CEO, FirstBank, Antlers/Atoka
- **Scott Case**, President, Case & Associates Properties, Tulsa
- **Jason A. Garner**, President, Crawley Petroleum Corporation, OKC
- **Terry Salmon**, President, Computer System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



Overview

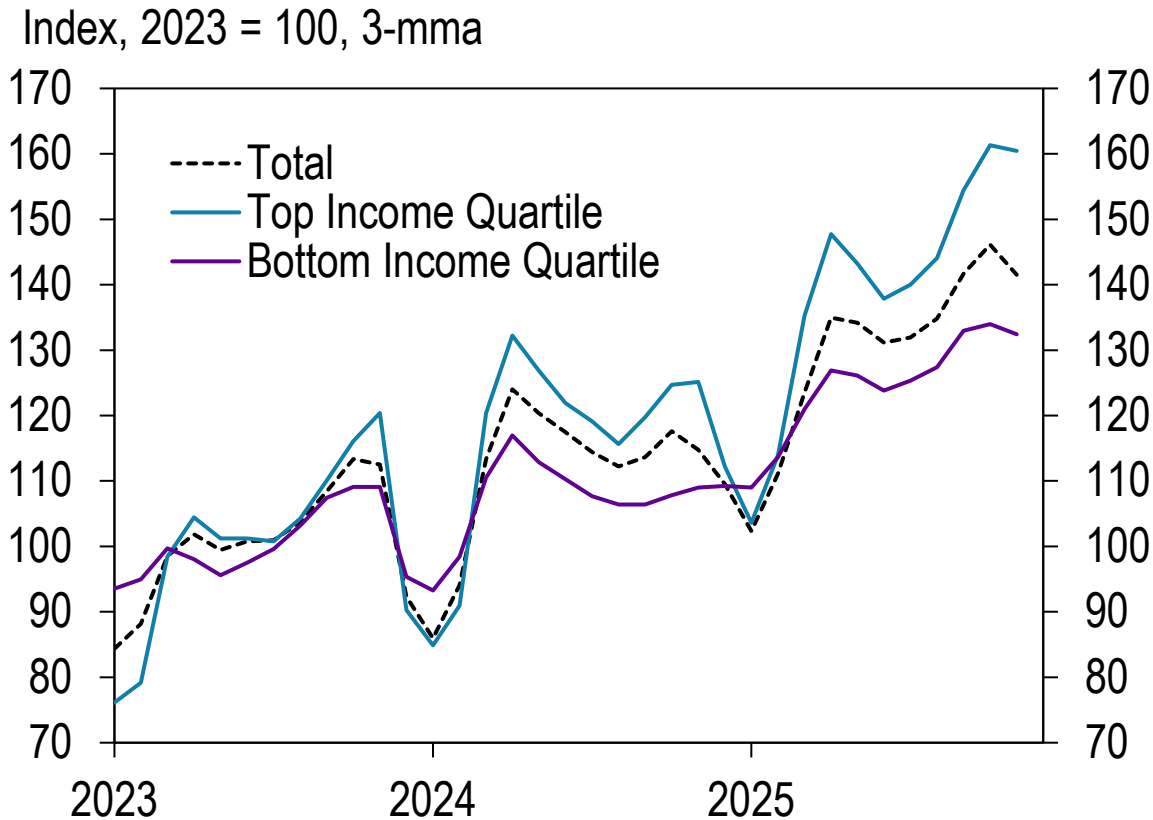
- U.S. economic growth remains solid, but is concentrated in certain sectors and segments of the population
- The labor market is balanced, but softening, as labor supply and demand fall together. Unemployment is up slightly but remains near long-term averages.
- Inflation has come closer to the Fed's 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

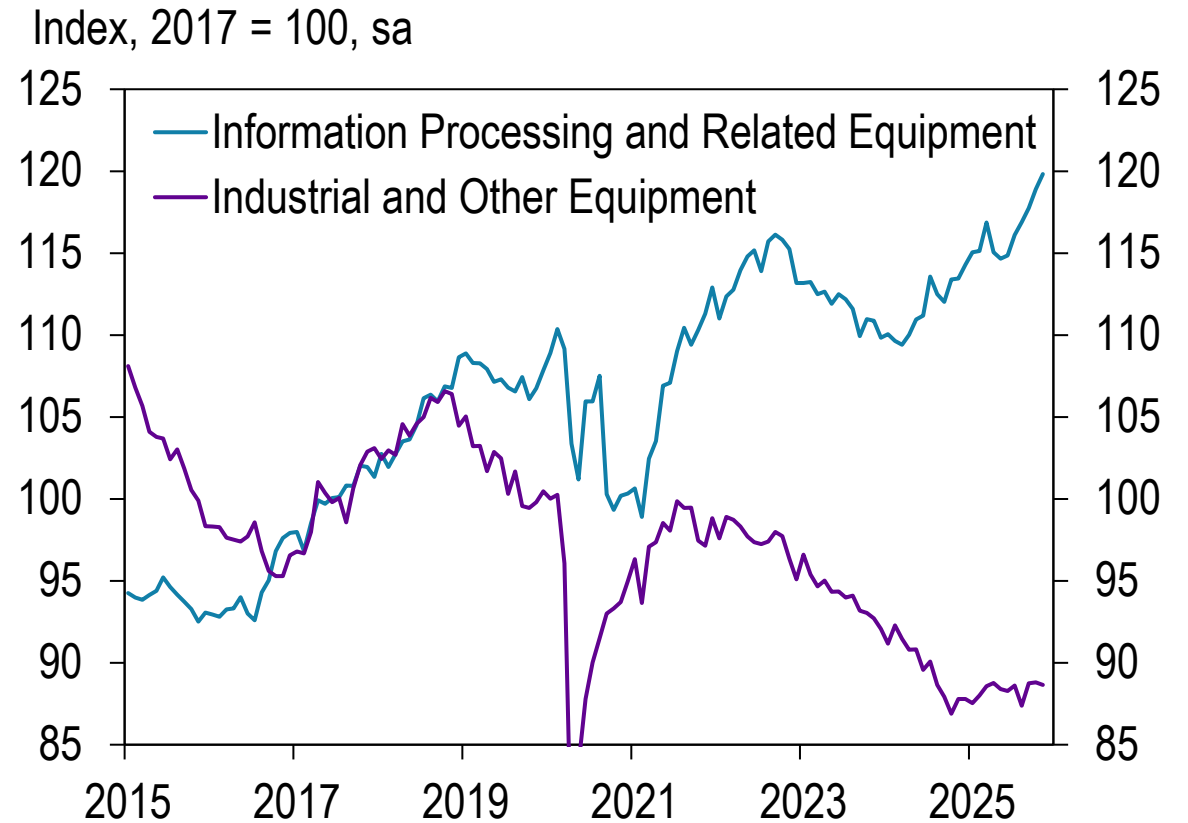


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

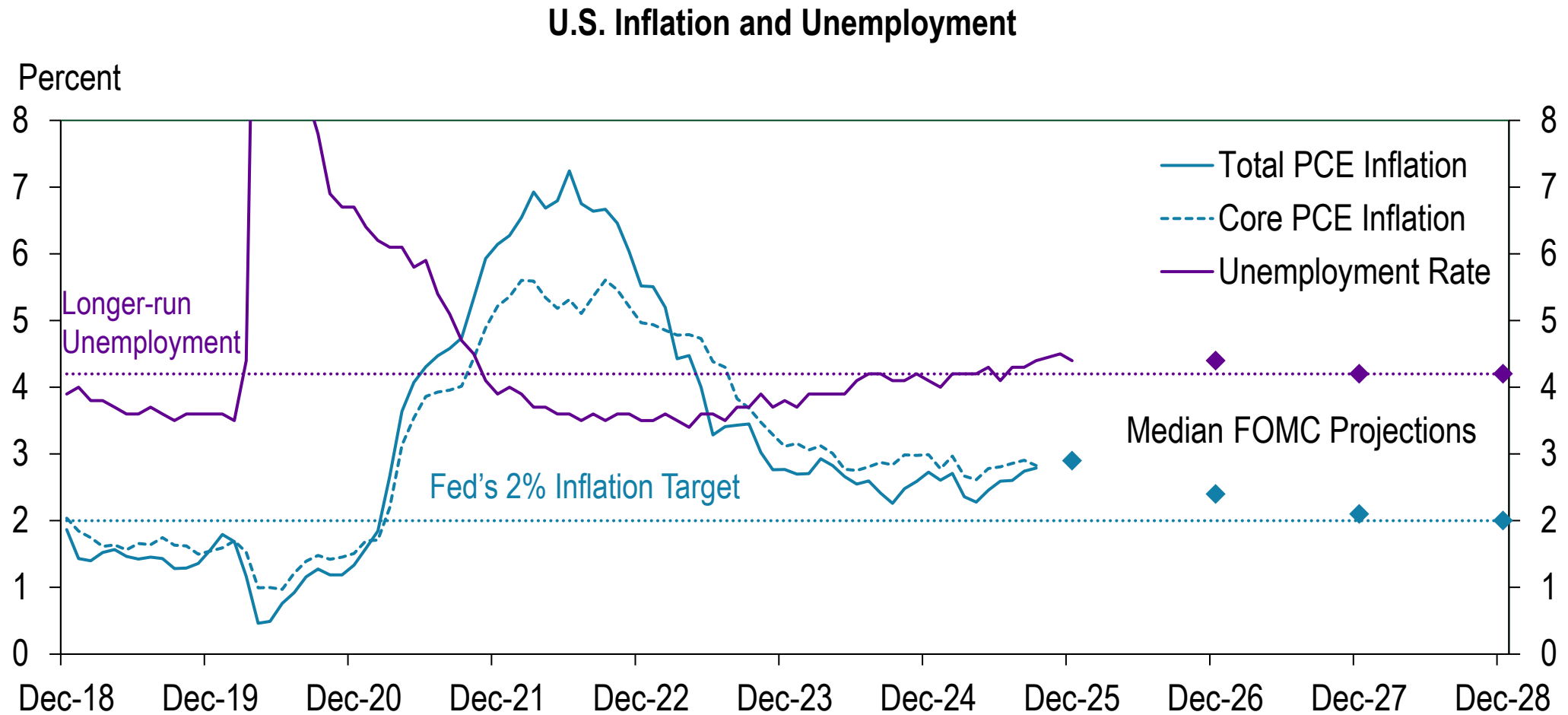
U.S. Credit Card Consumer Spending by Income



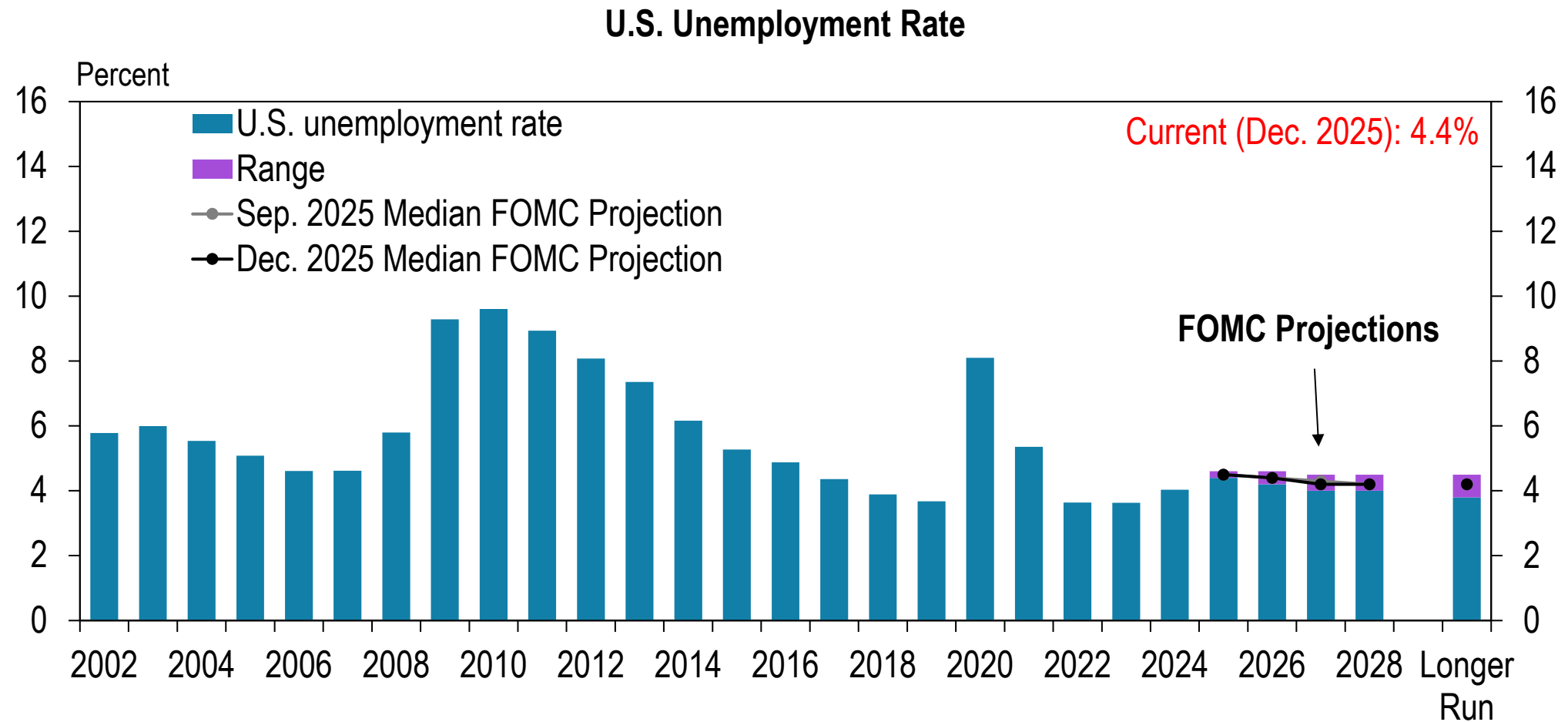
U.S. Industrial Production



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



U.S. unemployment remains up slightly but historically low and is projected to remain low moving forward

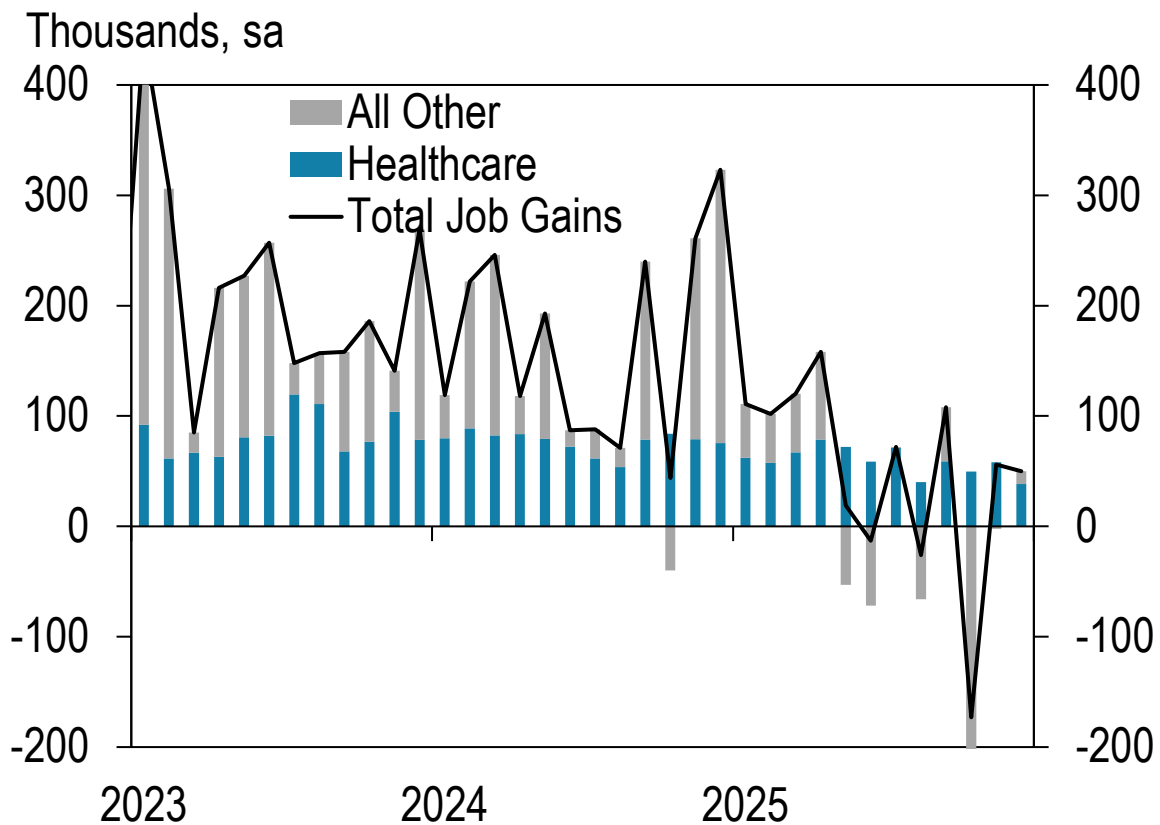


Note: Data and FOMC projections are for year-end.

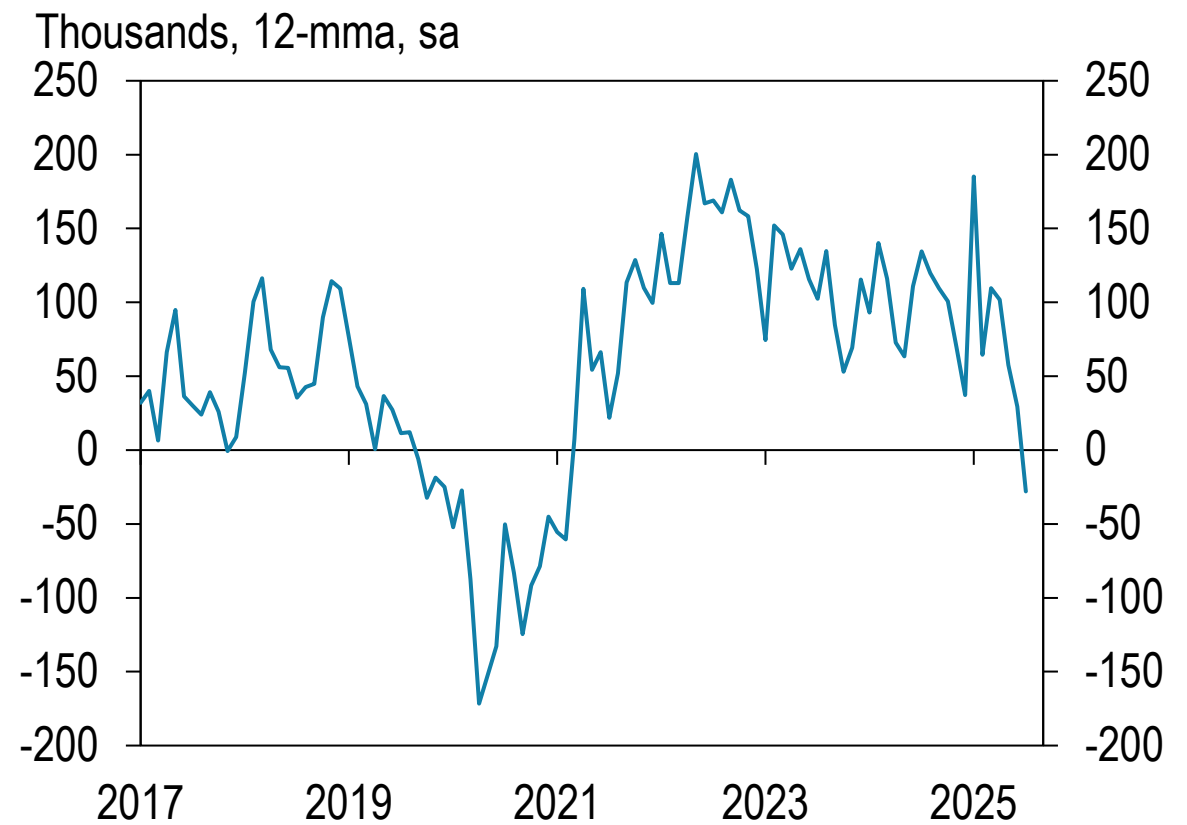
Sources: U.S. Bureau of Labor Statistics, FOMC

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

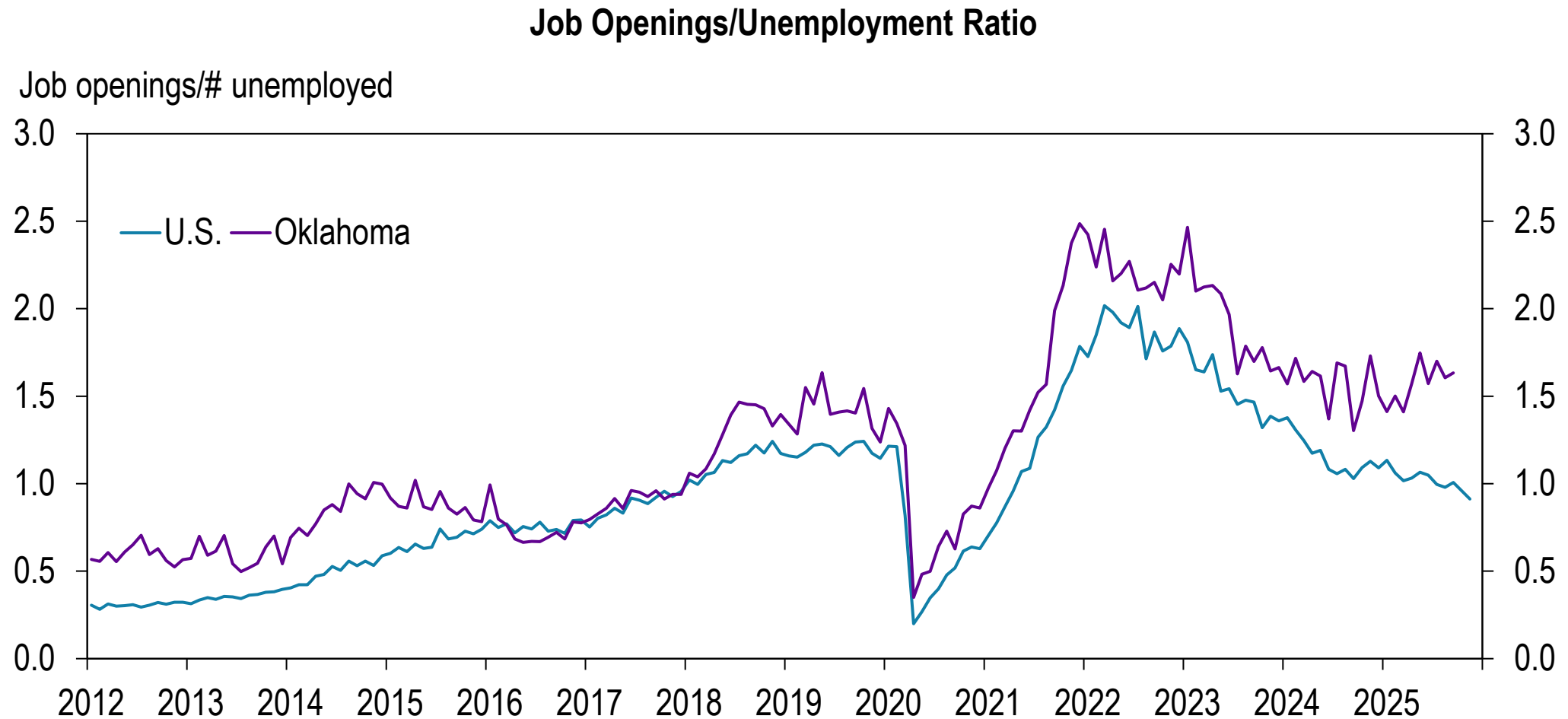
U.S. Net Monthly Job Gains



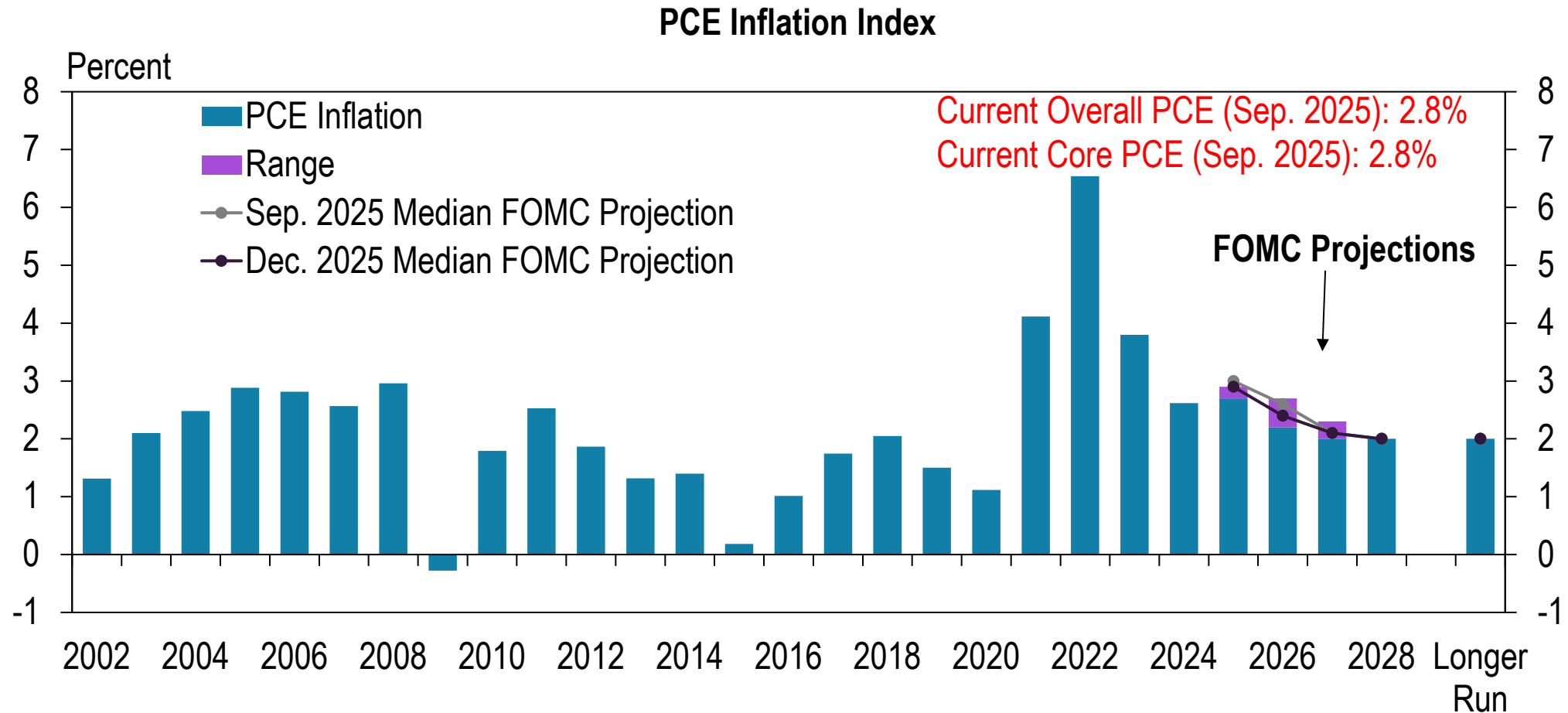
U.S. Net Immigration



Job openings still exceed unemployed workers in Oklahoma but have returned to near pre-pandemic levels



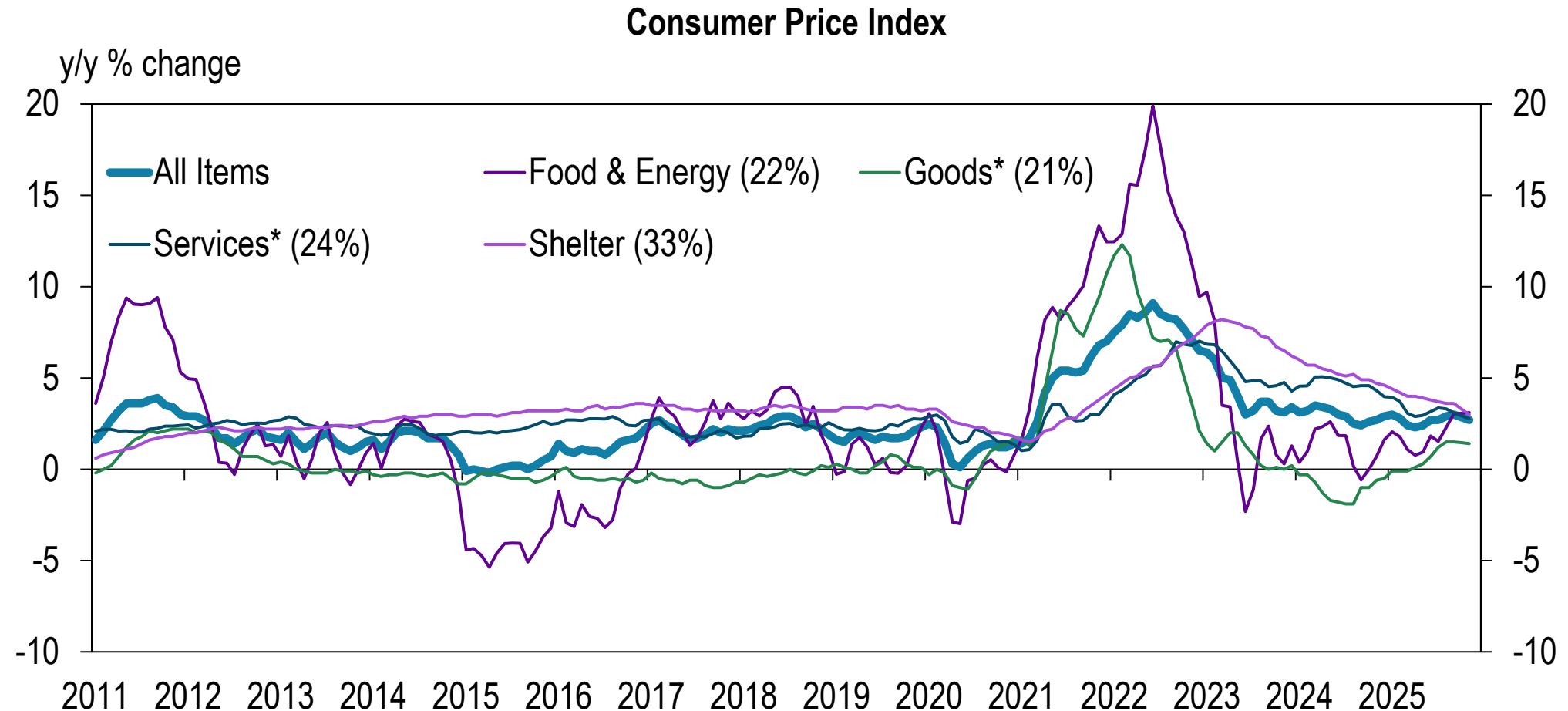
Inflation has come down from 2022 peaks, but is projected to tick up this year



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

Sources: Bureau of Economic Analysis, FOMC

CPI inflation cooled to 2.7% in November, as both services and goods inflation eased slightly

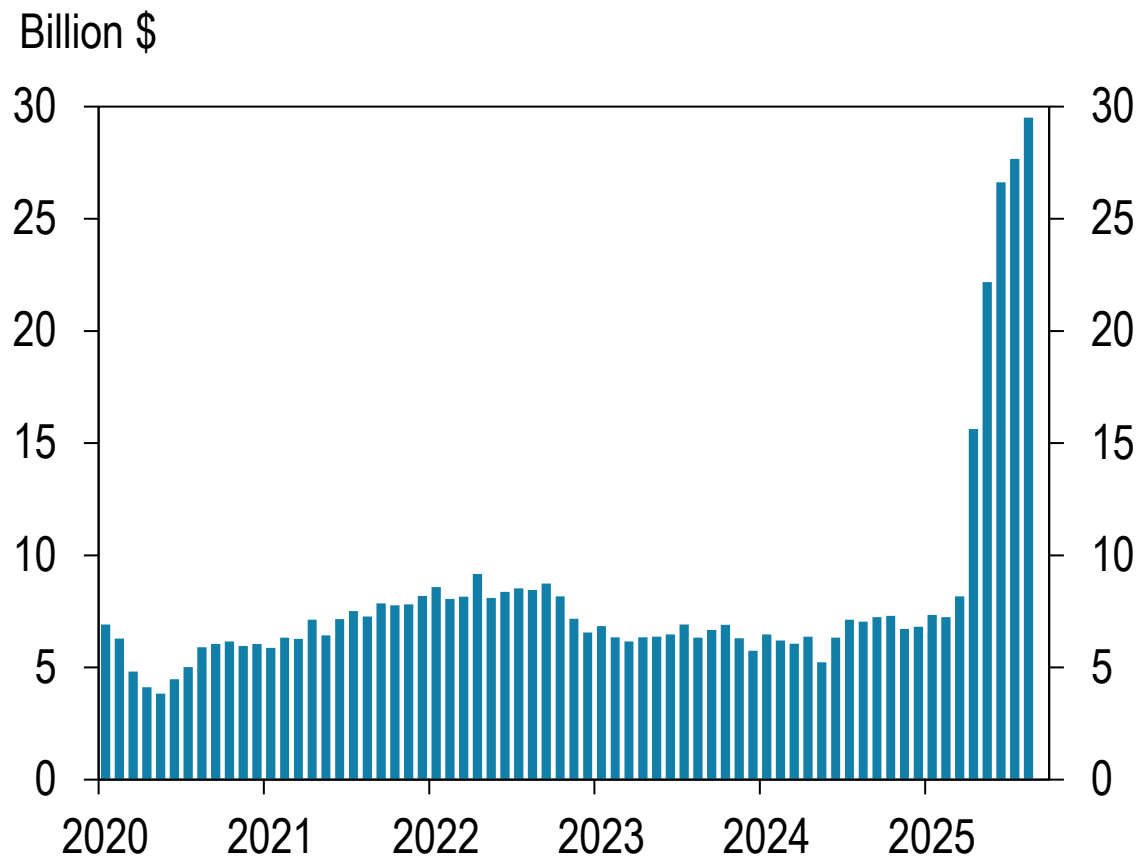


*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

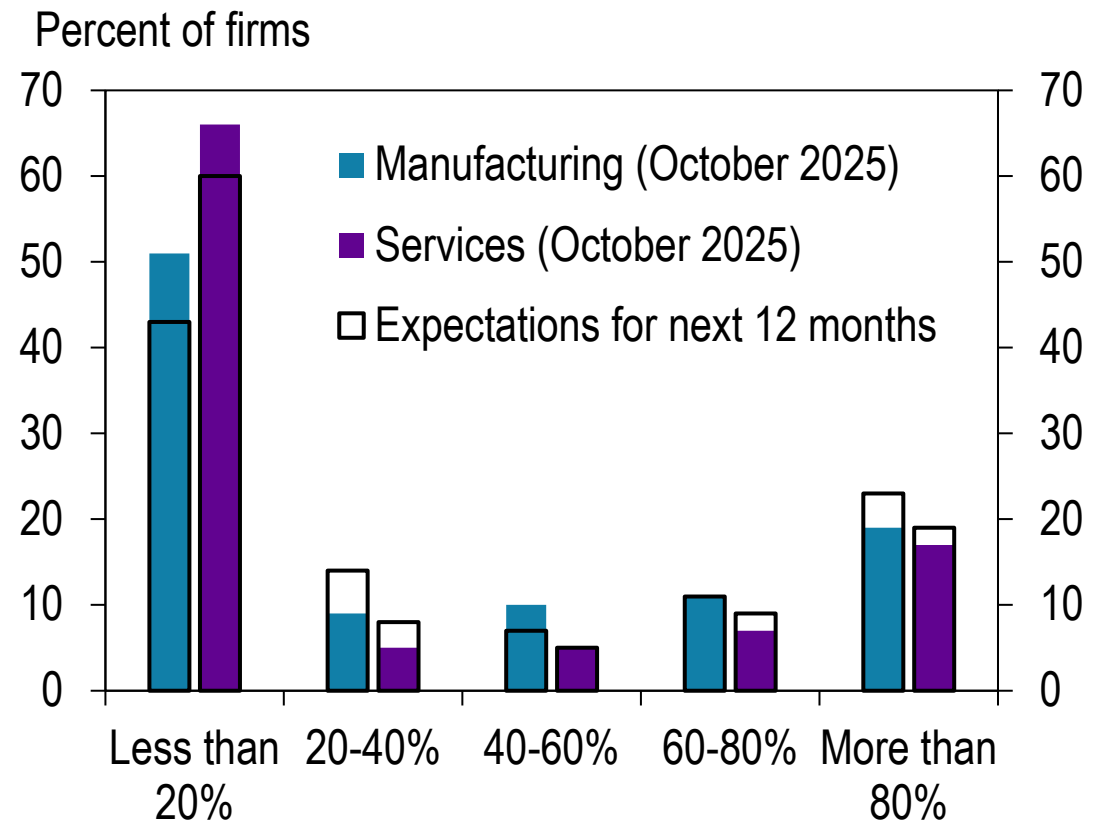
Sources: BLS/Haver Analytics

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

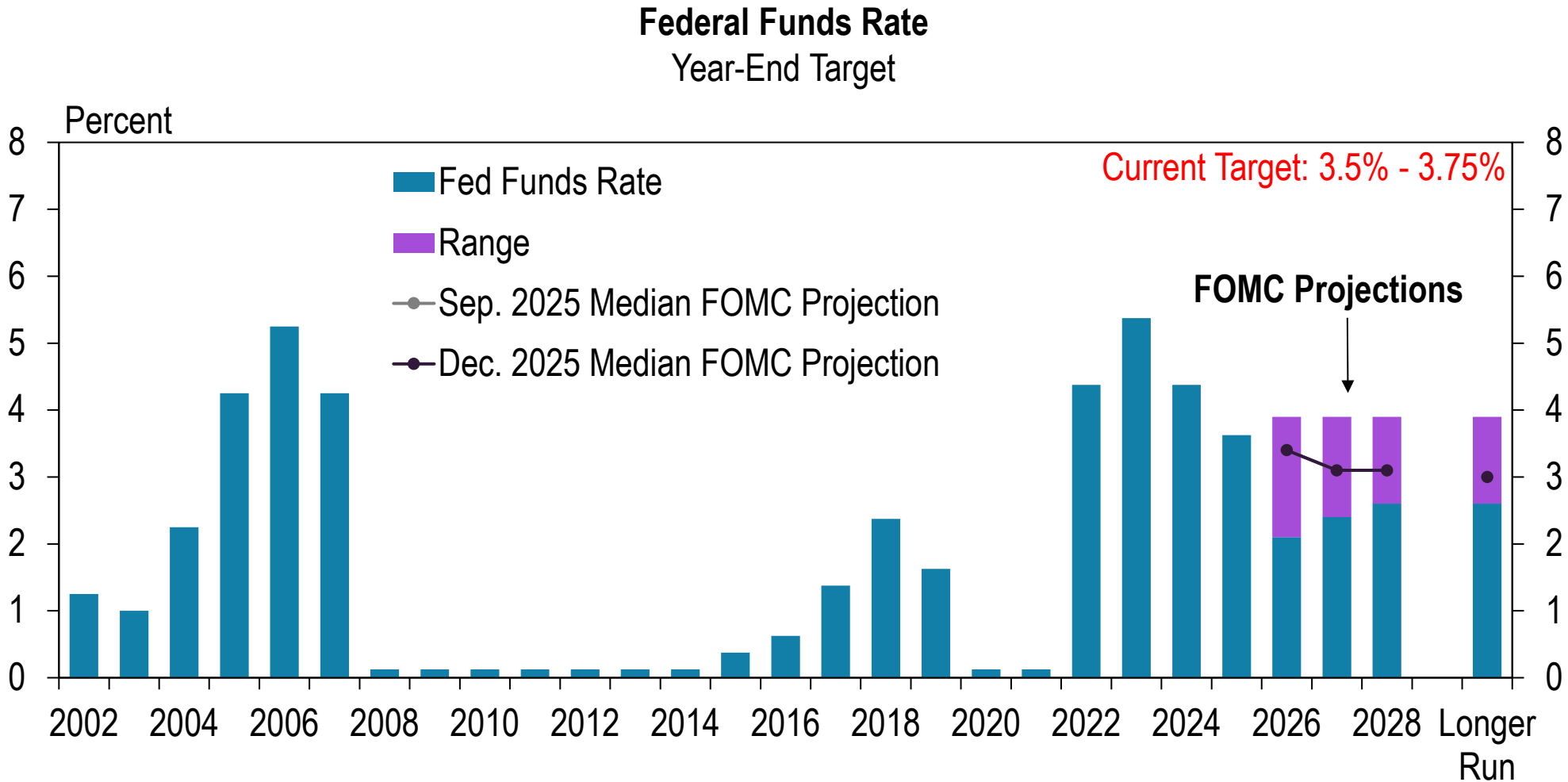
U.S. Customs Taxes Collected



Oct-25: If your firm is facing rising input costs, how much are you able to pass through to the customer?



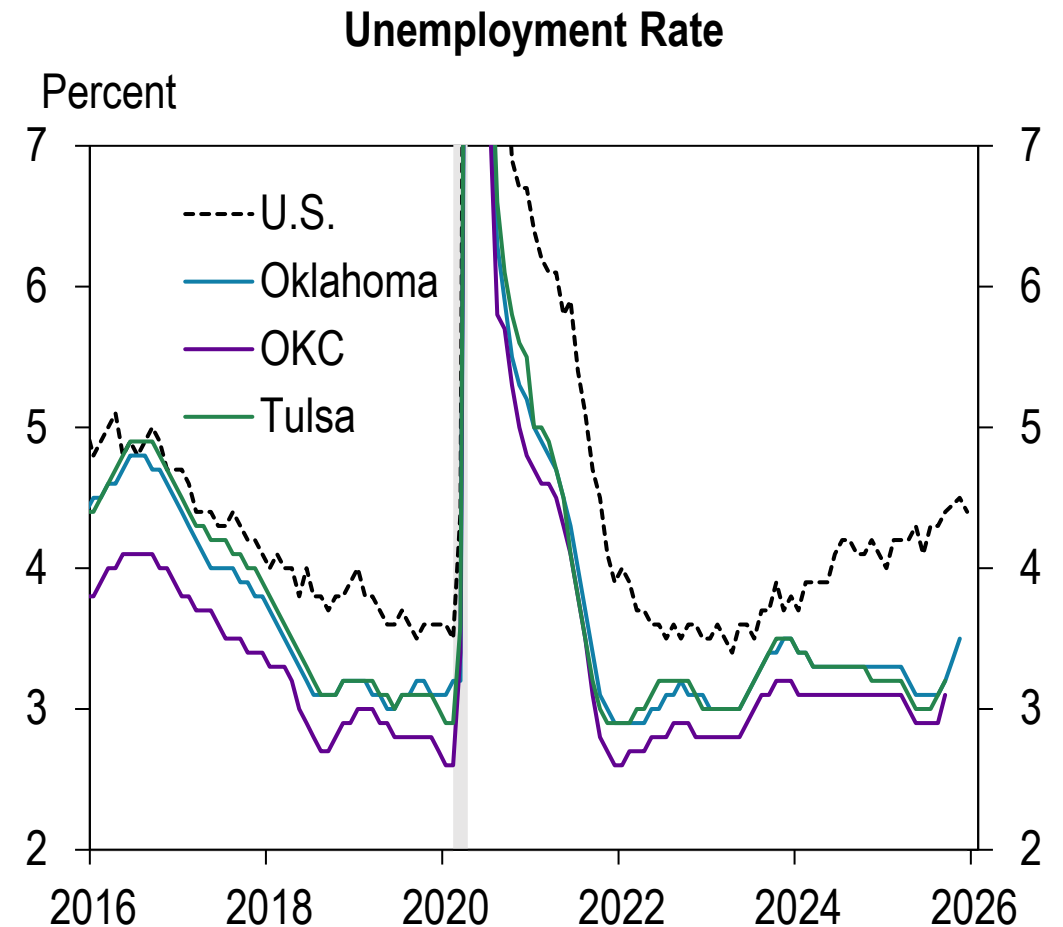
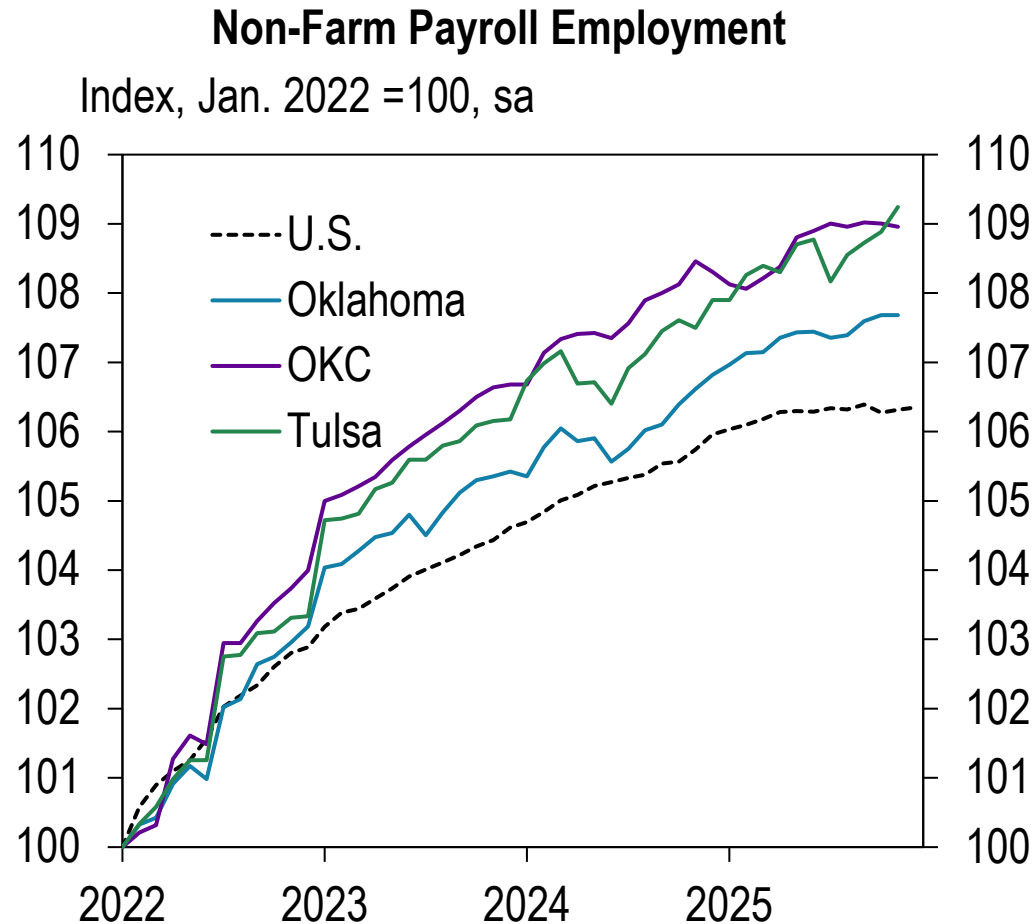
The Fed cut the federal funds rate by 25 basis points in December and the latest projections are shown



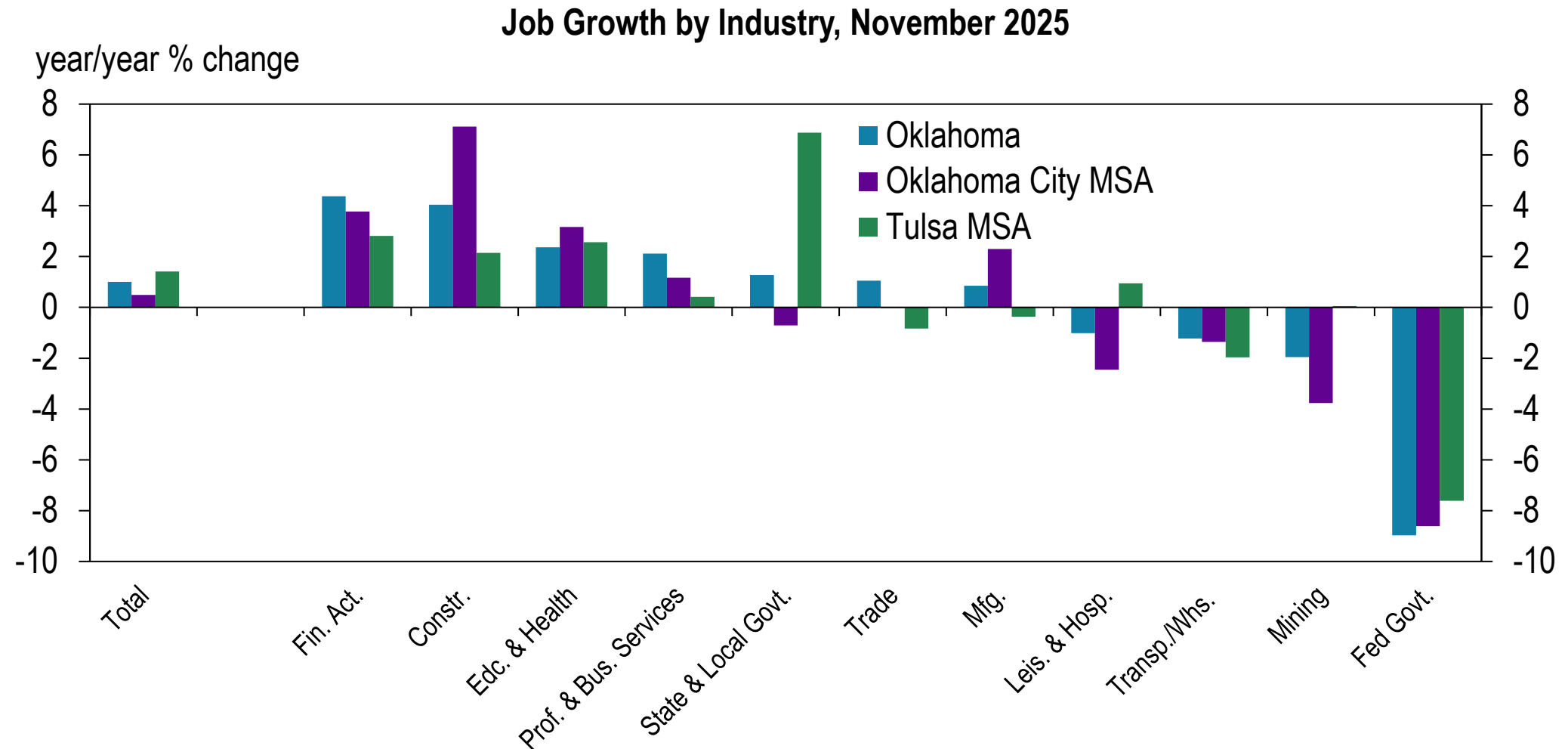
Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

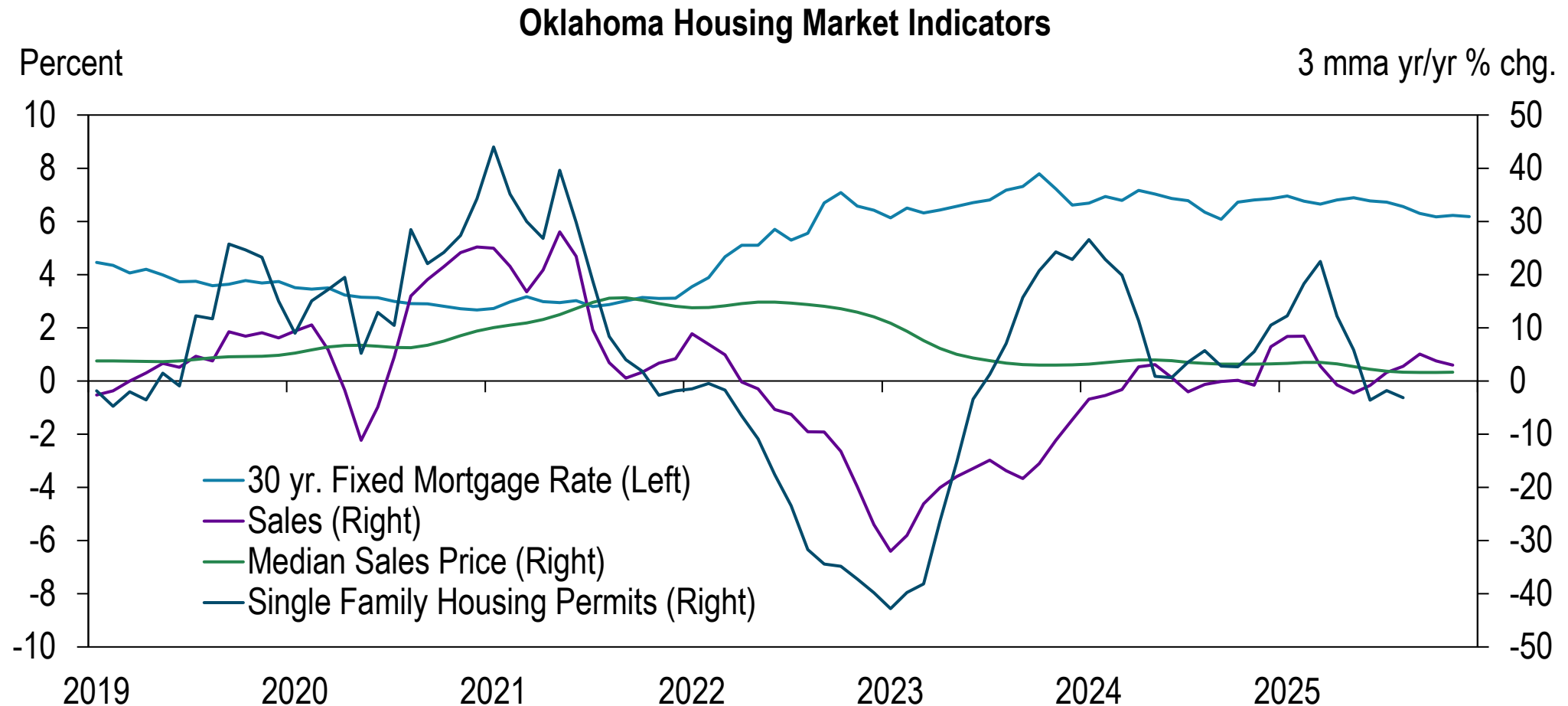
Jobs in Oklahoma have grown, but gains are leveling off, and unemployment remains very low



Oklahoma City's job gains underperformed the state average over the past year, with increases in business services and declines in hospitality and mining



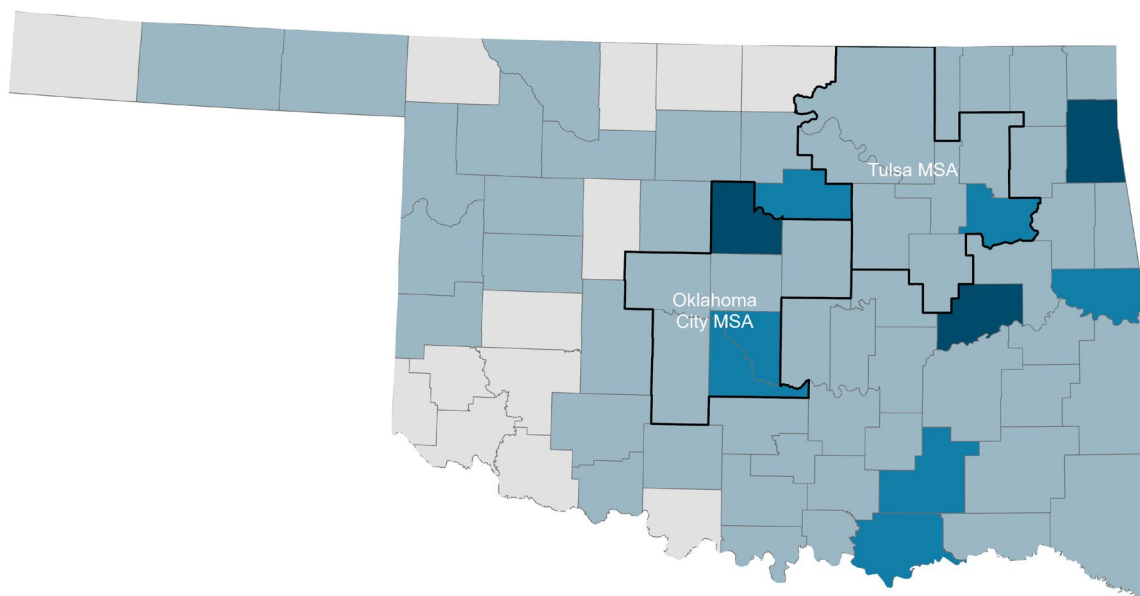
The Oklahoma housing market eased with higher interest rates, but home prices have held up and permits have risen



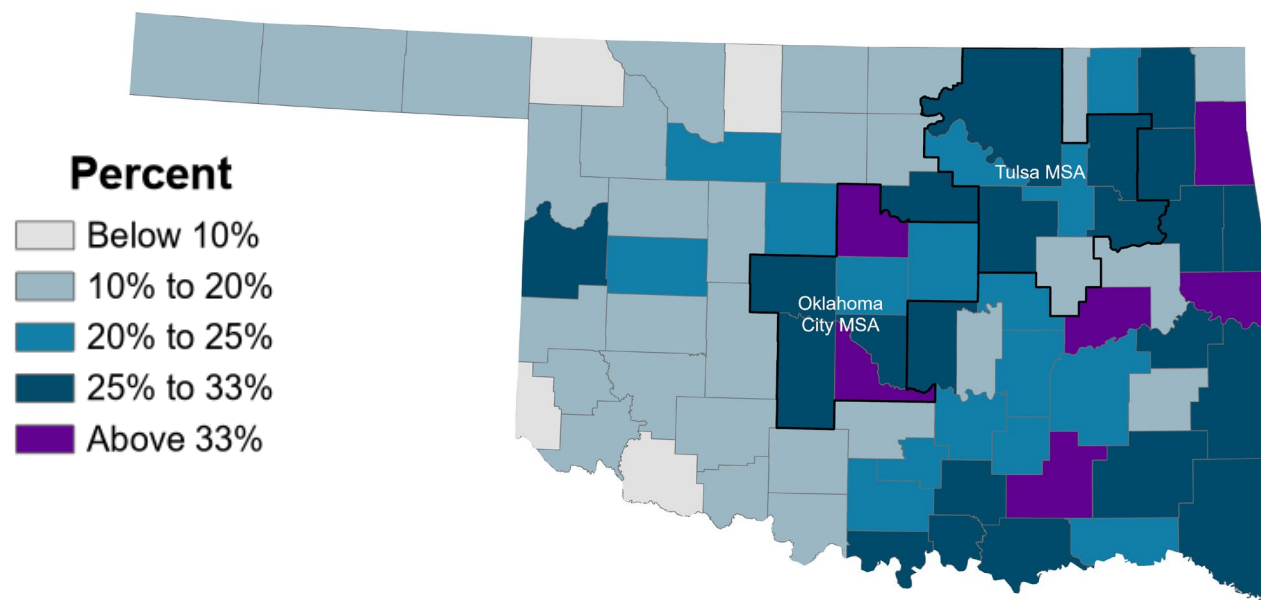
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019



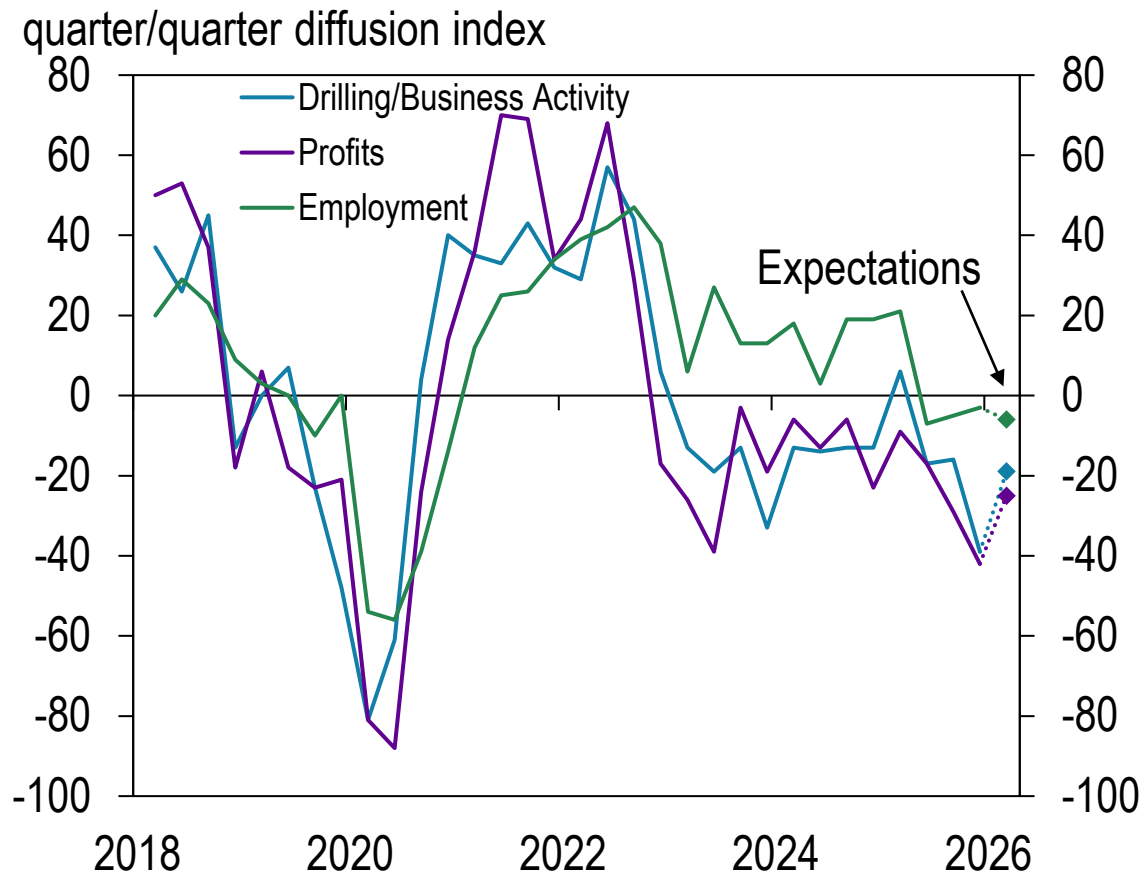
2024



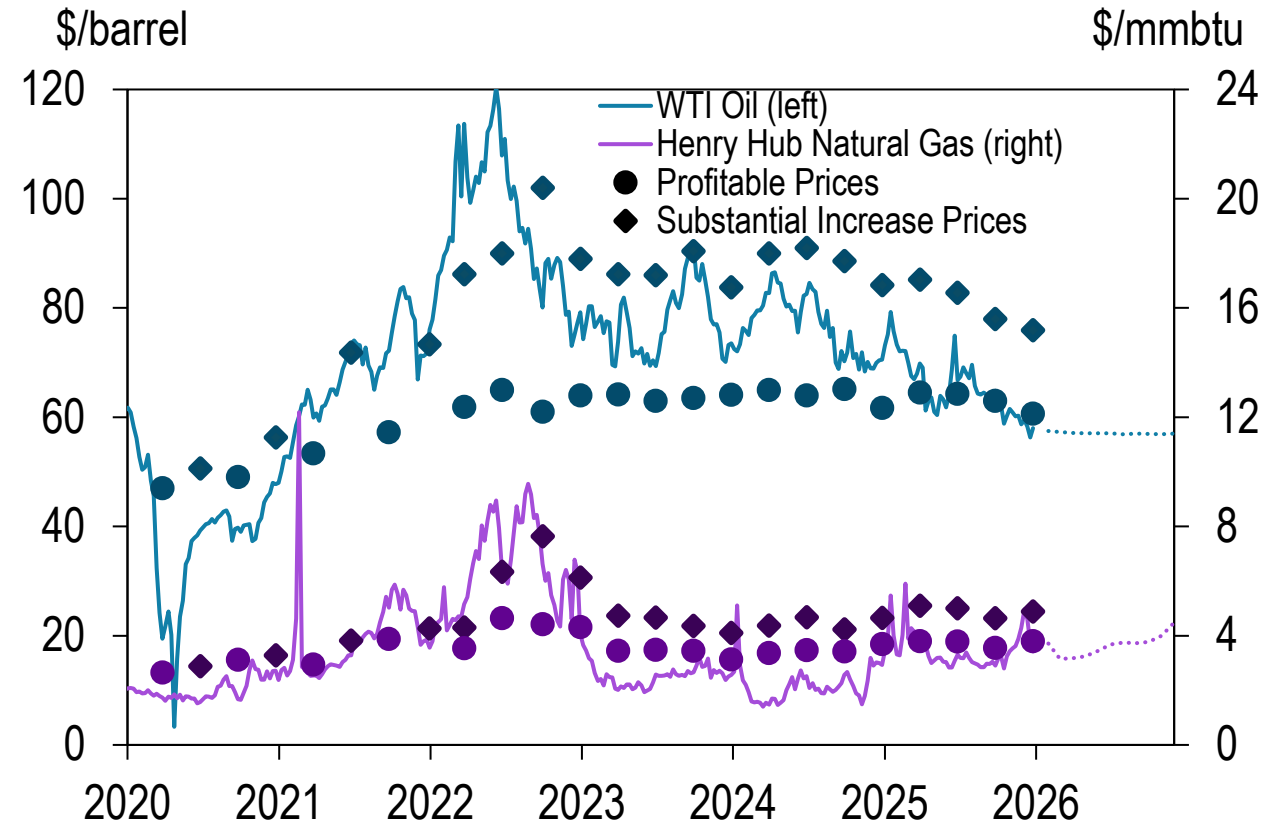
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

Tenth District oil and gas activity fell sharply in Q4 2025, as oil prices fell below District firms' average breakeven

KC Fed Energy Survey Indexes

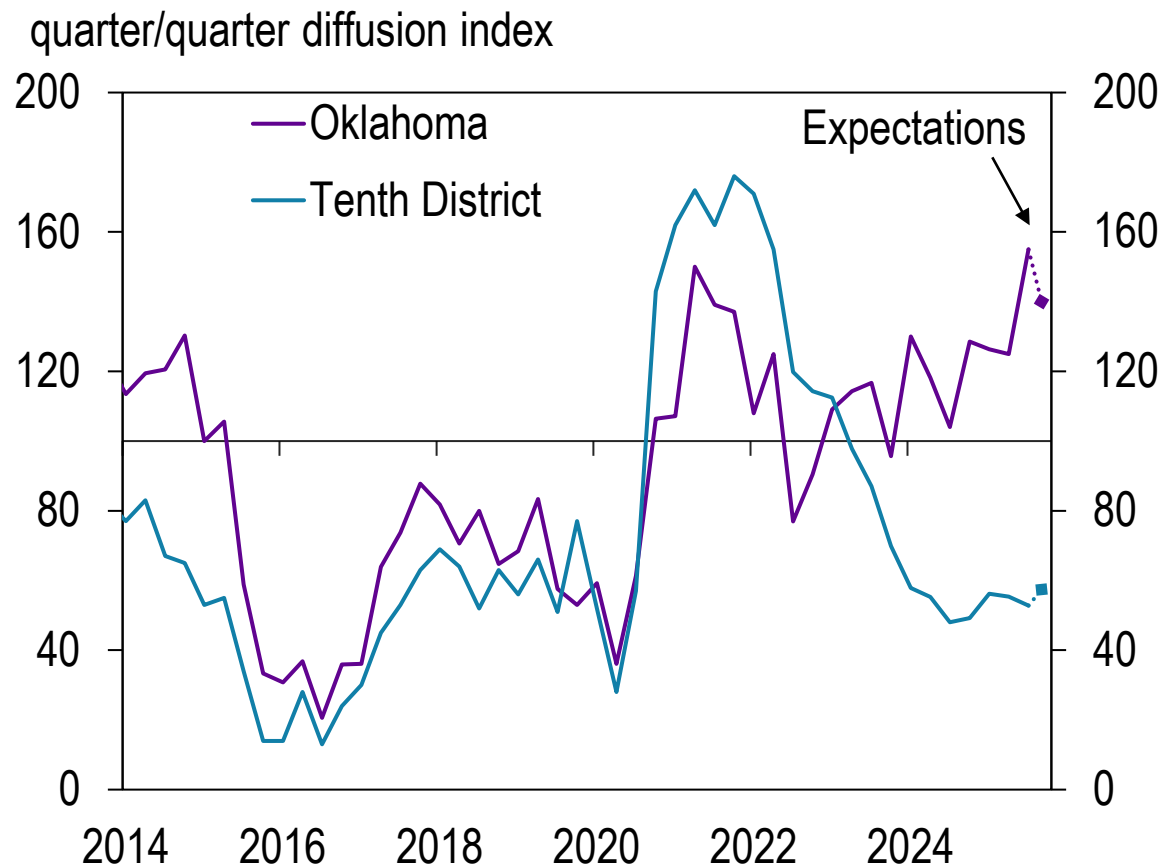


U.S. Energy Prices

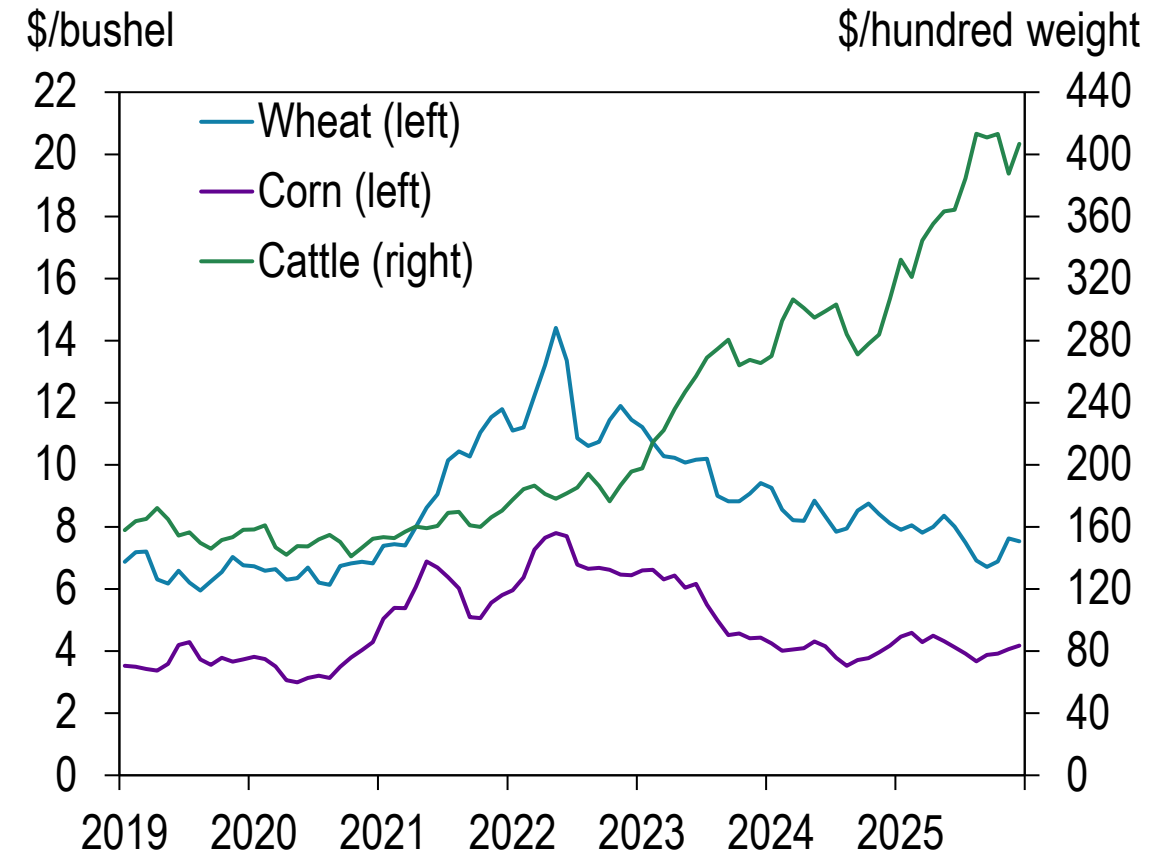


Oklahoma farm income grew in Q3 while it declined in other District states, partially due to higher cattle prices

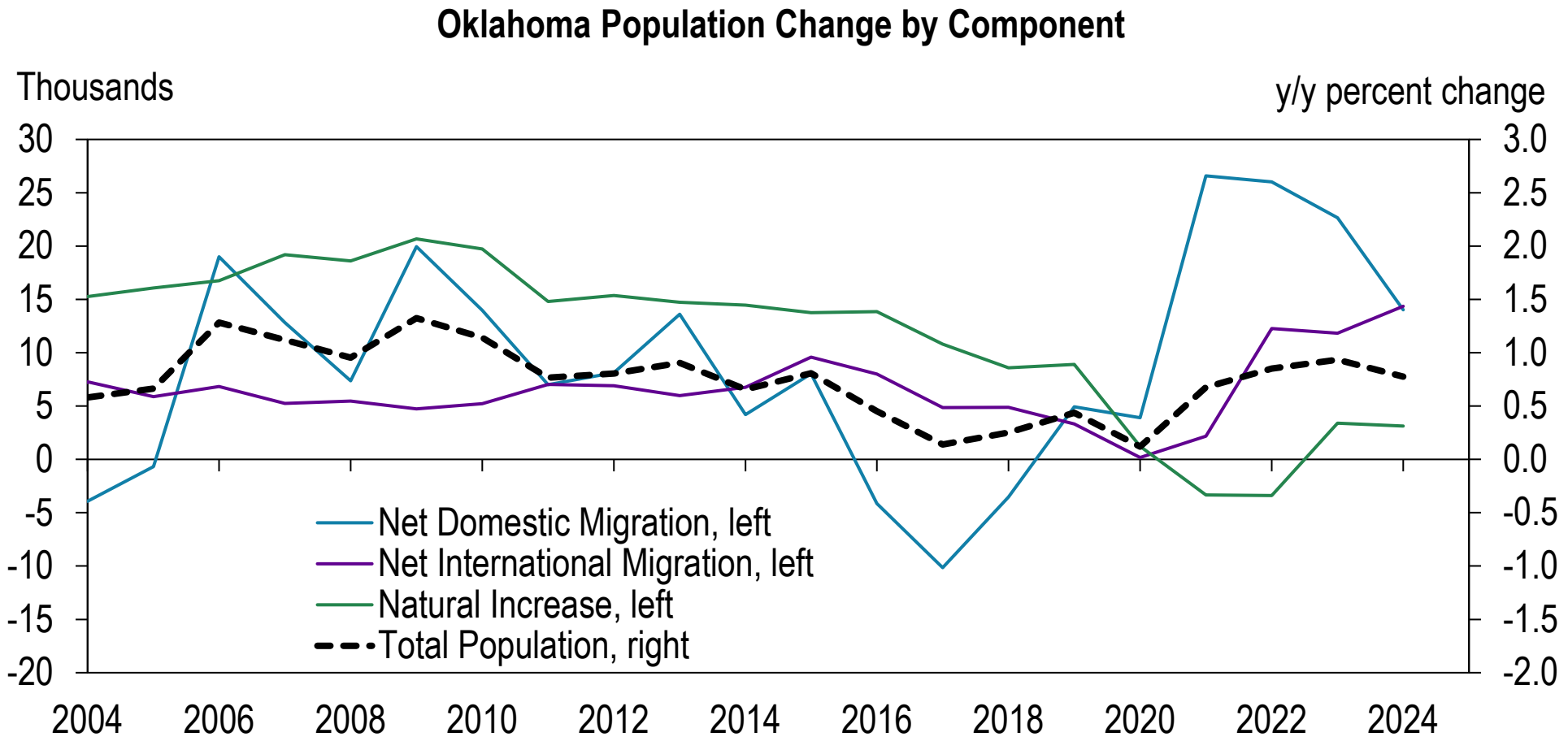
Farm Income



Agricultural Commodity Prices

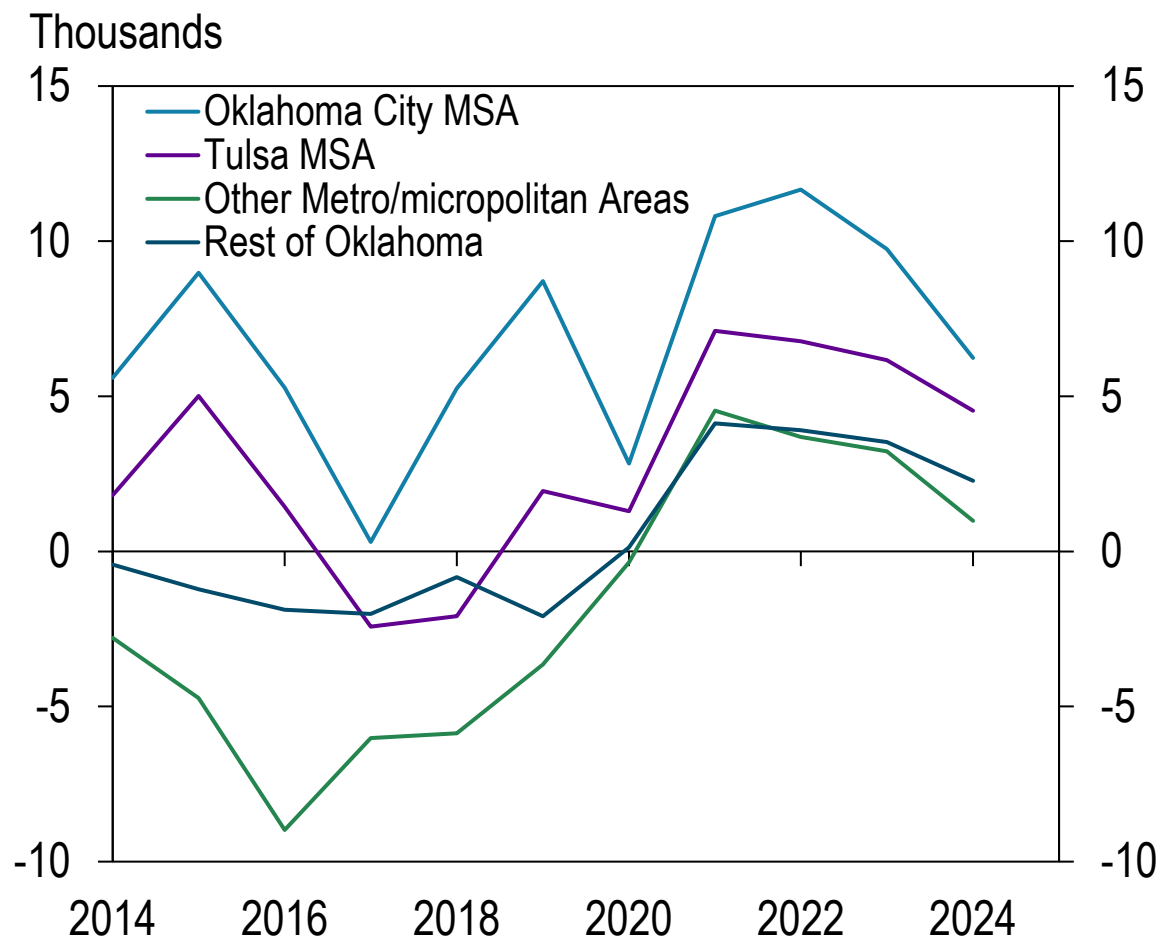


Oklahoma's population grew at a slightly slower pace in 2024, as net domestic migration slowed from pandemic-era highs

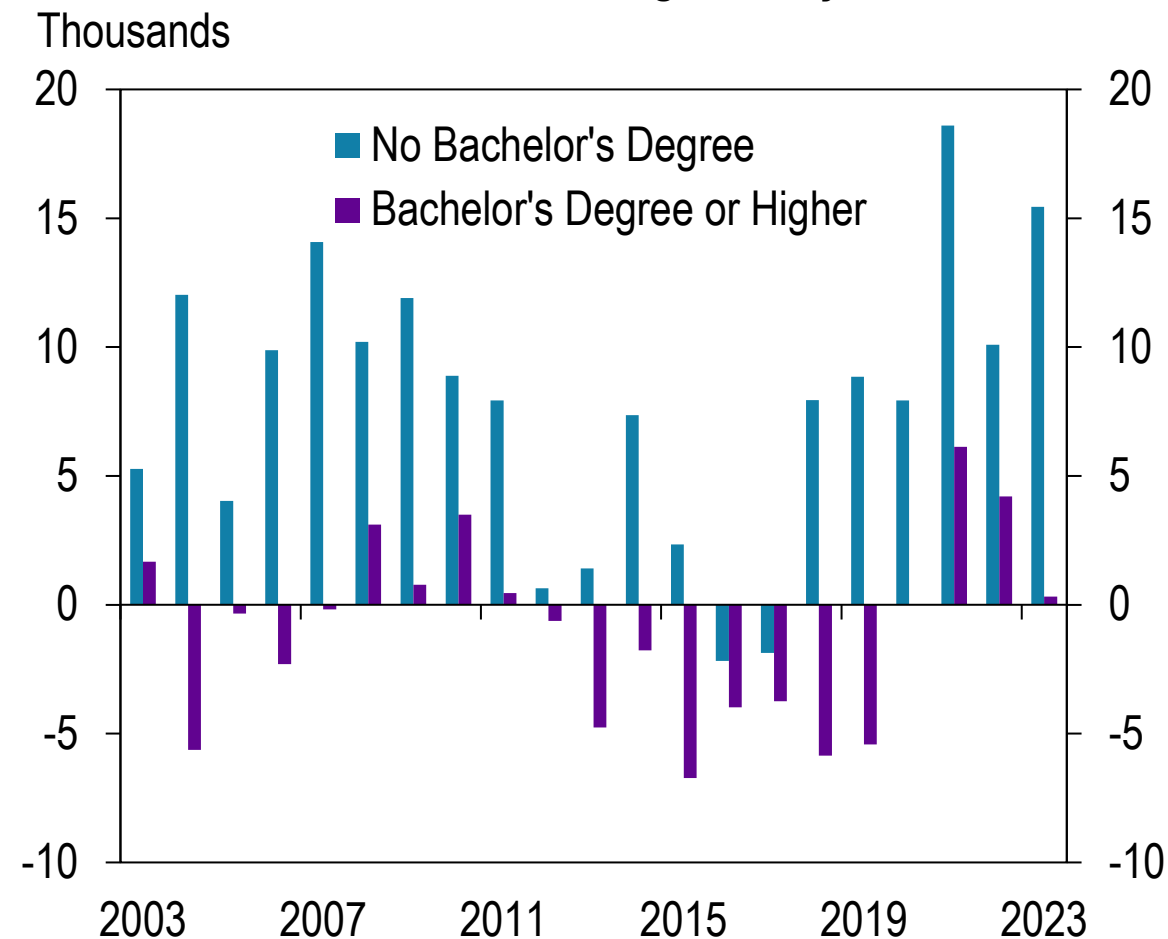


Both metropolitan and rural areas have gained residents on net, and the surge of college graduates into the state cooled in 2023

Oklahoma Net Domestic Migration



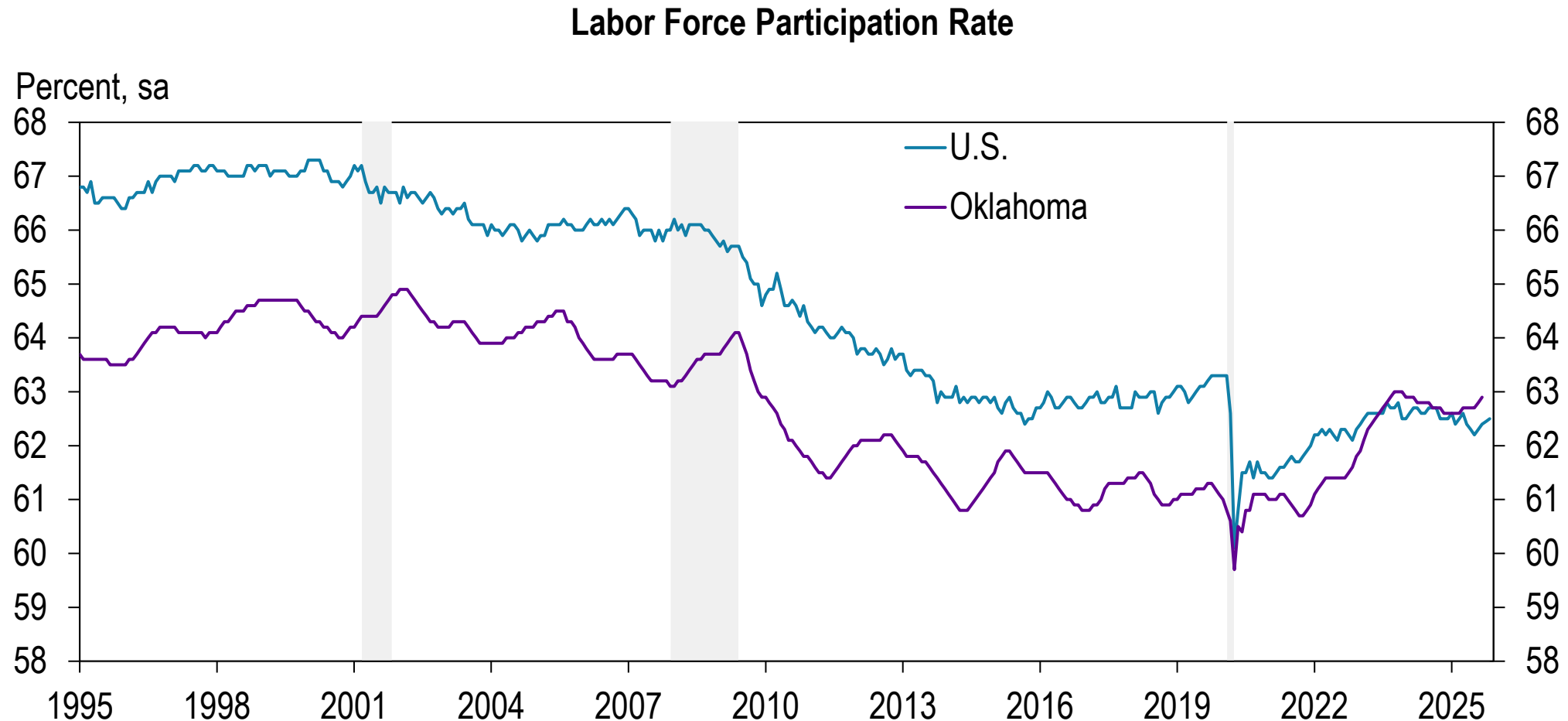
Oklahoma Net Domestic Migration by Education



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

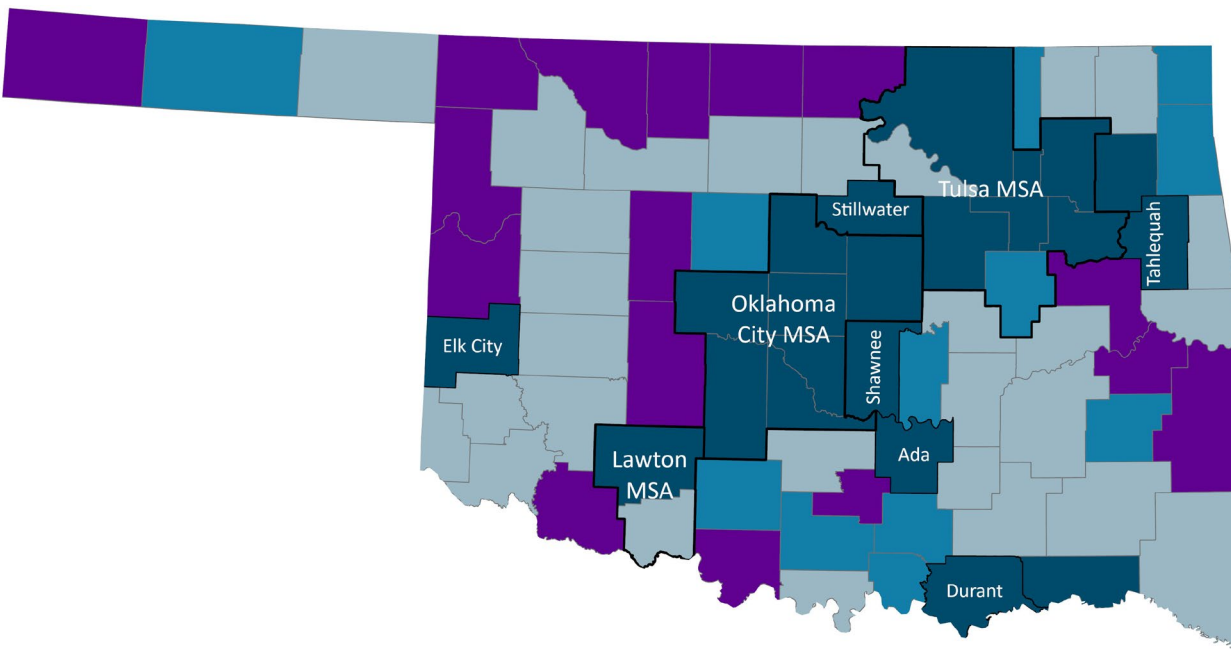


Note: Shading denotes NBER-defined recessions.

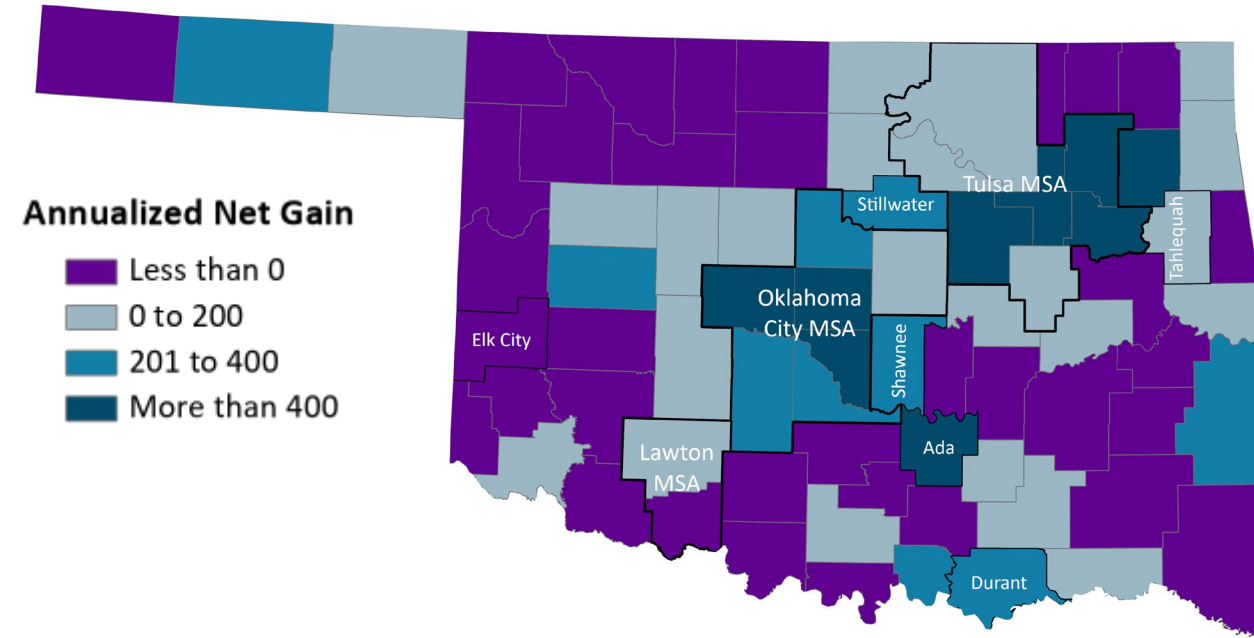
Sources: BLS, NBER/Haver Analytics

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



Overview

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Questions?

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