

U.S. and Oklahoma Economic Outlook

BancFirst Presidents

January 13, 2026

Cortney Cowley

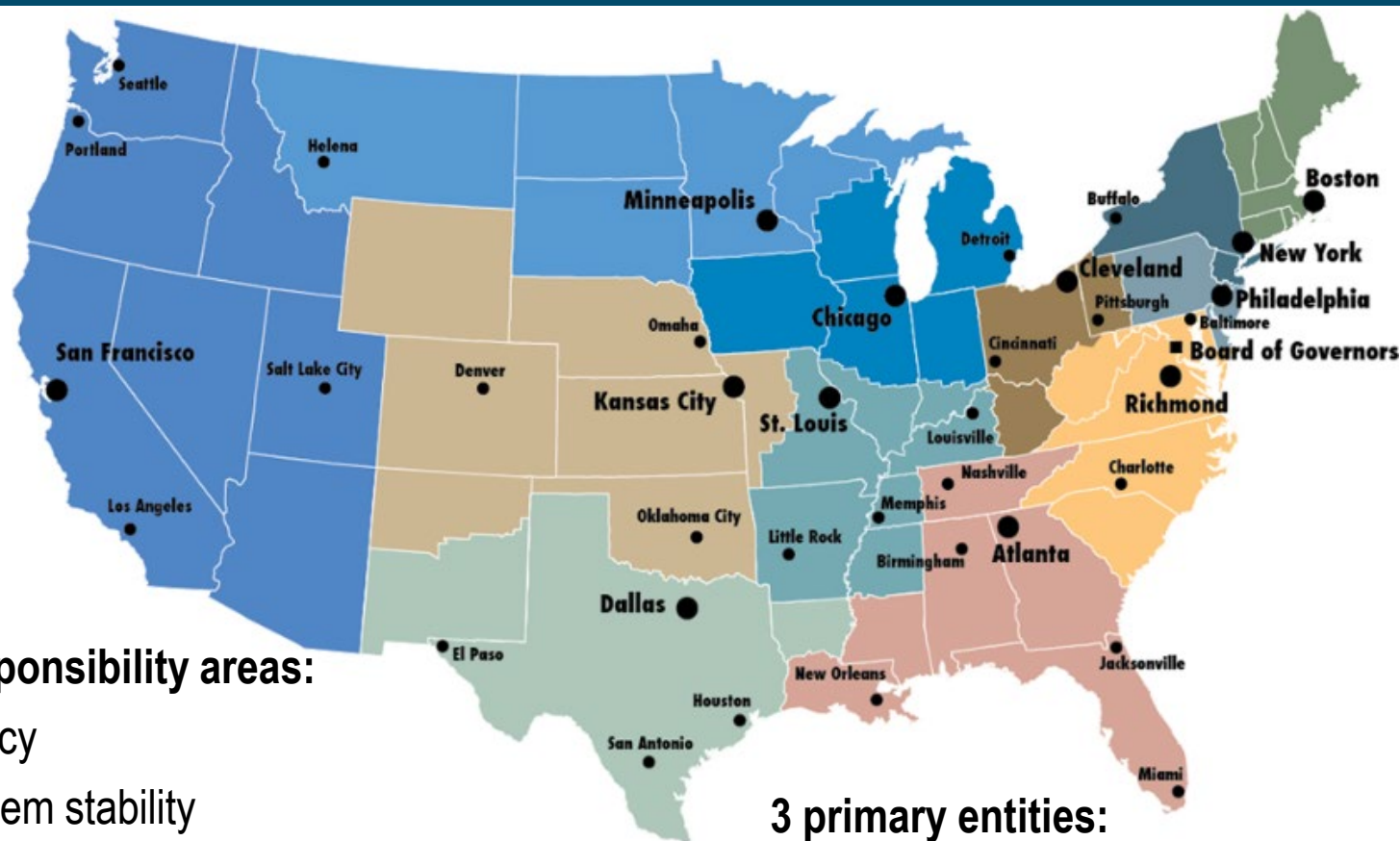
AVP & Oklahoma City Branch Executive

*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**, 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



Oklahomans on National and Regional Fed Advisory Councils

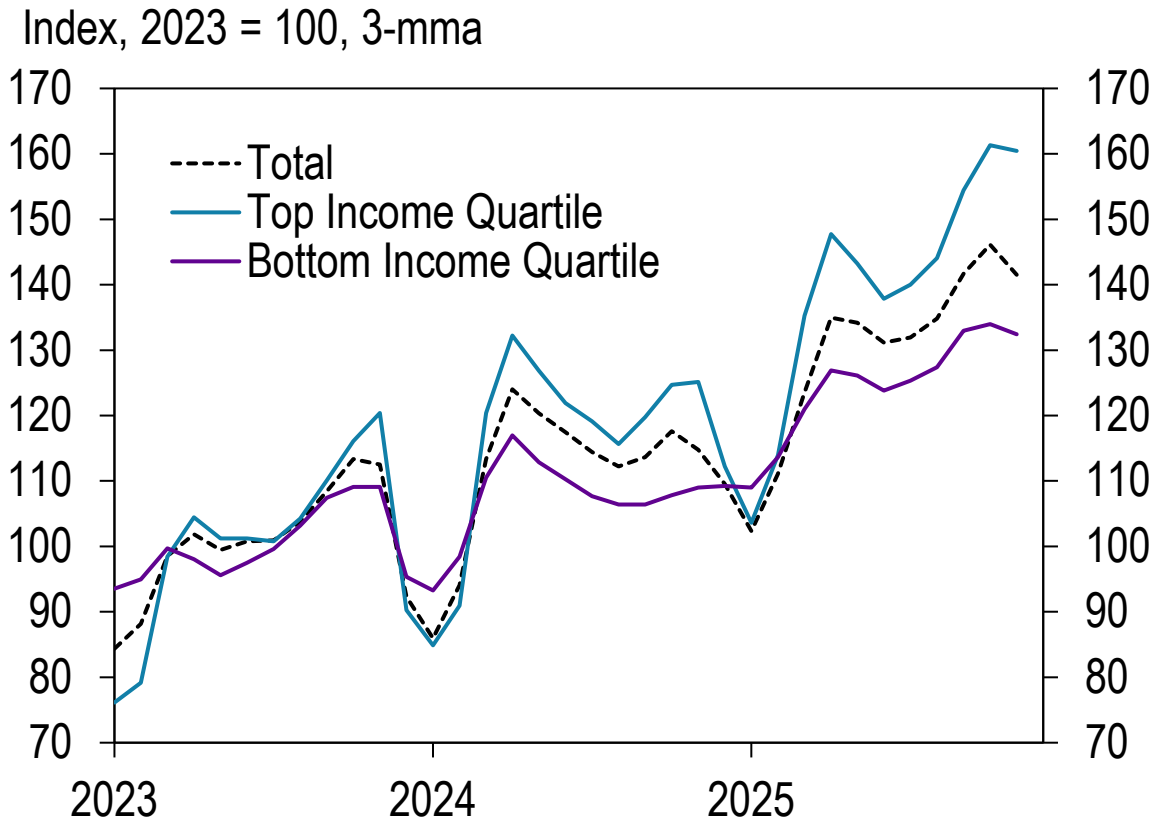
- **Kansas City Head Office Board of Directors (10th District):**
 - **Susan Chapman Plumb**, Board Chair & CEO, Local Bank, Tahlequah, OK
- **Community Advisory Council (National):**
 - **Bruce Shultz**, VP of Community Development Banking, Gateway First Bank, Tulsa
- **Economic Advisory Council (10th District):**
 - **Pancho Gonzalez**, CEO, Lopez Dorada Foods, Inc., Oklahoma City
 - **David Nimmo**, CEO, Chickasaw Nation Industries, Norman
- **Community Development Advisory Council (10th District):**
 - **Michelle Bish**, Executive Director, Northeast Oklahoma Regional Alliance, Tahlequah
 - **Quintin Hughes, Sr.**, Program Director, Northeast Oklahoma City Renaissance, Inc., Oklahoma City
- **Community Depository Inst. Advisory Council (10th District):**
 - **Barry Anderson**, President, F&M Bank, Guthrie
 - **Jerold Phillips**, COO, Citizens Bank, Ardmore

GDP accelerated in Q3 and employment growth has slowed considerably

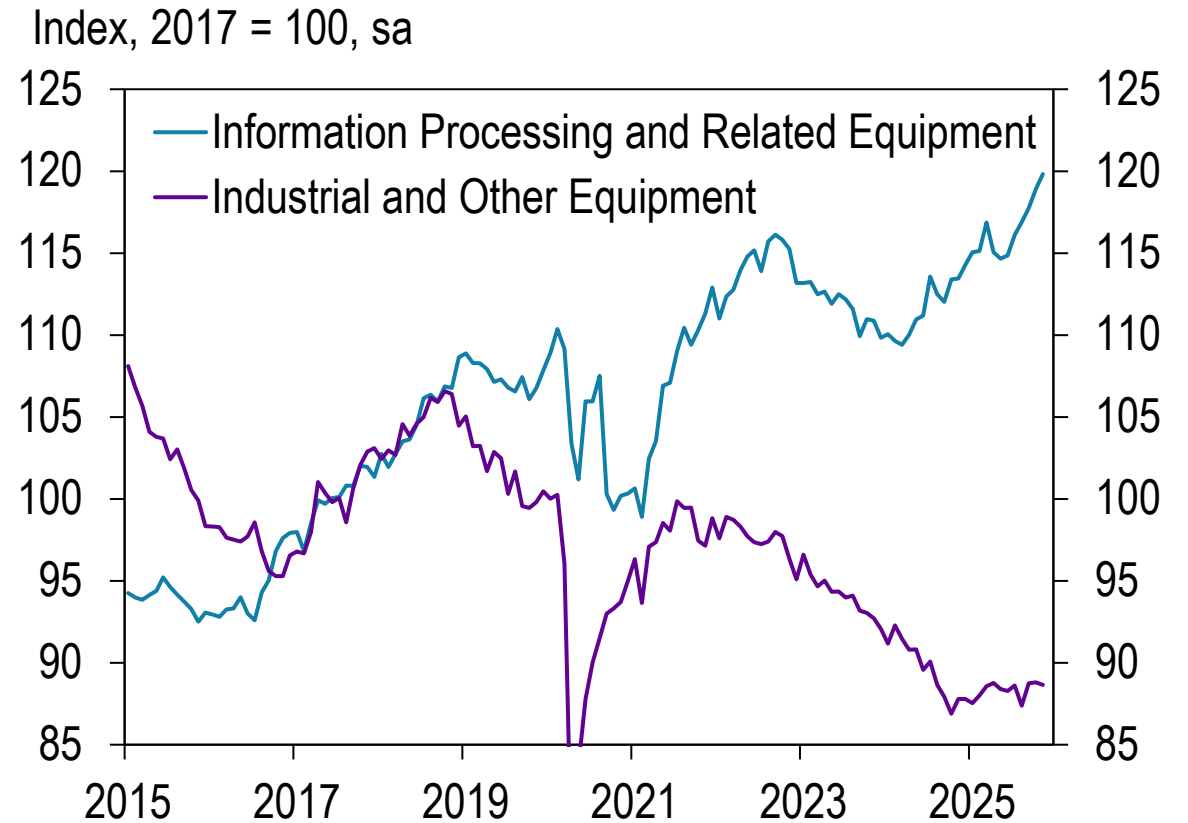


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

U.S. Credit Card Consumer Spending by Income

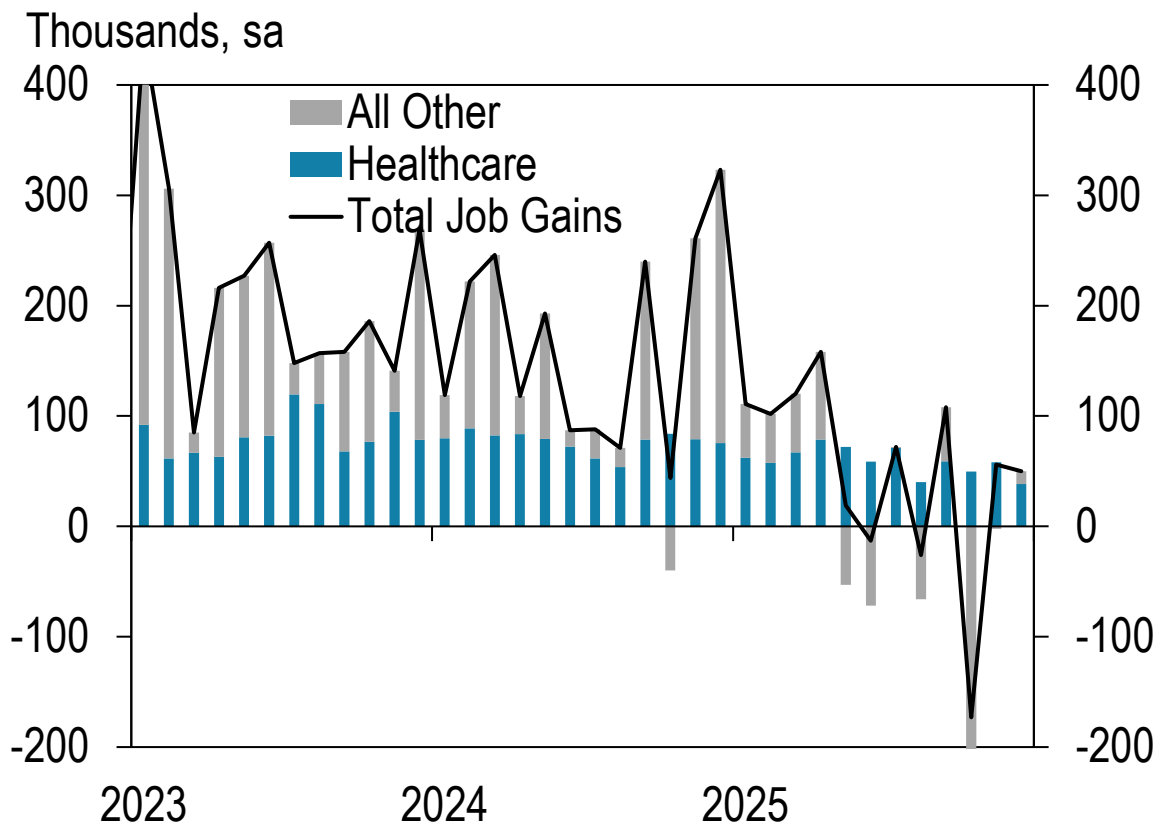


U.S. Industrial Production

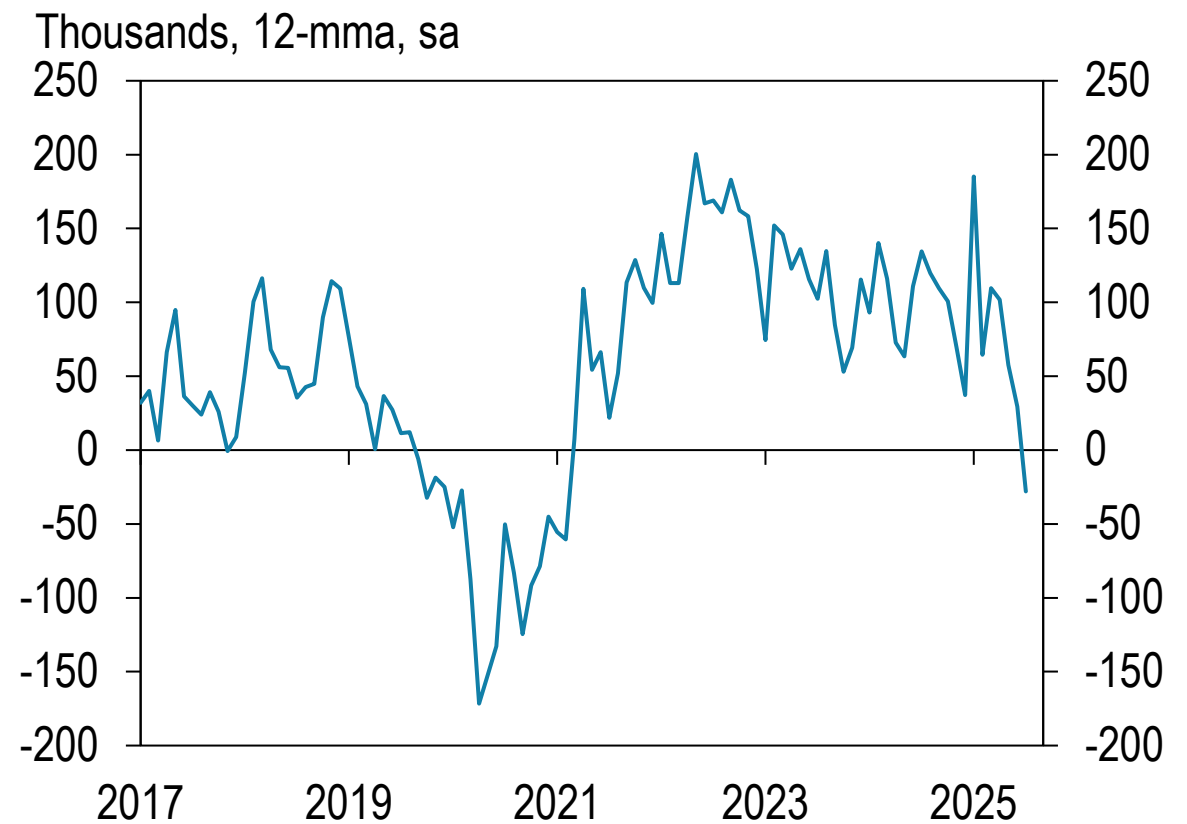


U.S. job gains have slowed in recent months and are largely concentrated in healthcare, partially due to reduced labor supply from immigration

U.S. Net Monthly Job Gains

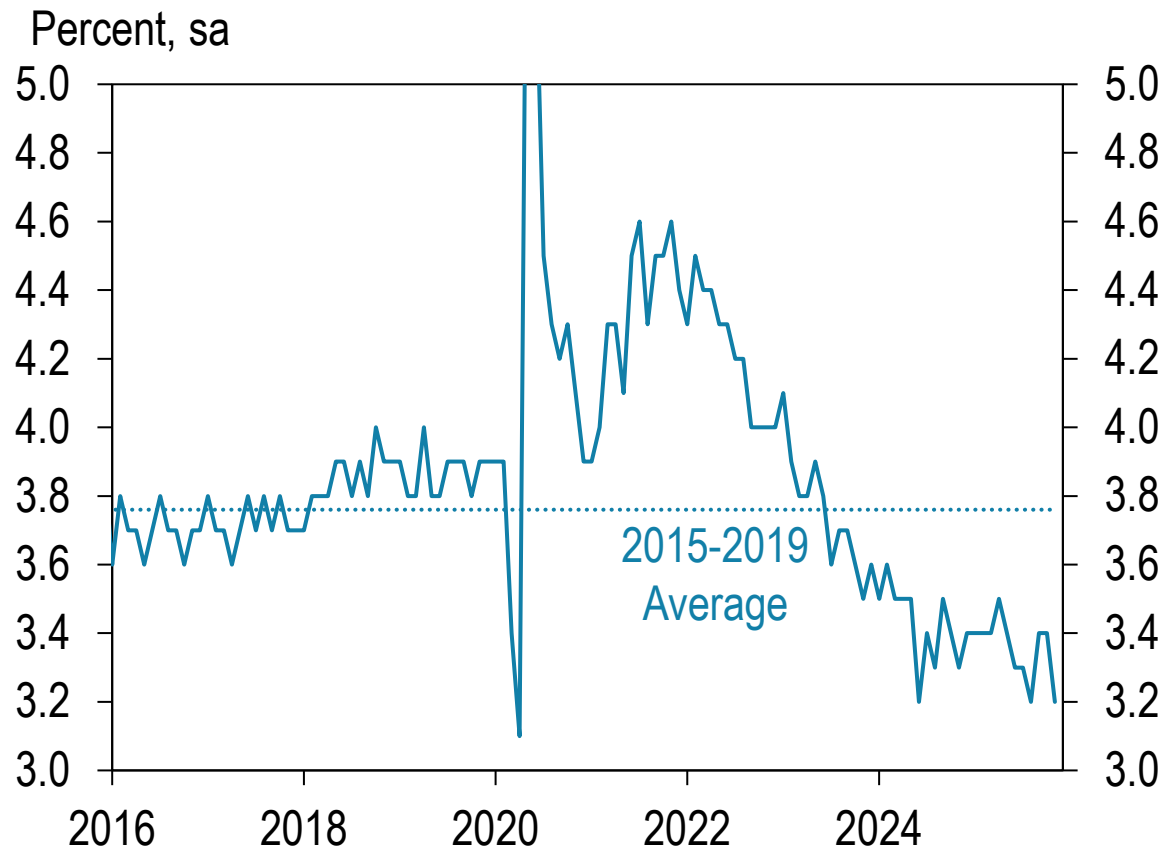


U.S. Net Immigration



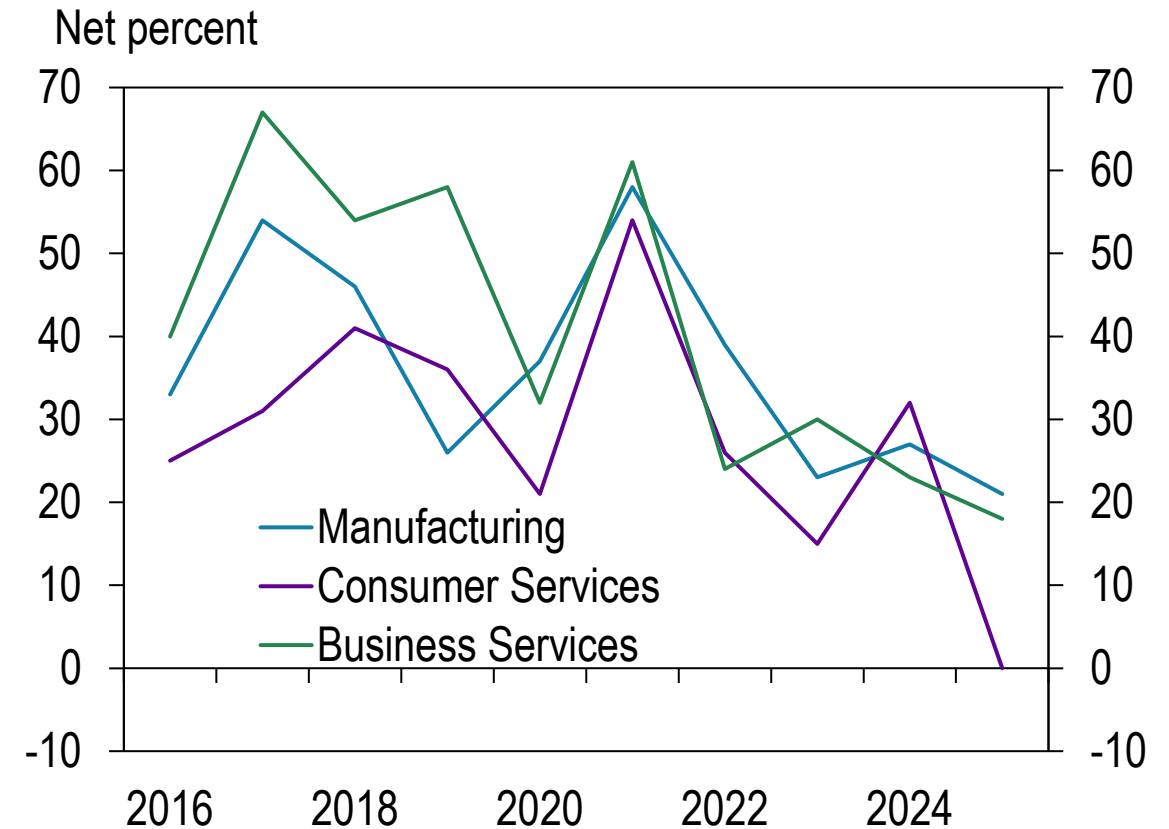
U.S. hiring has stayed below pre-pandemic levels over the last year, and Tenth District firms report the lowest hiring outlook on record for the coming year

U.S. Hiring Rate



Sources: BLS, FRBKC/Haver Analytics

Tenth District Firms Expecting Higher Employment in 12 Months

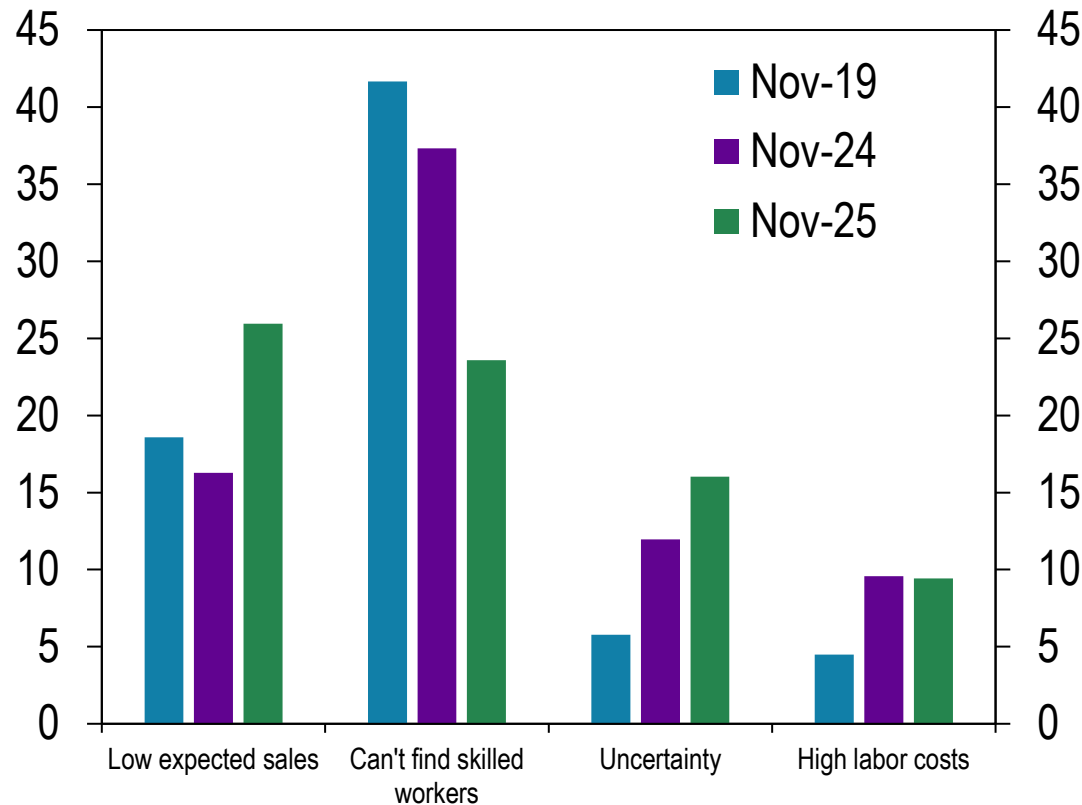


Note: Question asked in November of each year.

Low expected demand and uncertainty have increased as the top factor restraining hiring, and wage growth for new hires has softened slightly

Tenth District Firms' Top Factors Restraining Hiring

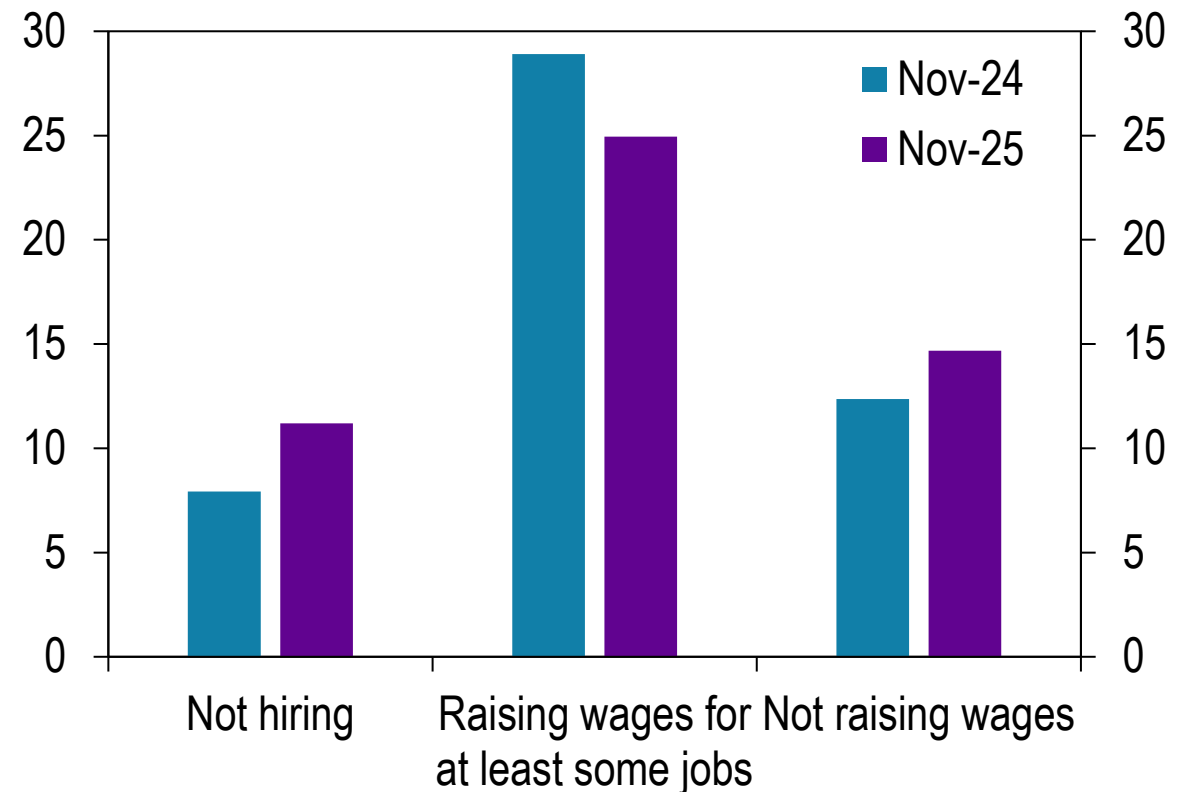
Percent of firms



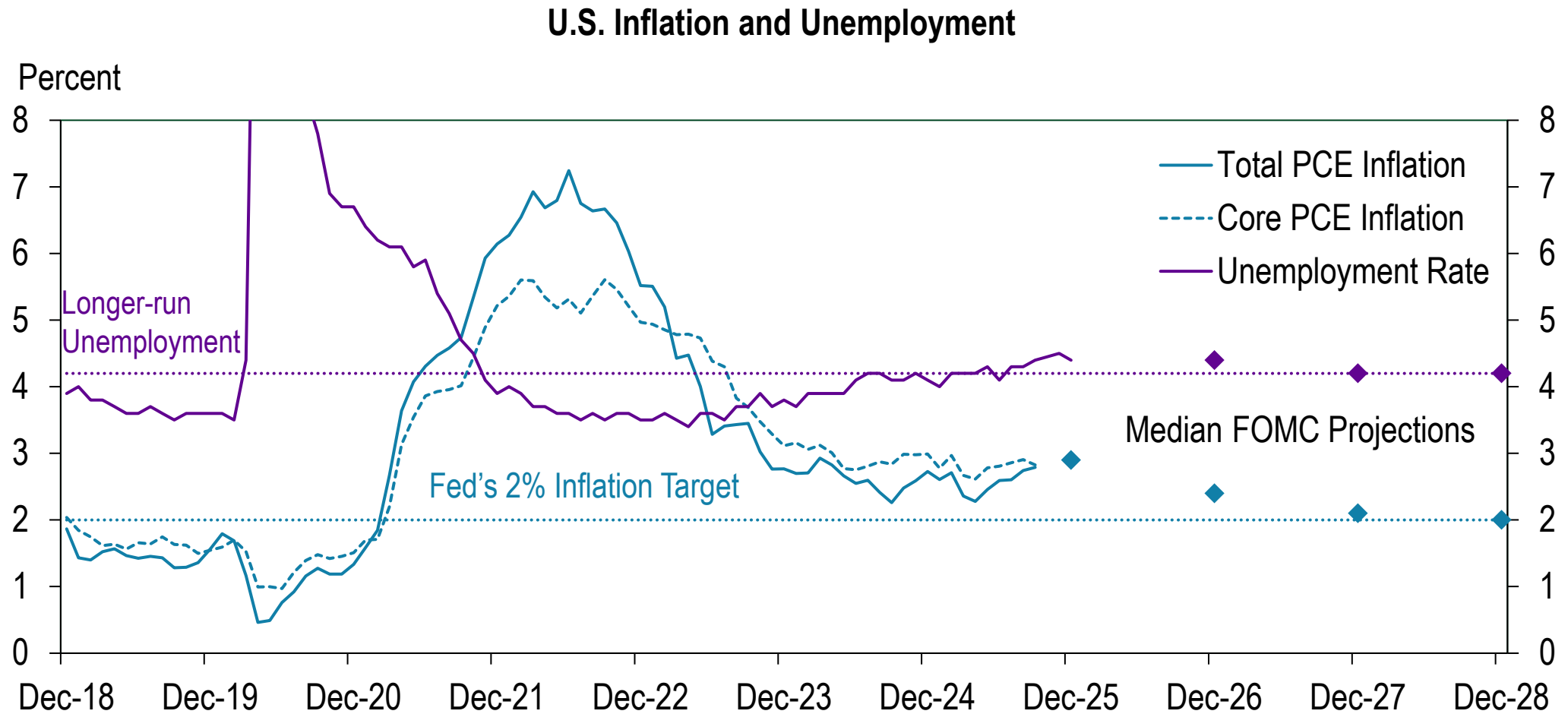
Source: FRBKC

Which of the following best describes your use of changes in starting wages to attract new hires?

Percent of firms

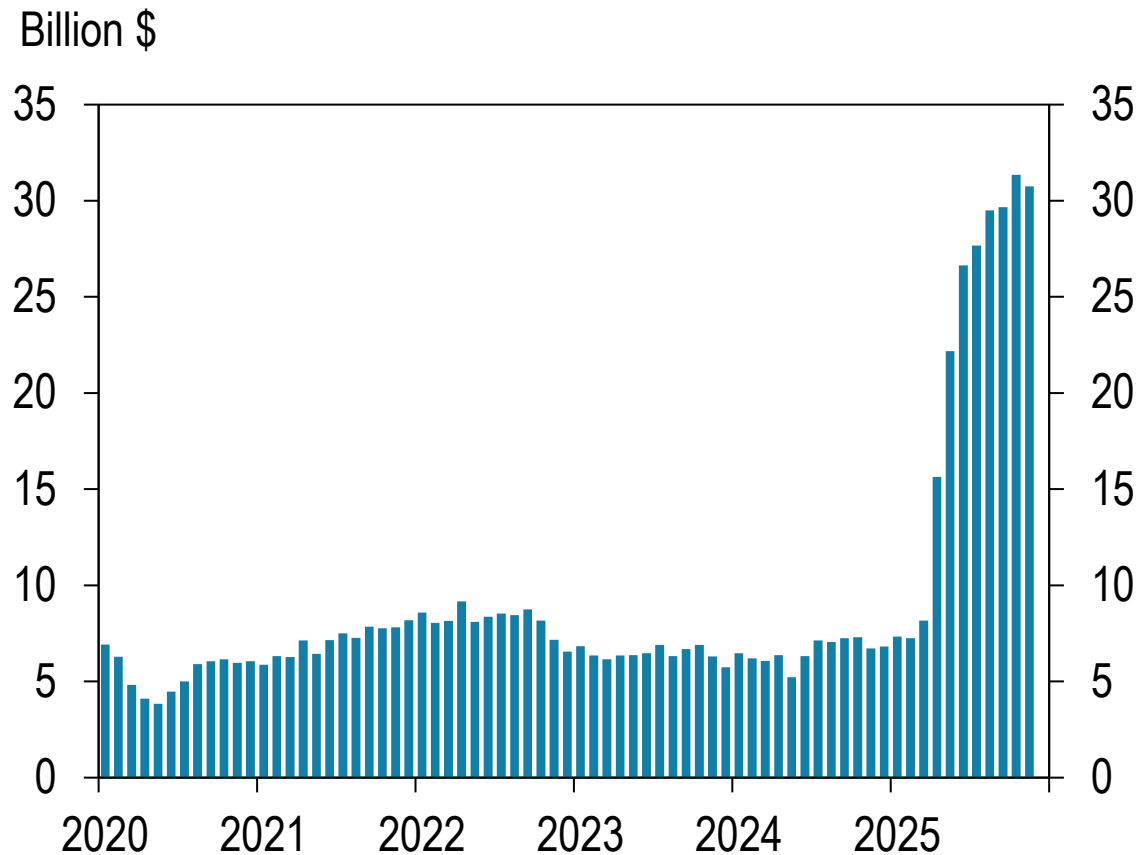


Inflation and unemployment have come closer to the Fed's targets, but there are upside risks to both

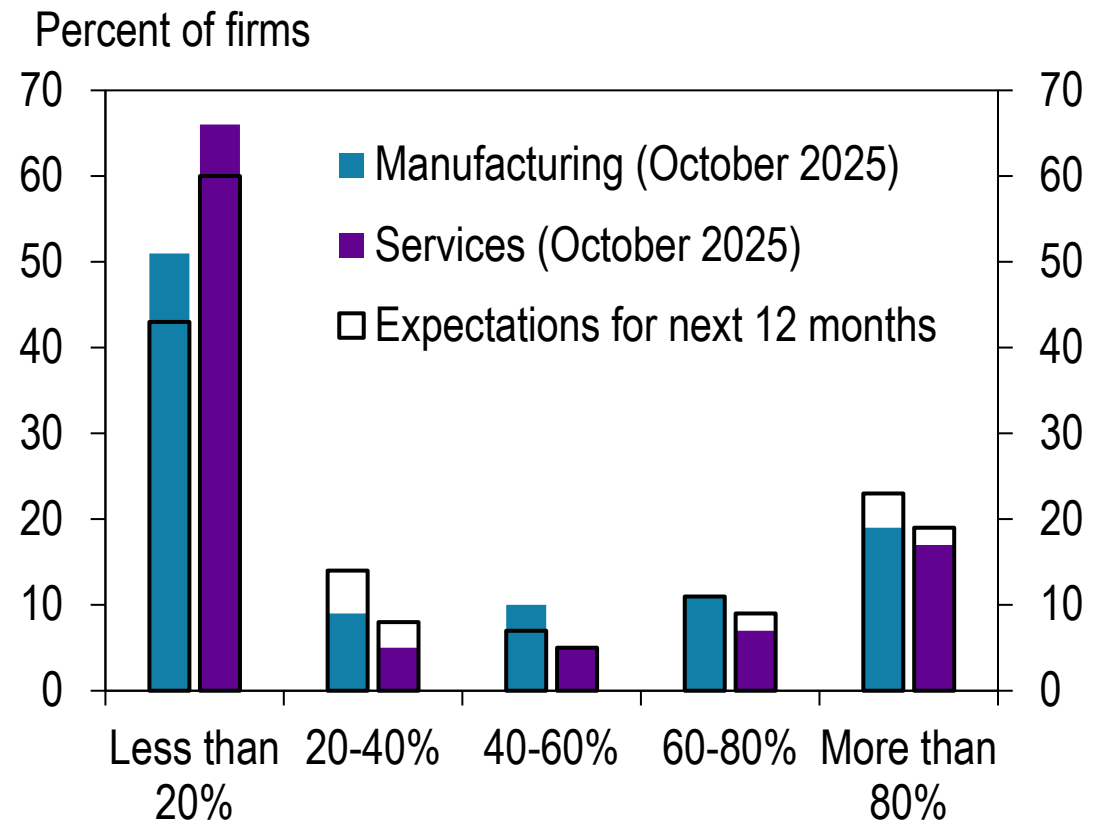


Someone is paying the tariffs, but their impact on consumer prices depends on the extent to which firms pass through cost increases

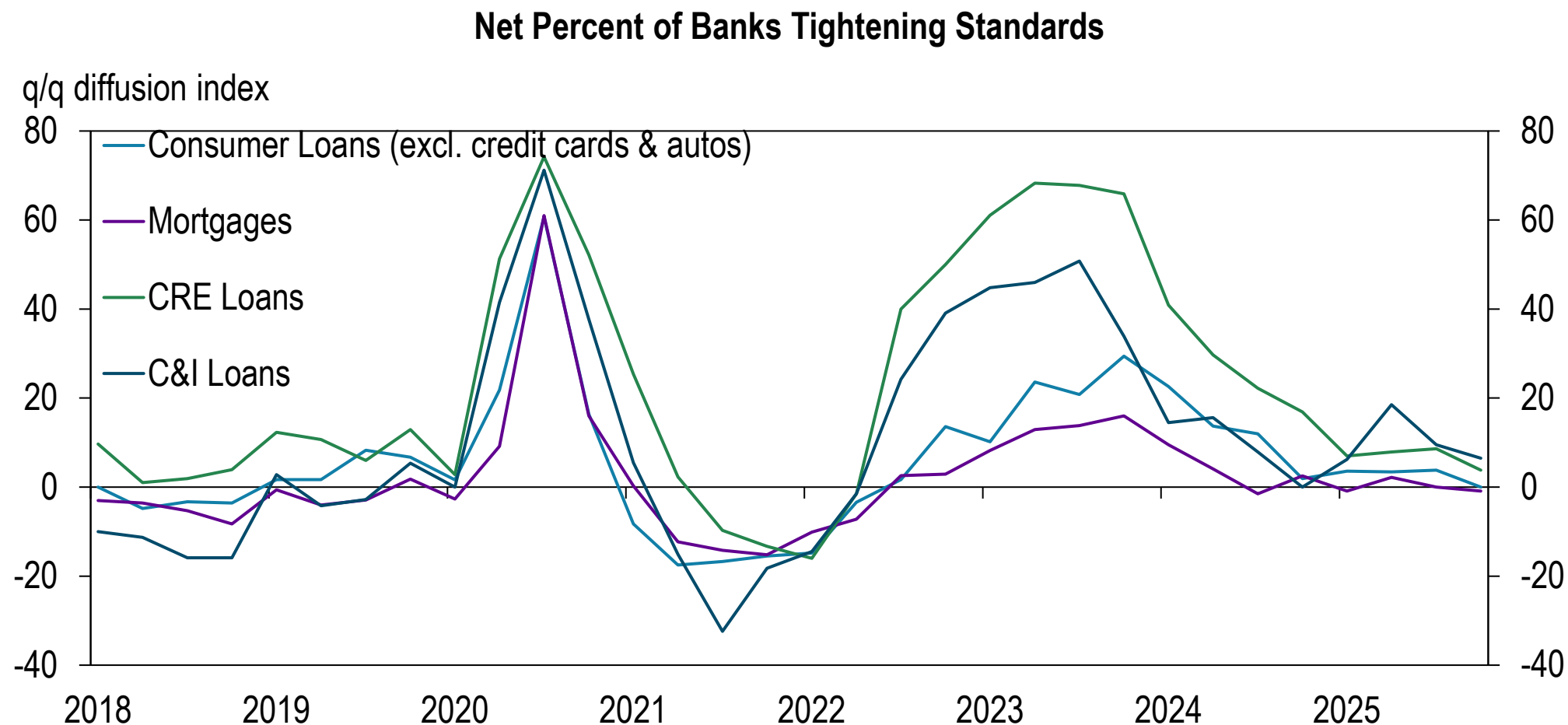
U.S. Customs Taxes Collected



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

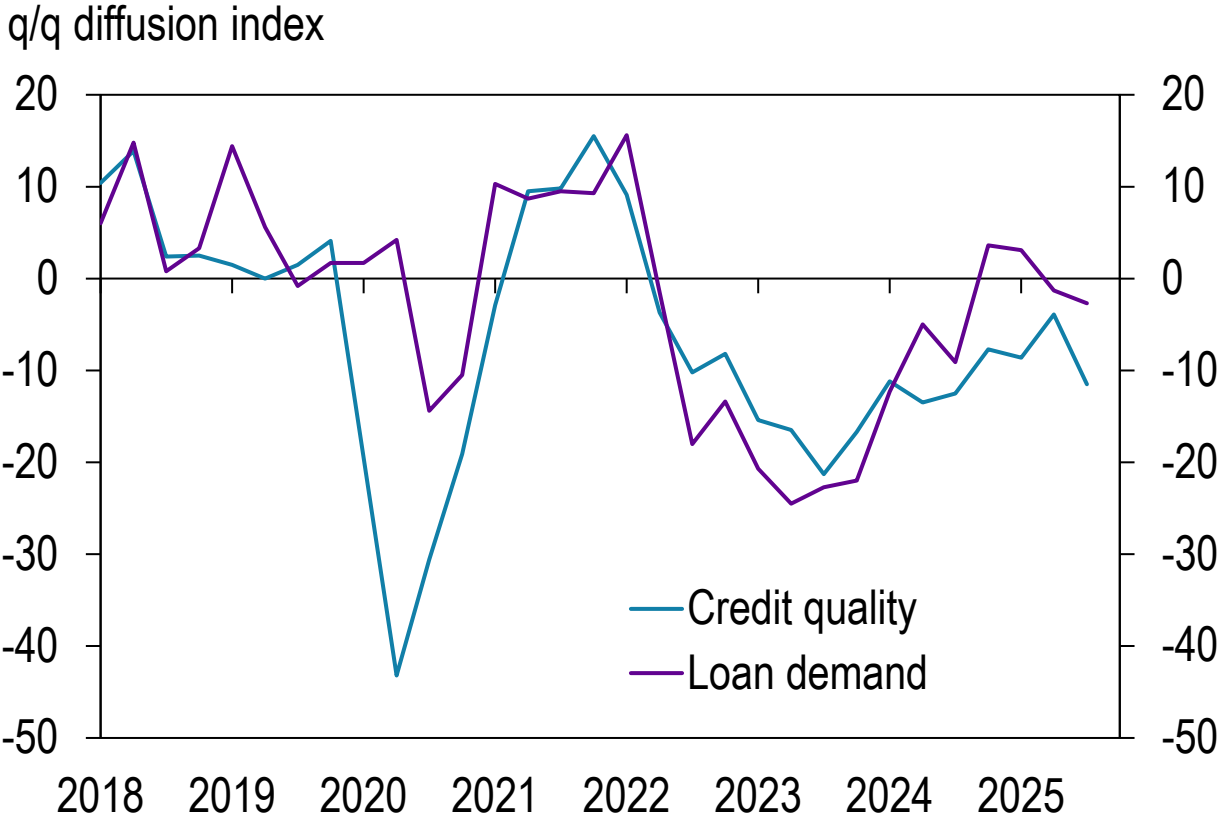


Banks' lending standards stayed fairly steady in 2025

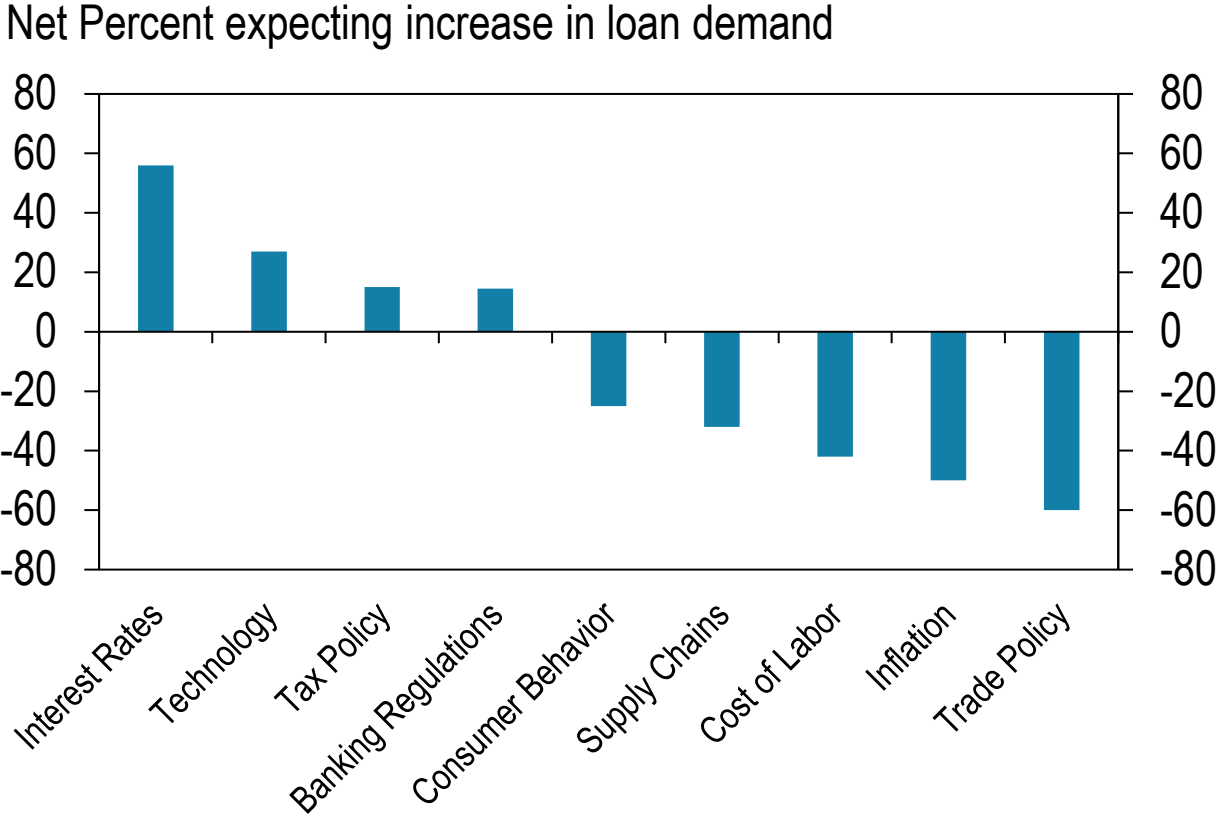


Banks cited labor costs, inflation, and trade policy as drags on loan demand and interest rates and technology as boosters in Q3 2025

Net Percent of Banks Reporting Increases in Small Business Lending

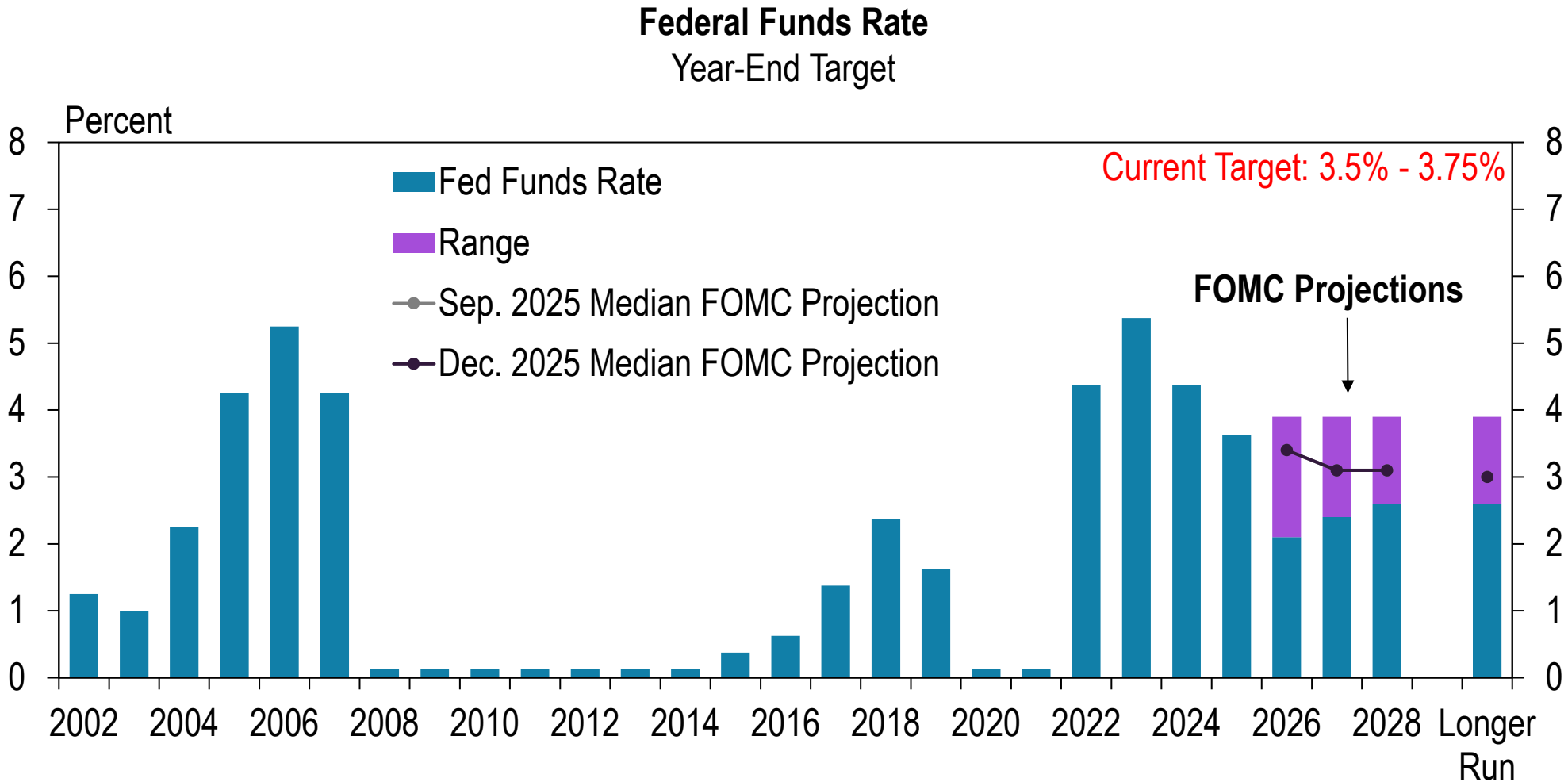


Expected Impact on Loan Demand, Q3 2025



Source: KC Fed Small Business Lending Survey

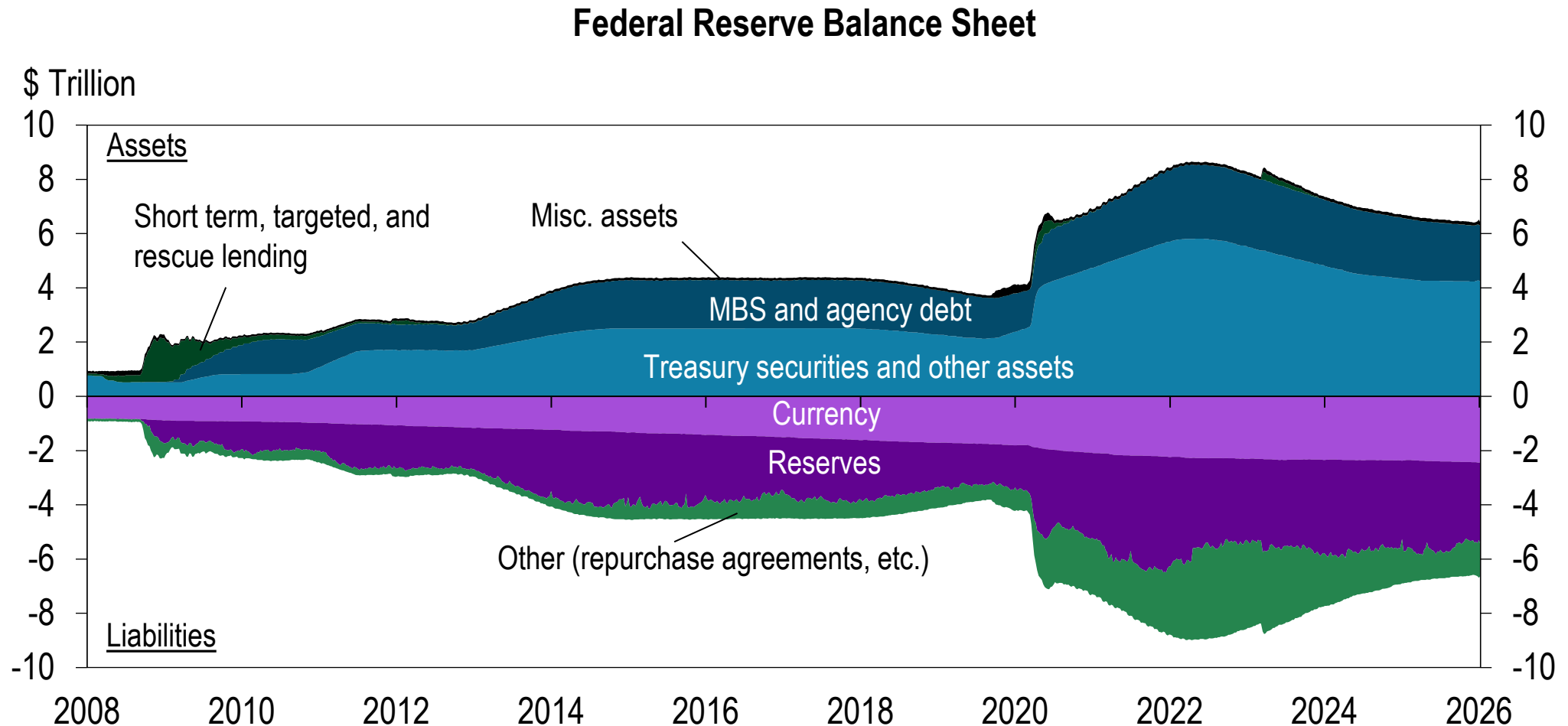
The Fed cut the federal funds rate by 25 basis points in December and the latest projections are shown



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

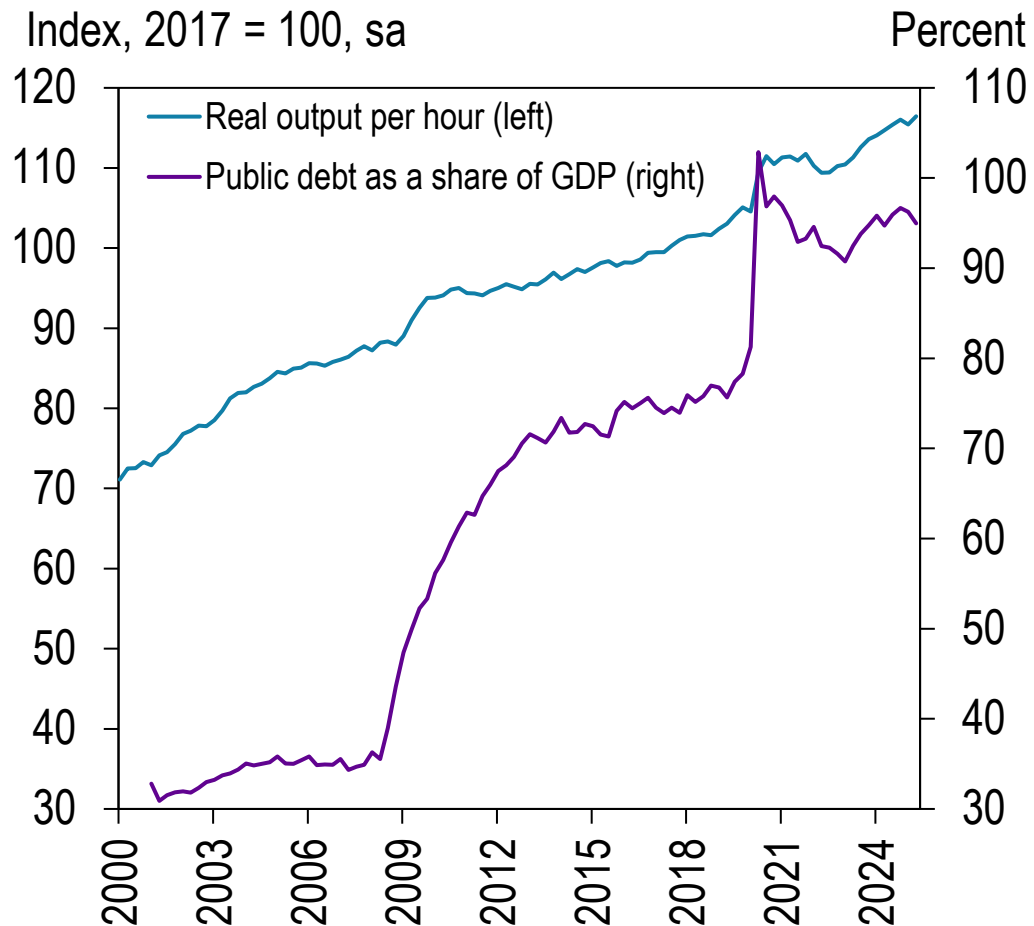
Sources: Bureau of Economic Analysis, FOMC

The Fed ended its balance sheet run-off in December as the levels of bank reserves began to fall

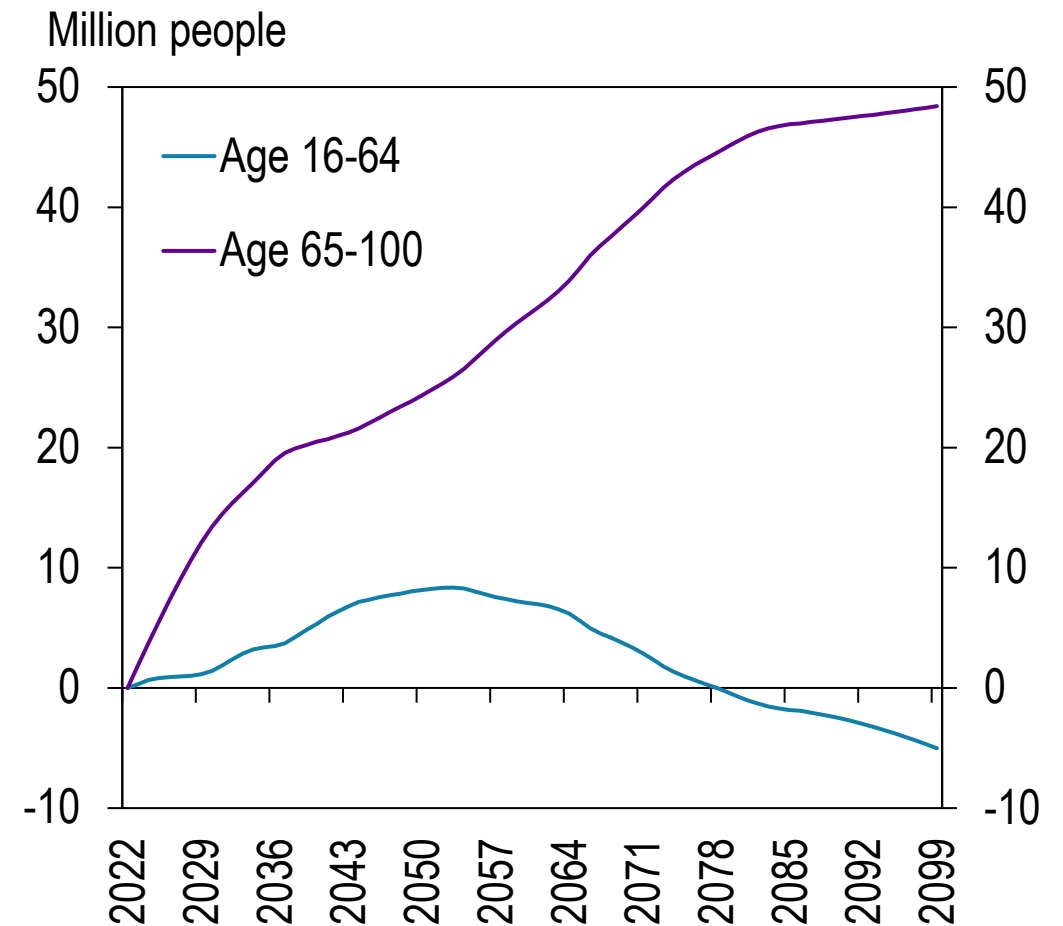


Long-term, productivity and government debt could push interest rates higher, but demographic trends could push them lower

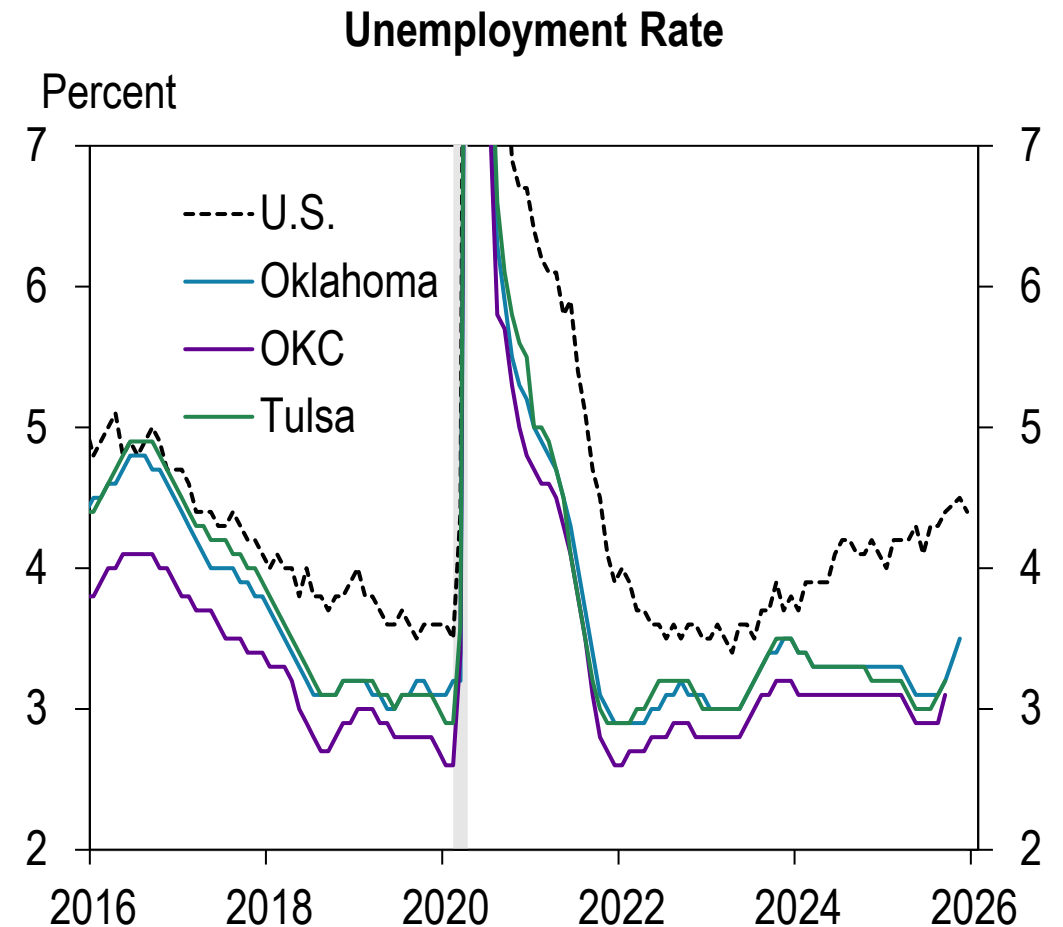
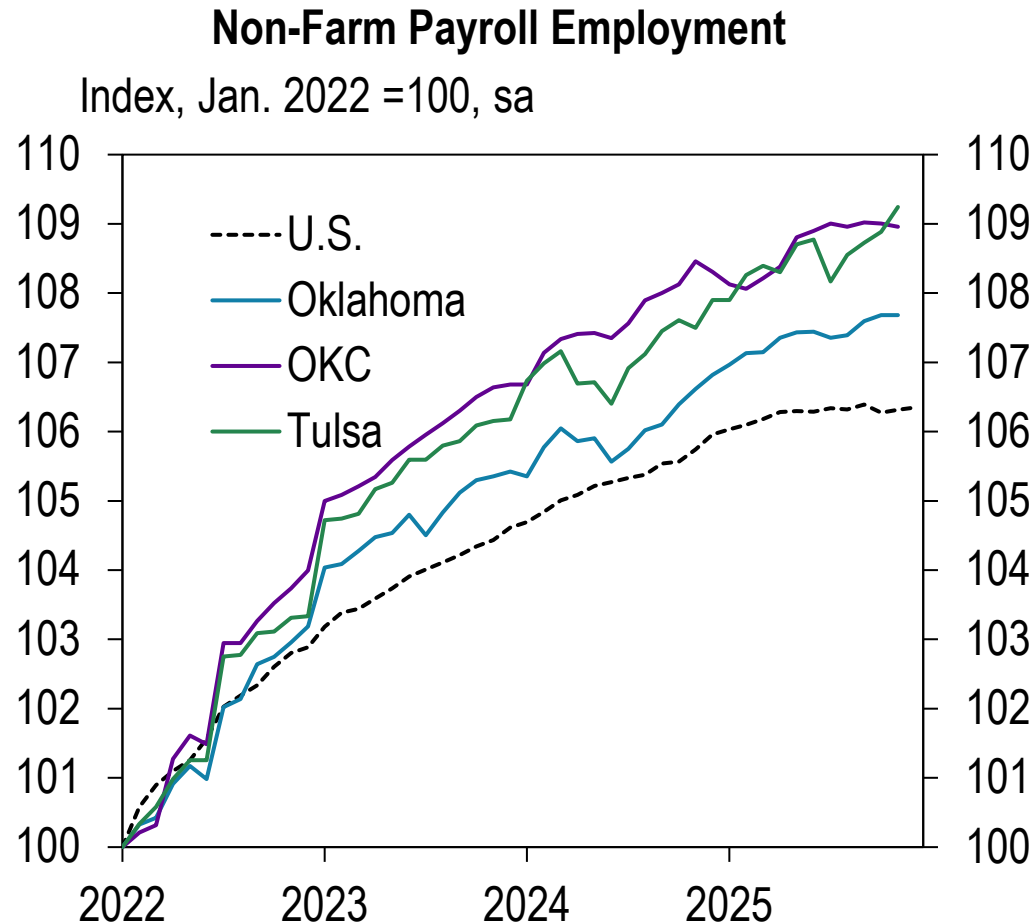
U.S. Productivity and Debt



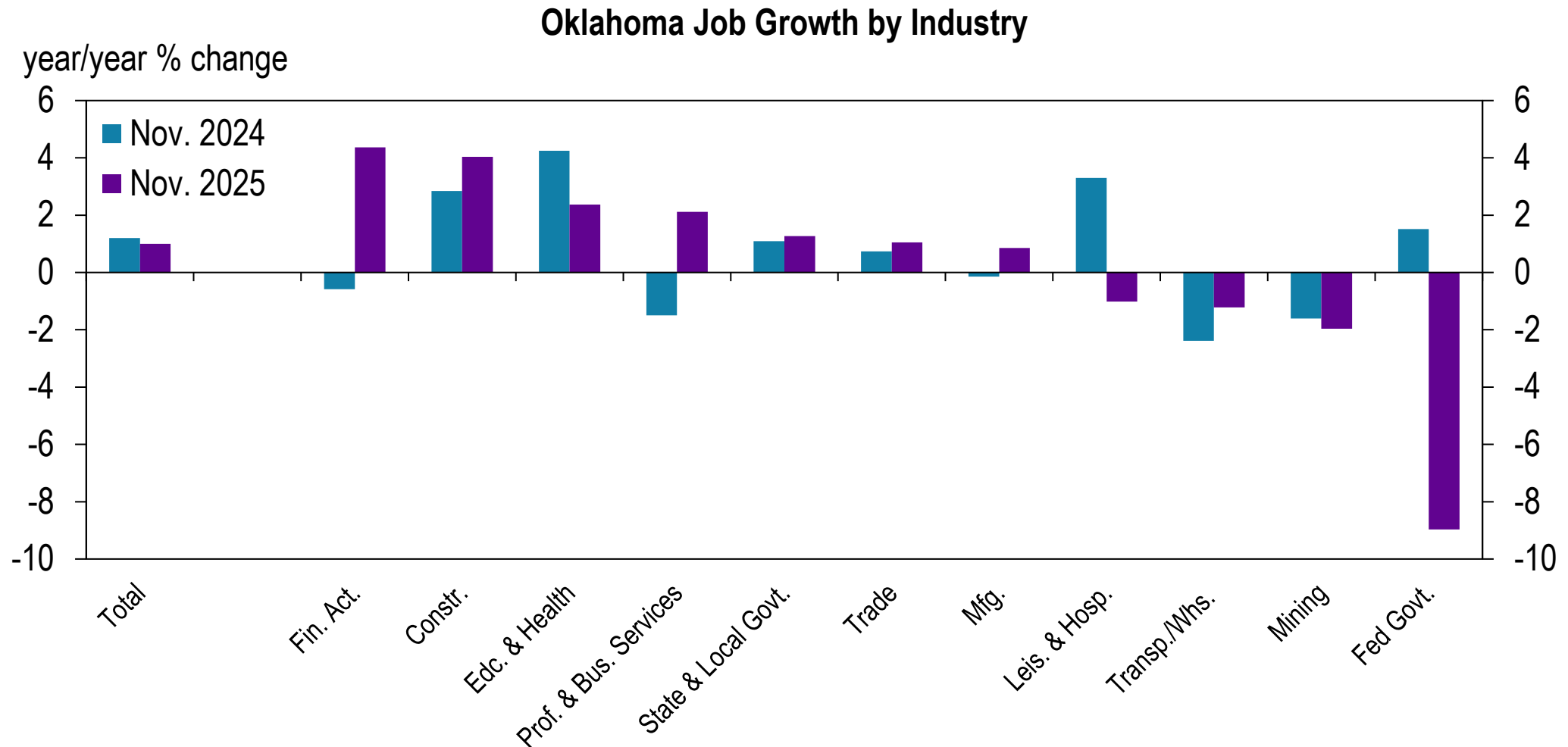
U.S. Projected Population Change from 2022



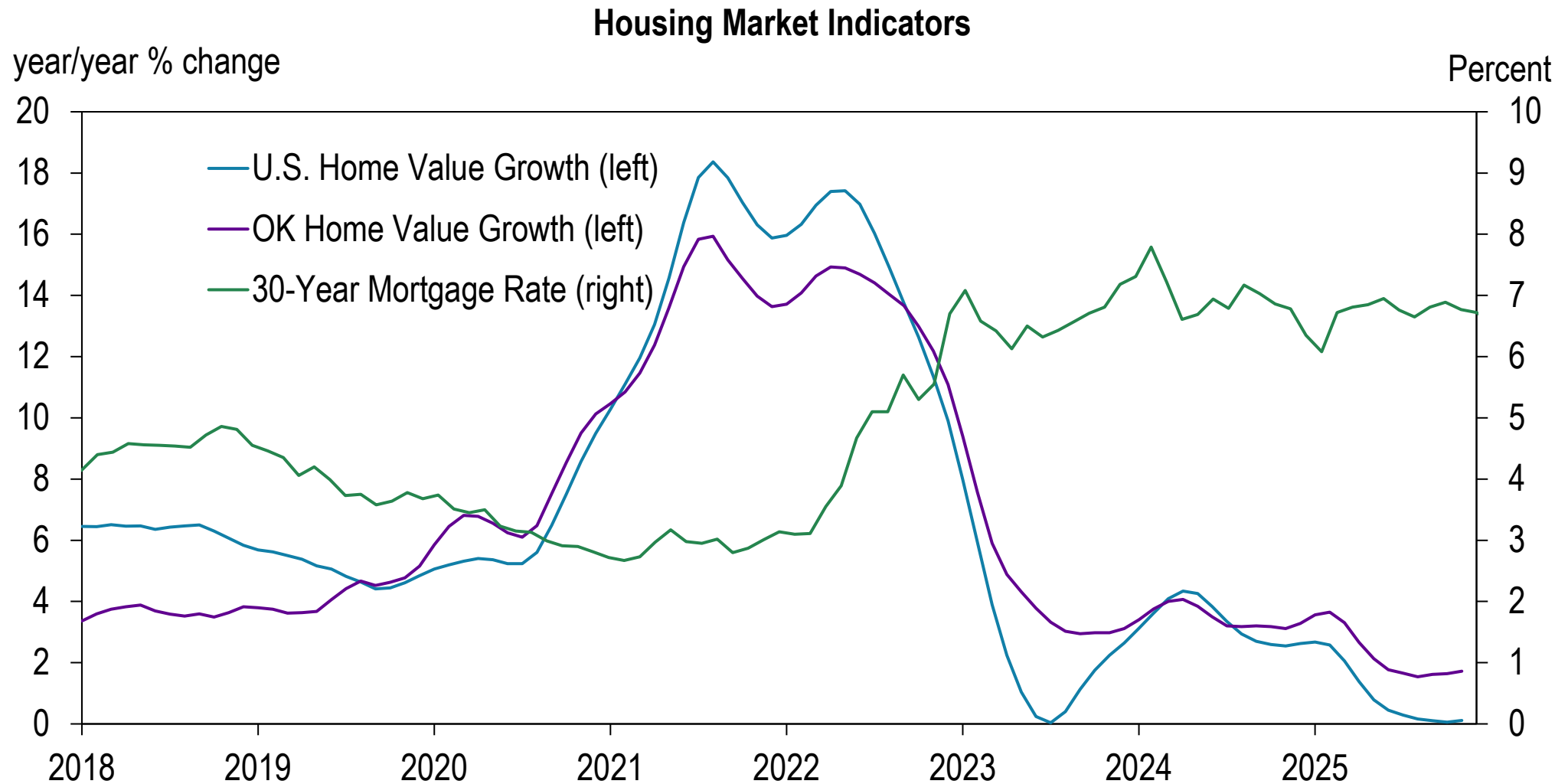
Jobs in Oklahoma have grown, but gains are leveling off, and unemployment remains very low



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



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

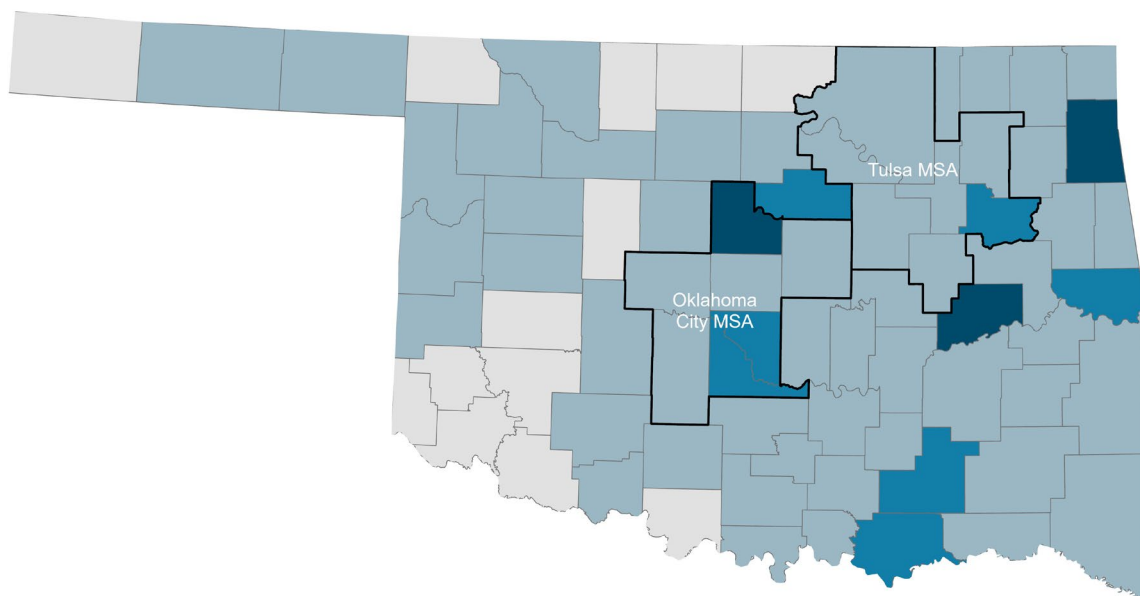


Sources: Freddie Mac, Zillow/Haver Analytics

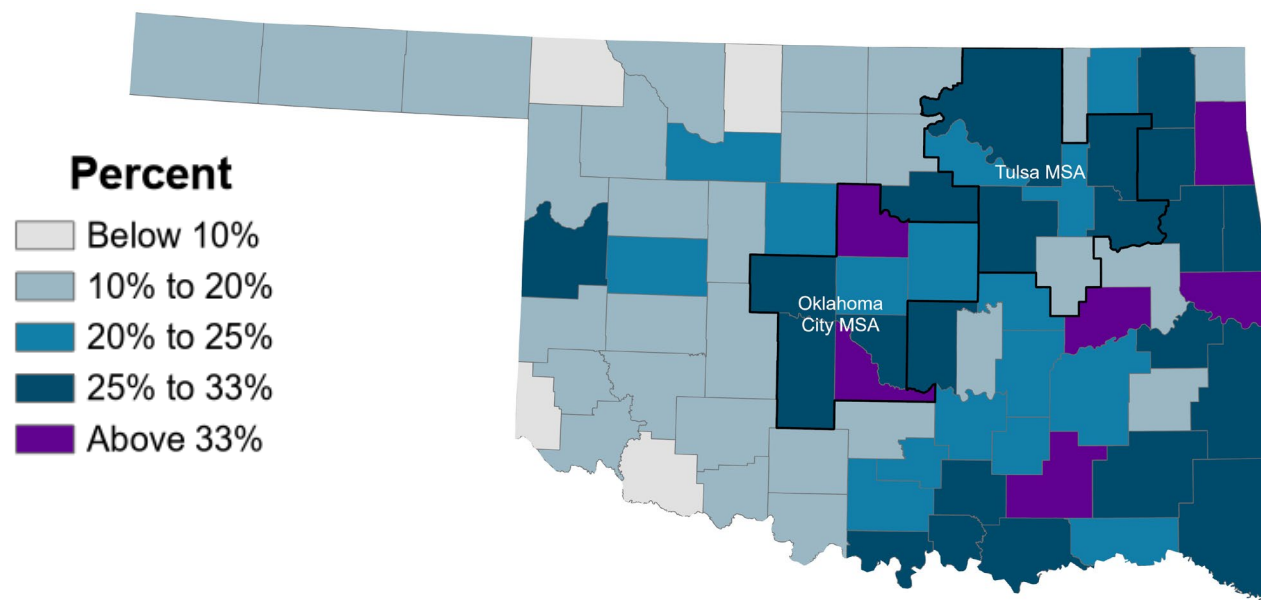
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019

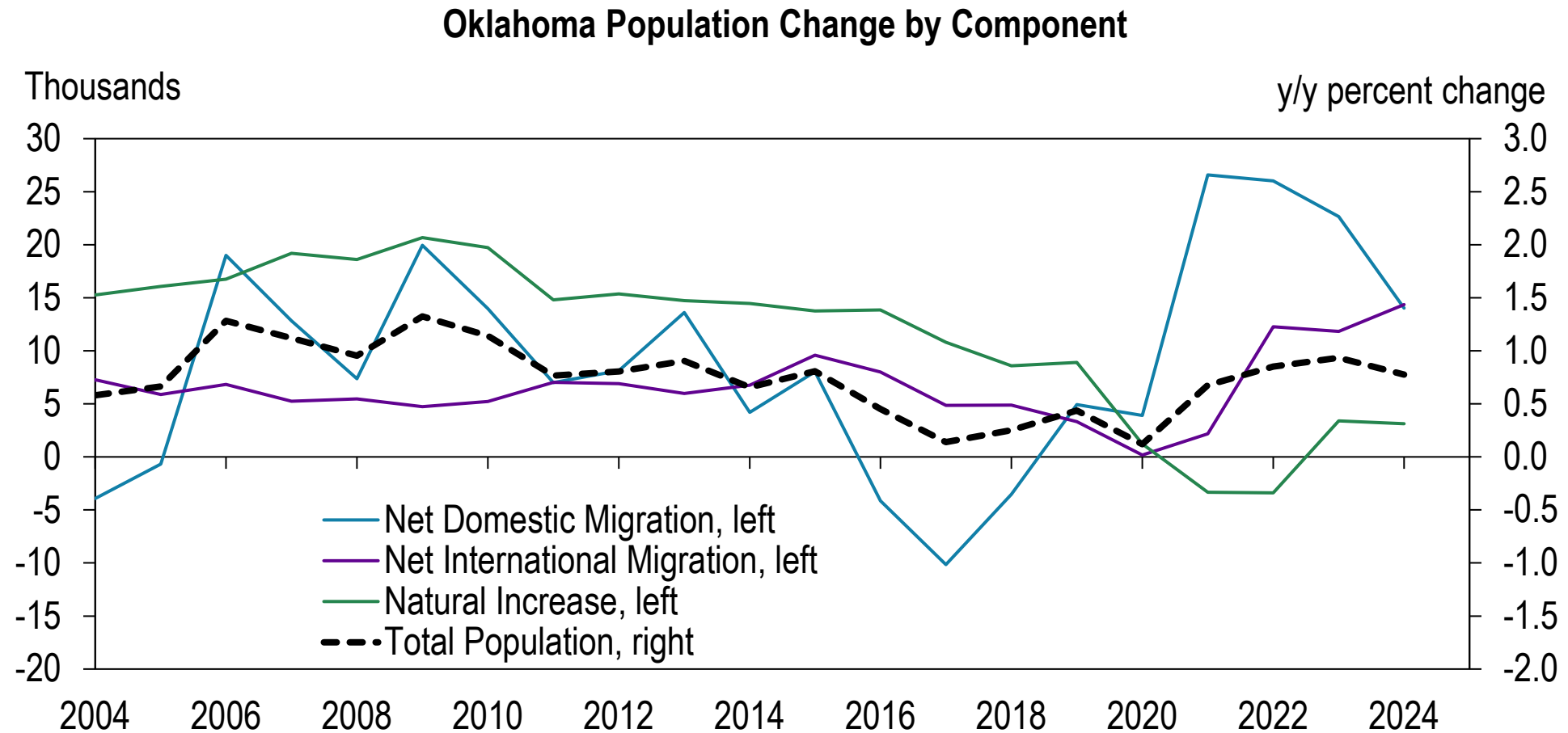


2024



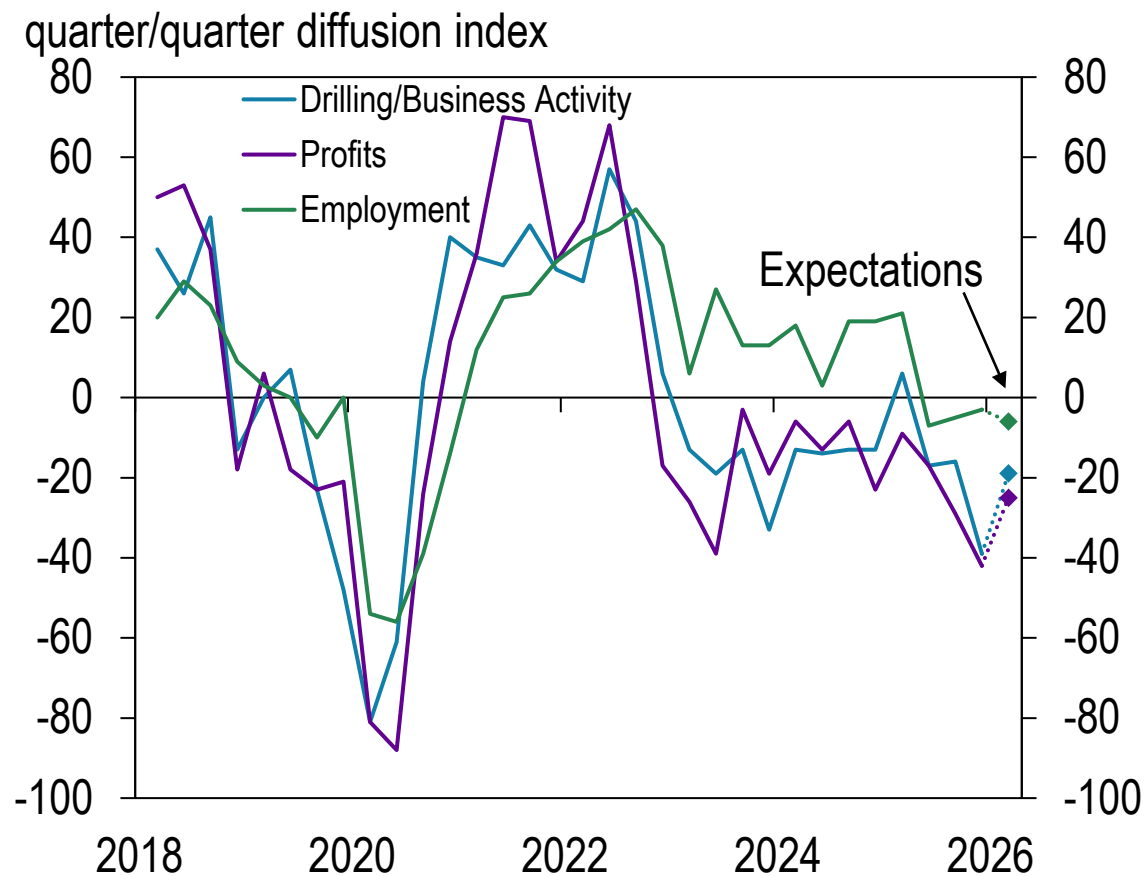
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

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

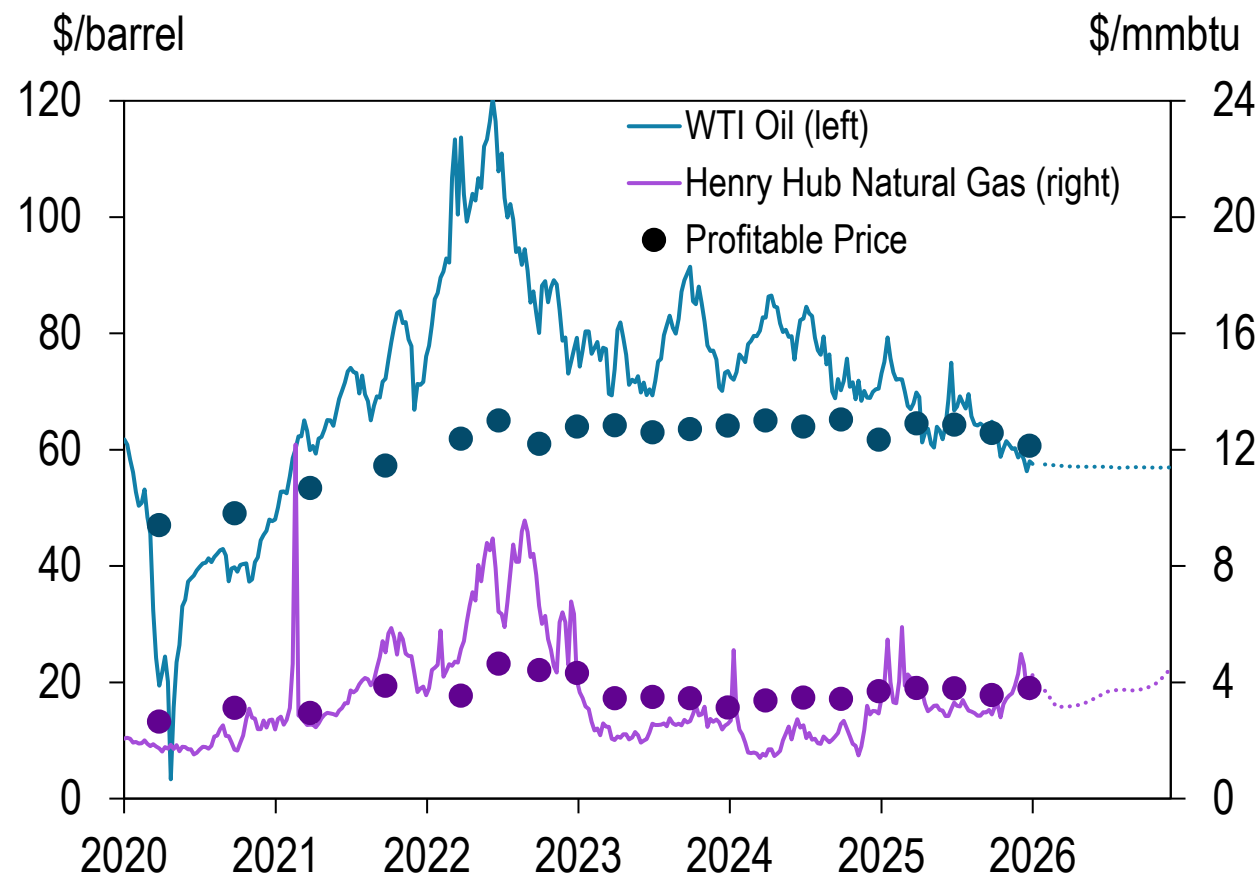


Tenth District oil and gas activity fell sharply in Q4 2025, as oil prices fell below District firms' average breakeven

KC Fed Energy Survey Indexes



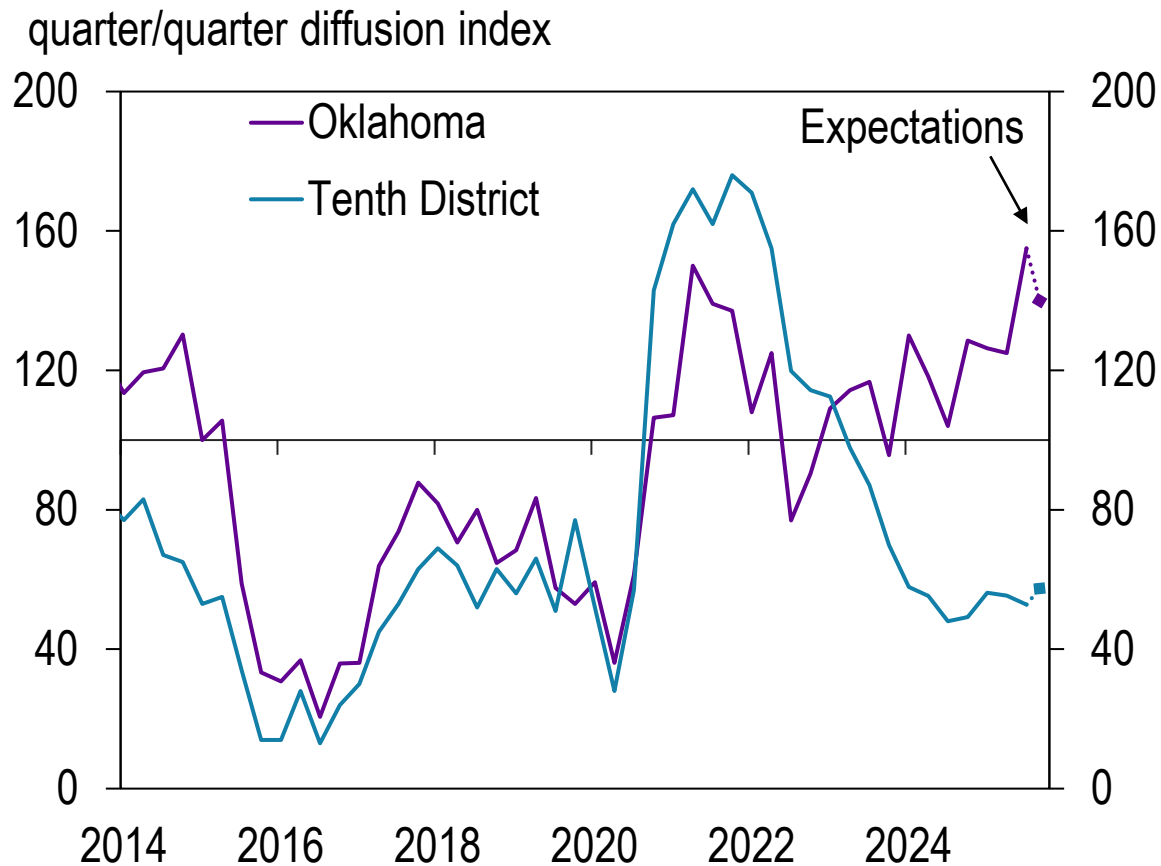
U.S. Energy Prices



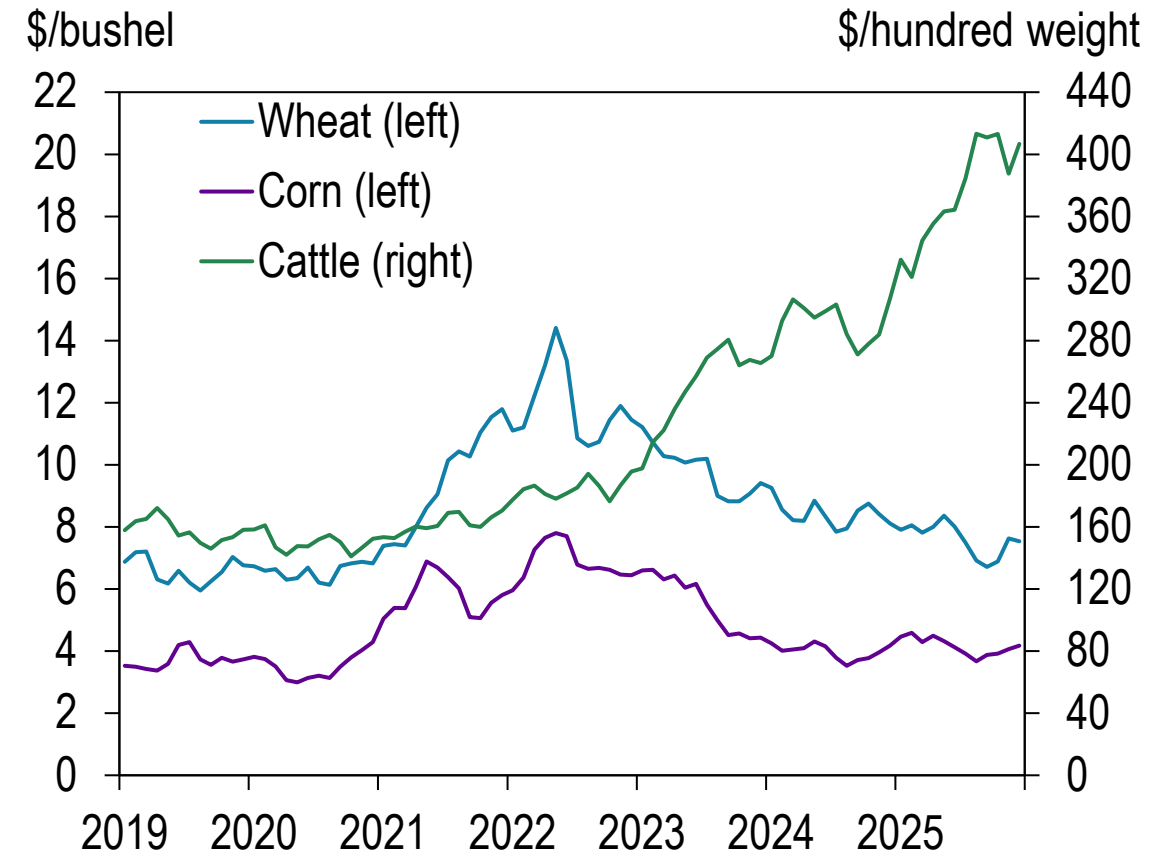
Sources: FRBKC Energy Survey, EIA/Haver Analytics

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

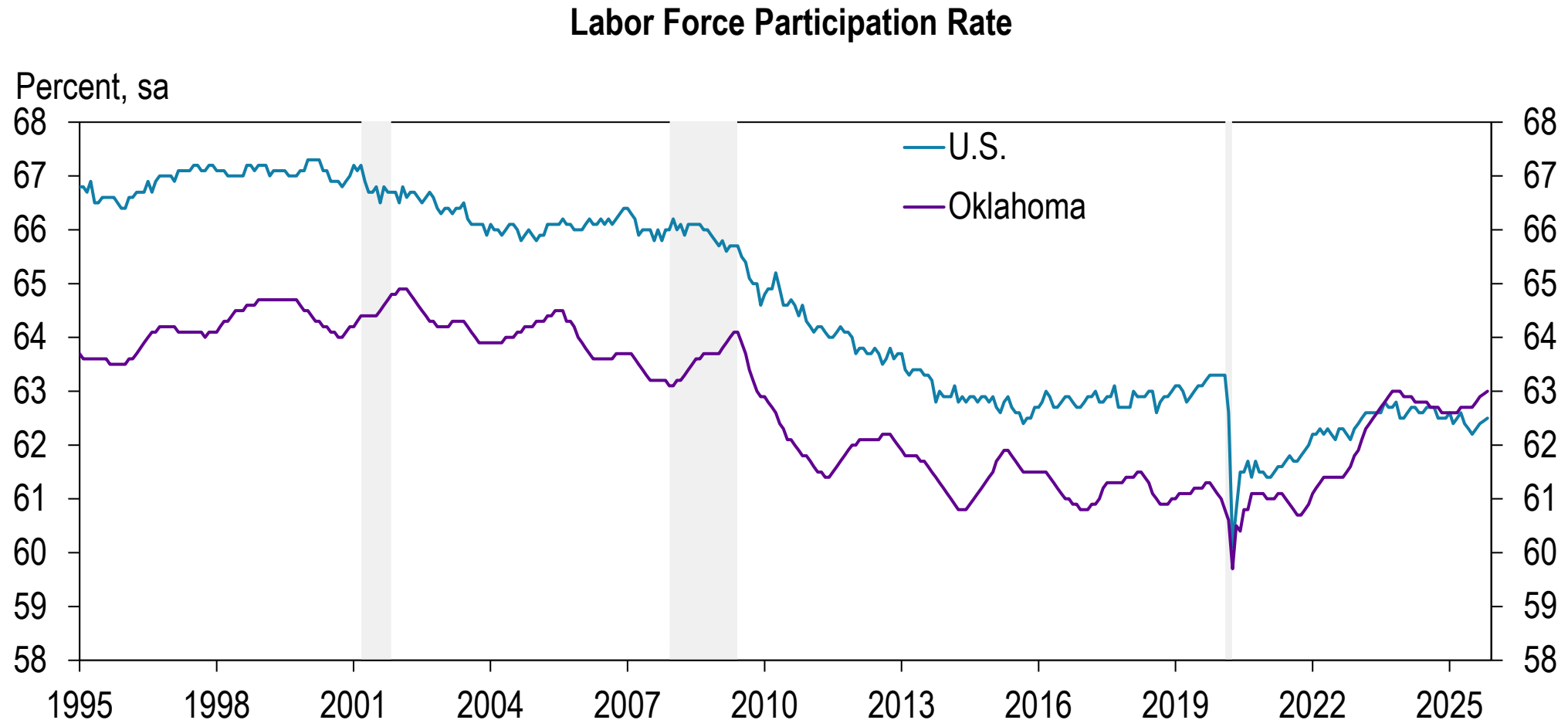
Farm Income



Agricultural Commodity Prices



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

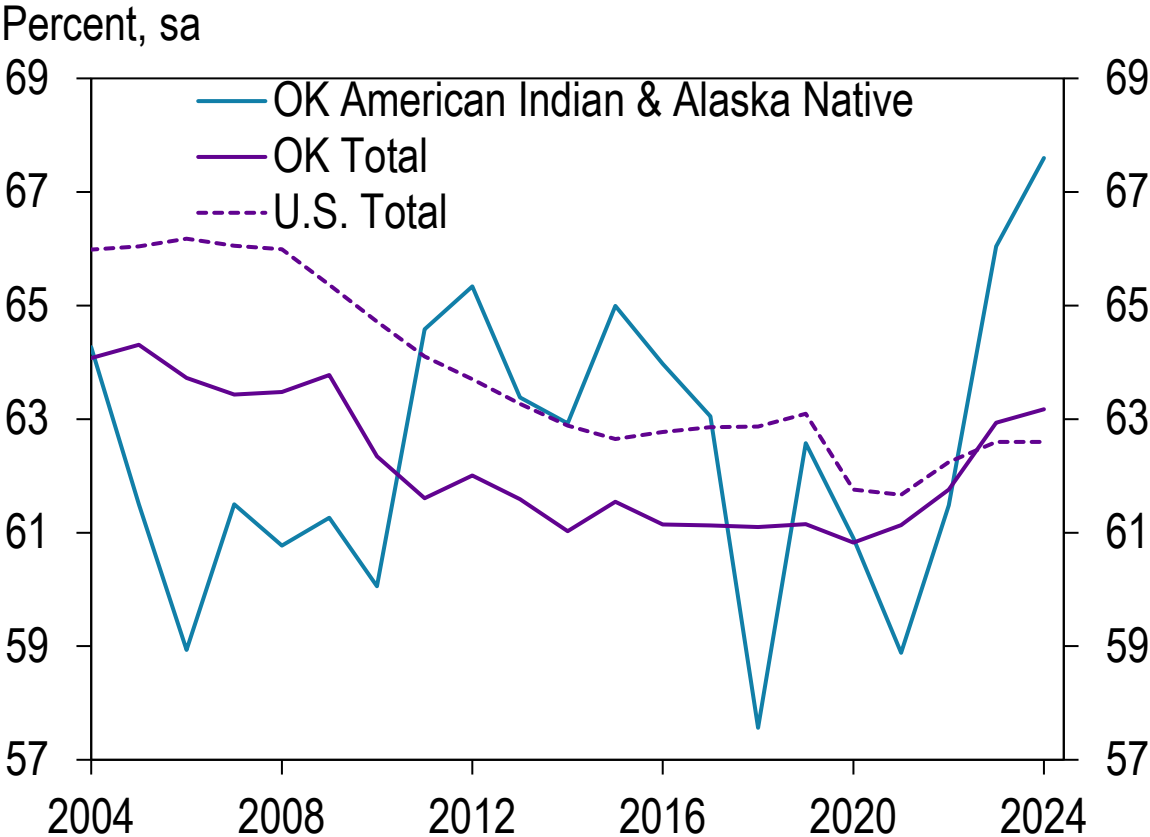


Note: Shading denotes NBER-defined recessions.

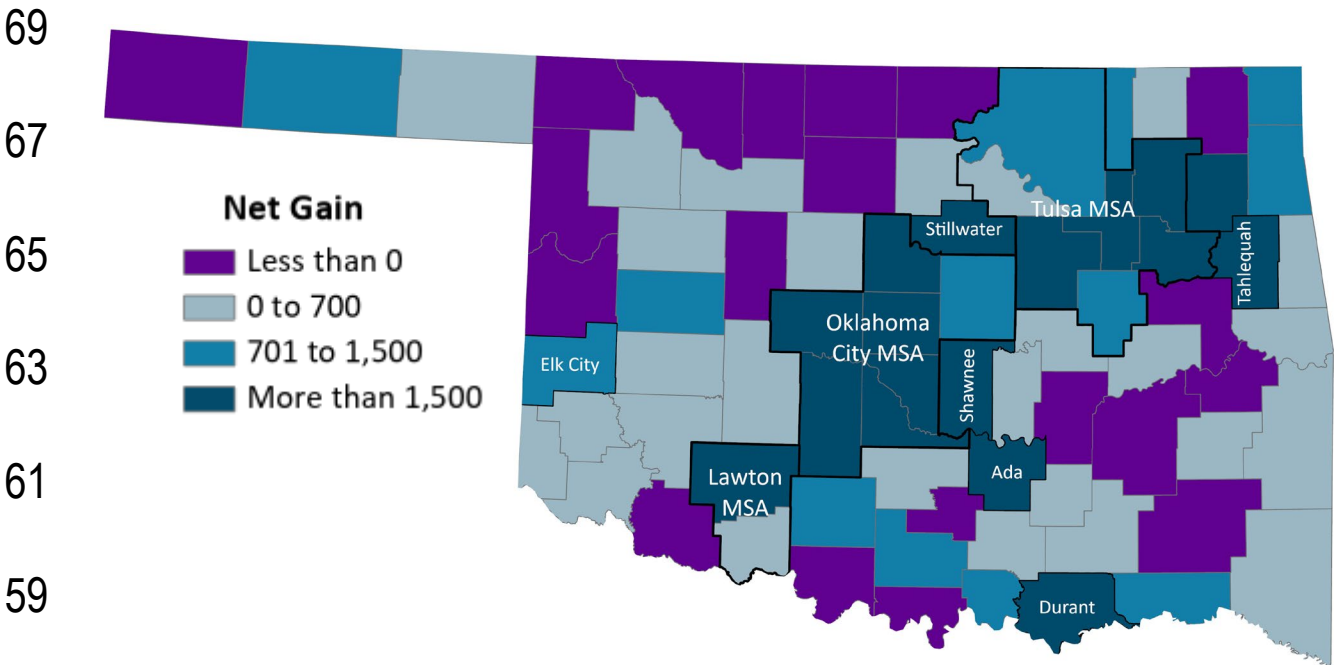
Sources: BLS, NBER/Haver Analytics

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 2025



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

Sources: BLS, CPS, staff calculations

Questions?

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