

U.S. and Oklahoma Economic Outlook

Rotary Club of Tulsa

July 8, 2026

Cortney Cowley

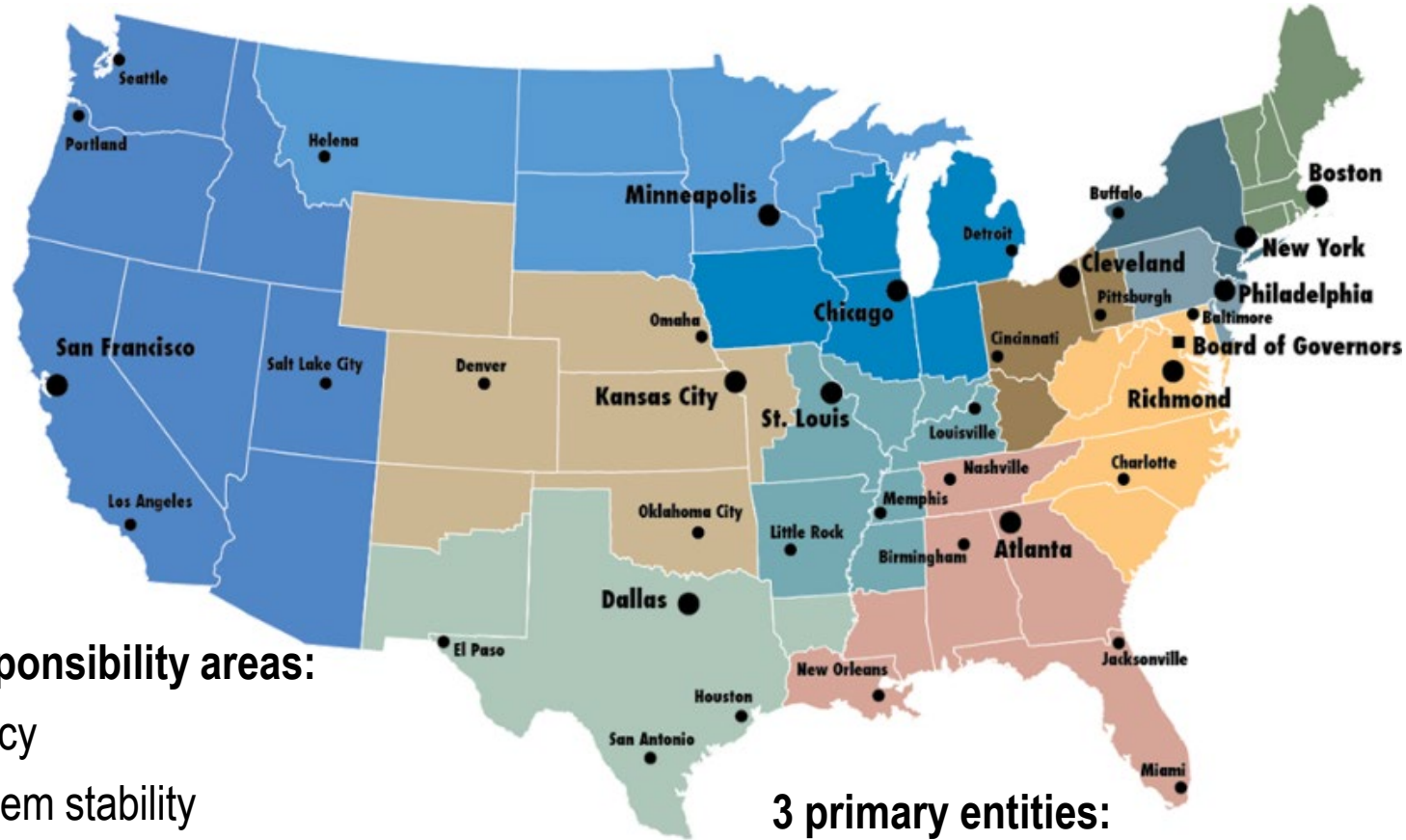
AVP, Economist & Oklahoma City Branch Executive

*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

- **Functions and purposes ~ 50 staff**

- Research on U.S. and Oklahoma economies; energy sector and business survey focus
- Examinations of Oklahoma financial institutions (~50 banks, ~160 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

Link to OKC Branch website:
www.kansascityfed.org/oklahomacity



- **2026 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**, Chief Accounting Officer, AAON, Inc., Tulsa

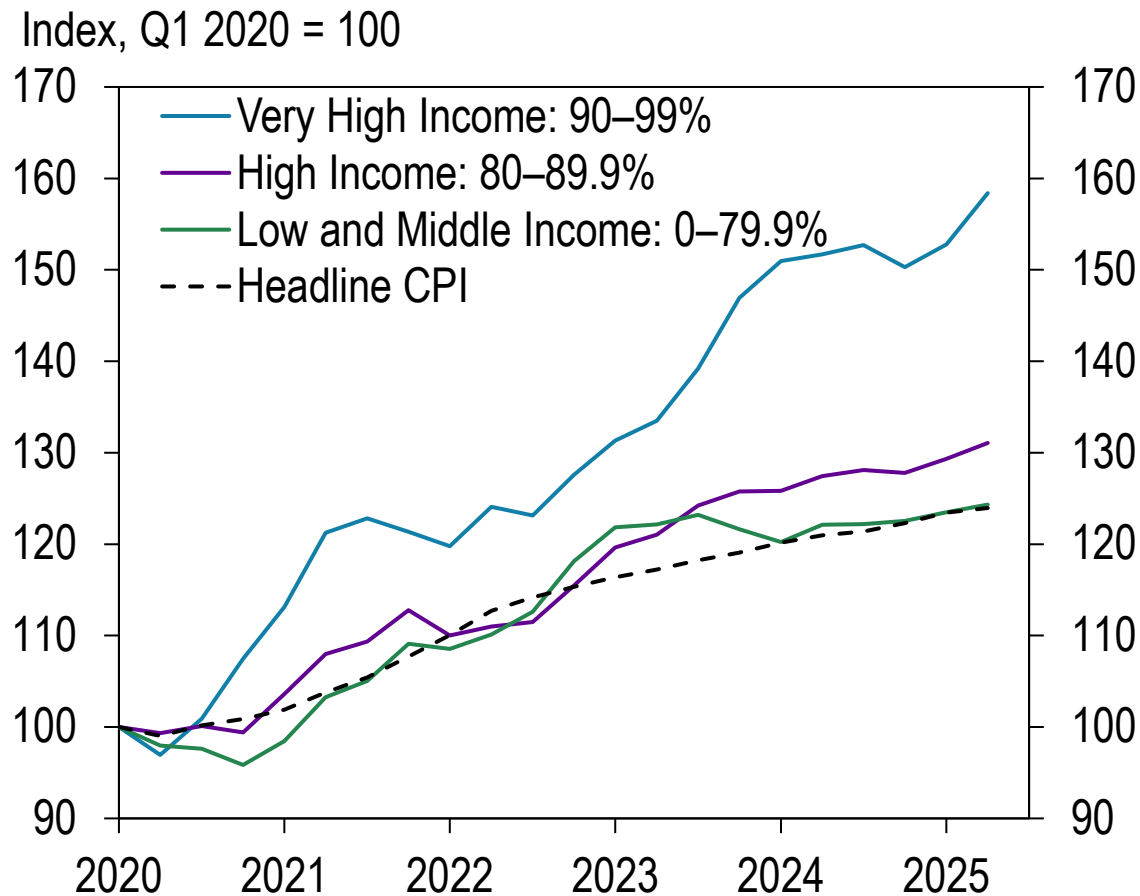


GDP growth was solid in Q1, driven by business investment, and the labor market has cooled but posted growth

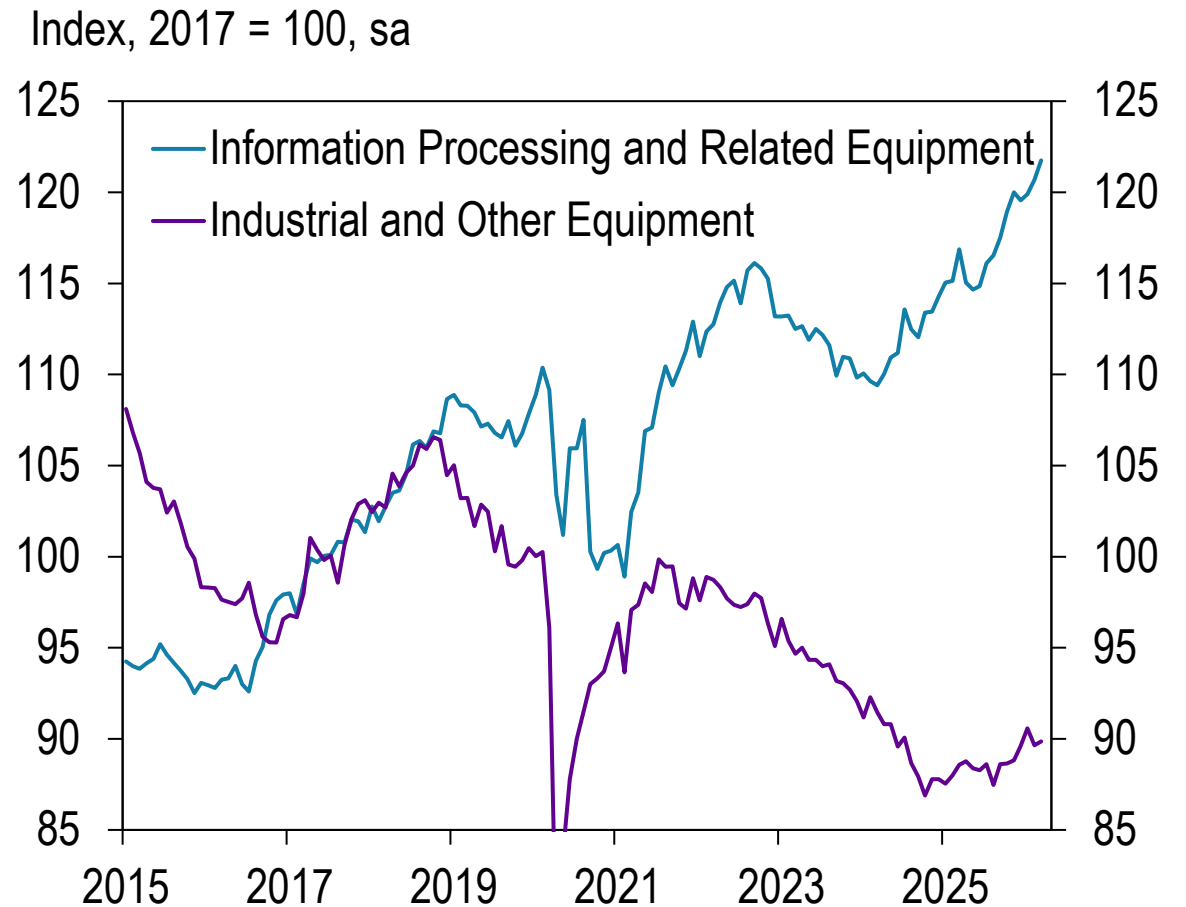


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

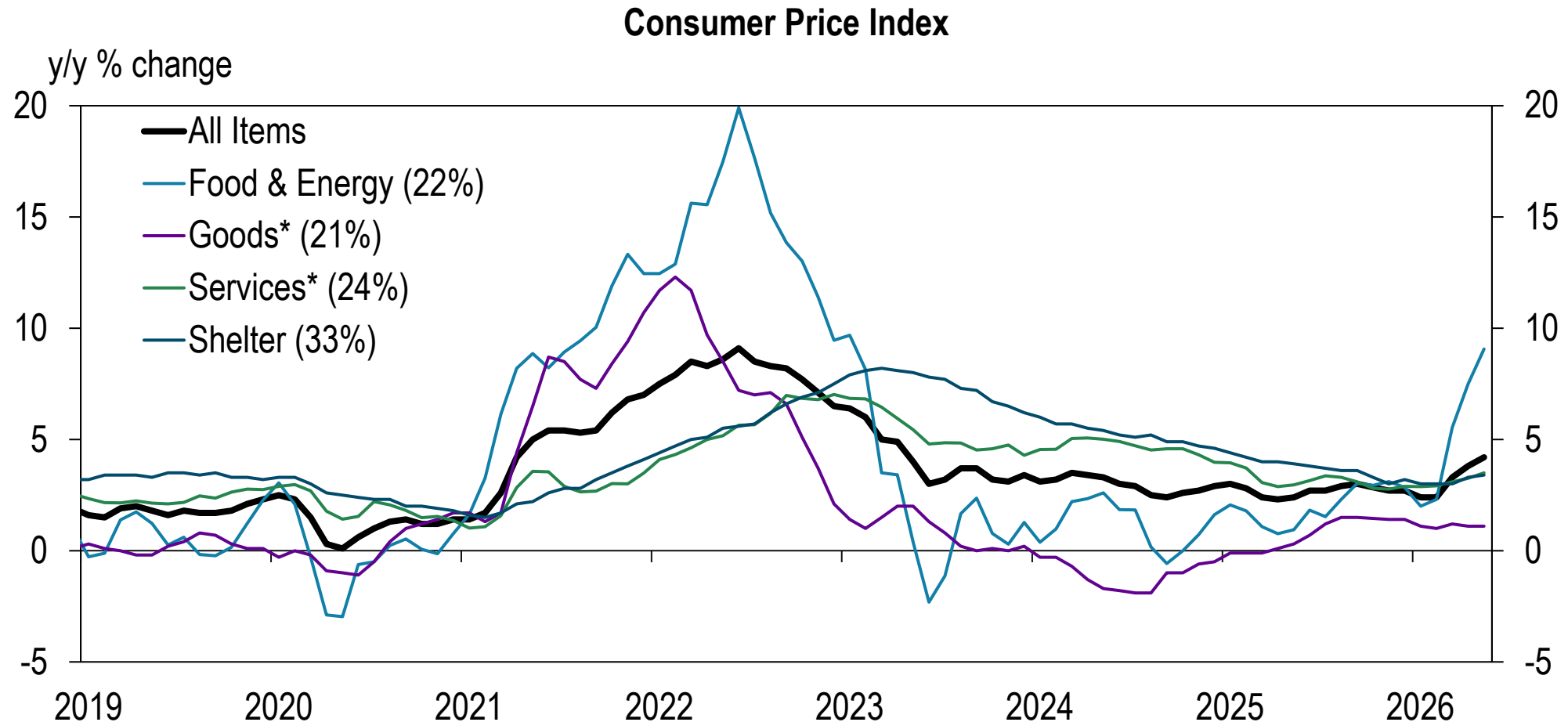
U.S. Consumer Spending by Income



U.S. Industrial Production



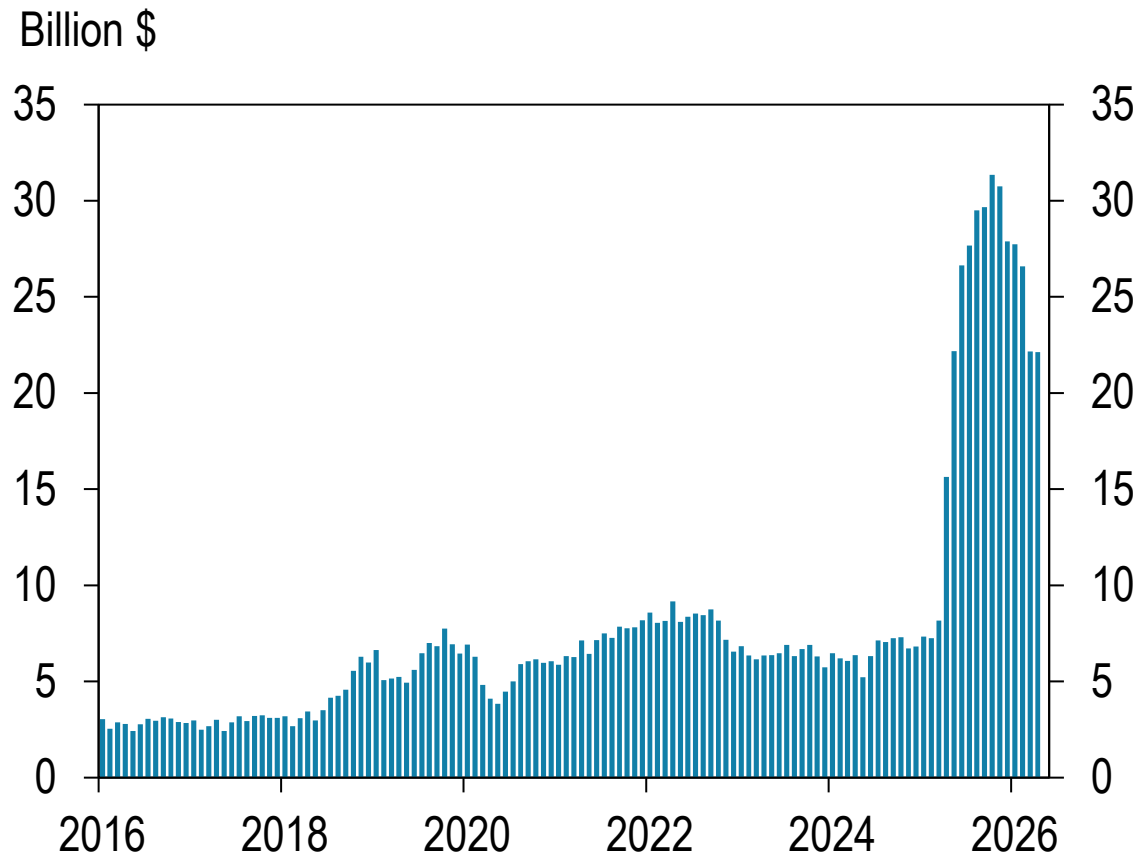
CPI inflation accelerated to 4.2% in May, as energy prices increased and progress on services and shelter inflation stalled



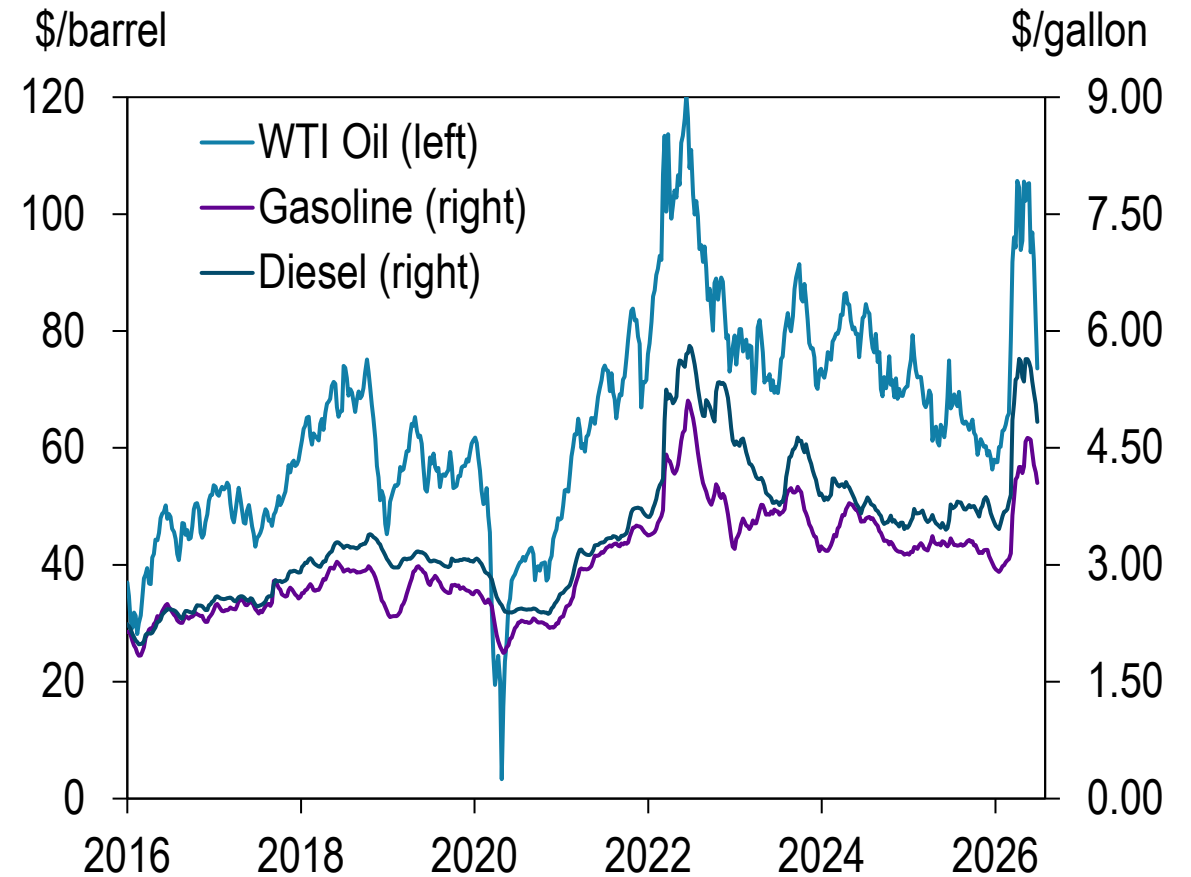
*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

Customs taxes collected remain elevated, and fuel prices have been volatile, presenting upside risk to inflation

U.S. Customs Taxes Collected

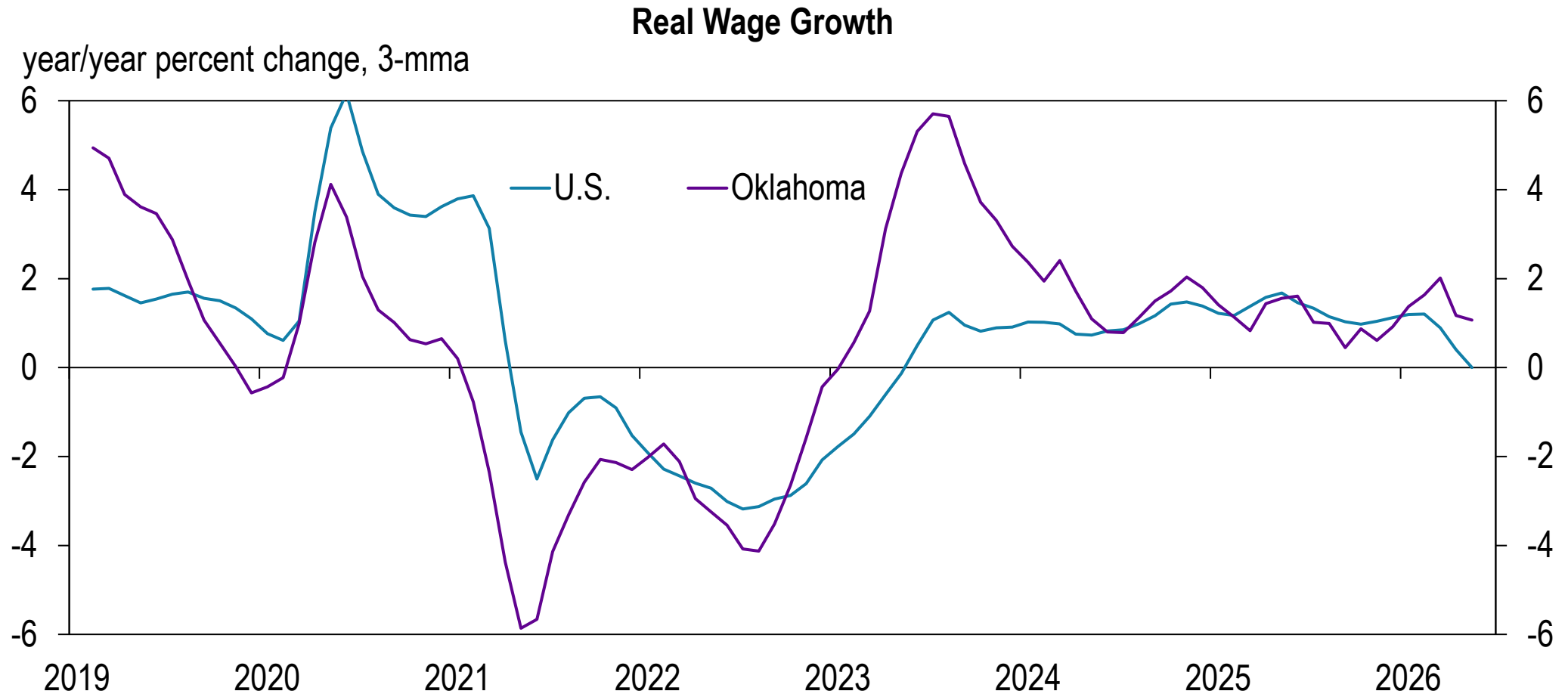


U.S. Oil and Fuel Prices



Sources: U.S. Treasury, EIA/Haver Analytics

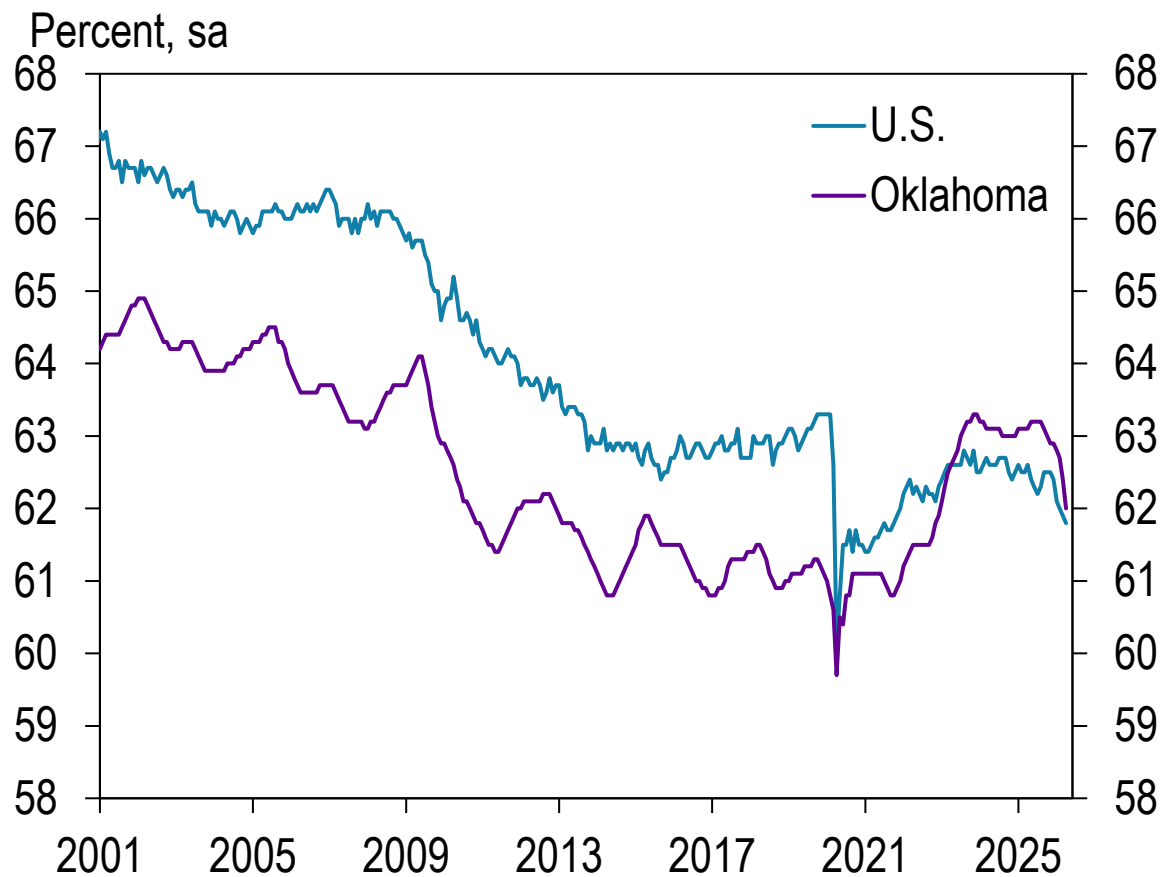
Wage growth has slowed recently, but continues to outpace inflation in Oklahoma



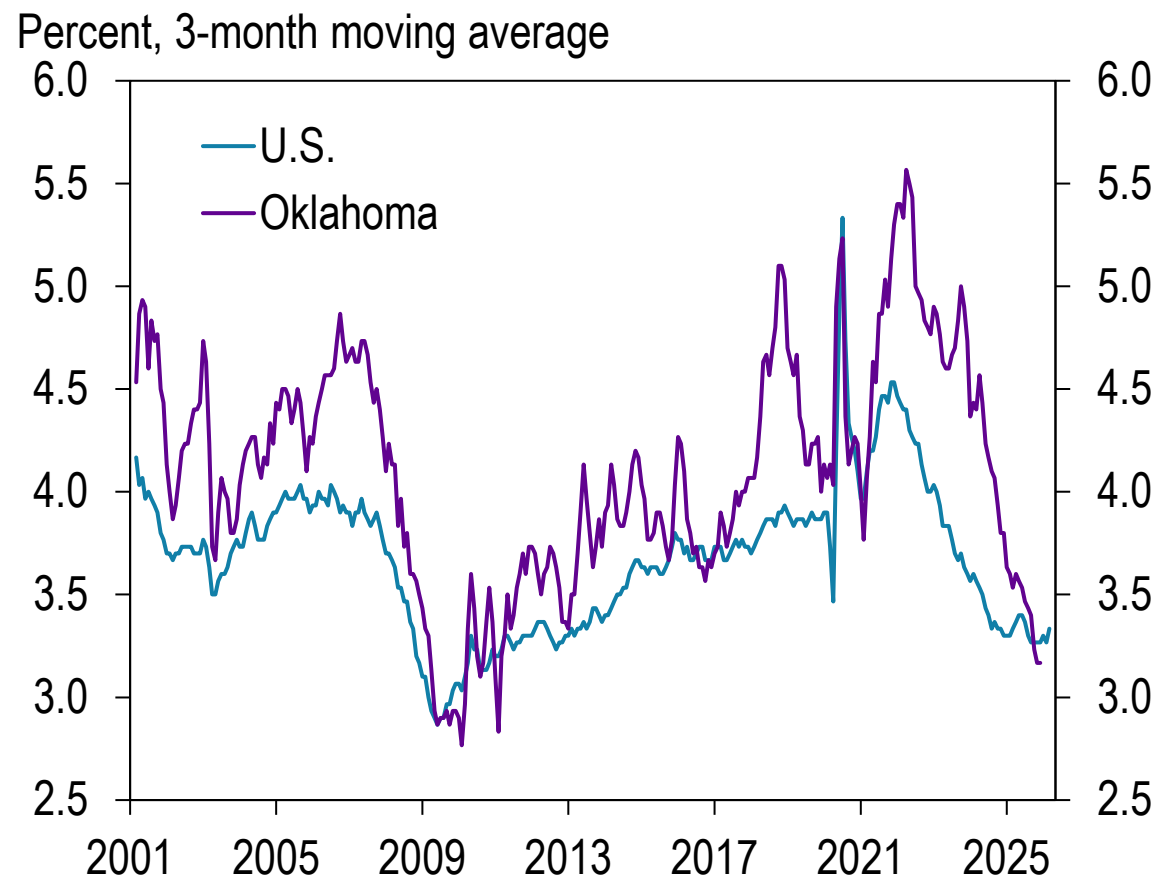
Note: U.S. wage growth is deflated by U.S. CPI. Oklahoma wage growth is deflated by South West Central CPI, including OK, TX, LA, and AR.
Sources: U.S. BLS/Haver Analytics

Both labor supply and demand have softened in the past year, with lower labor force participation and hiring

Labor Force Participation Rates



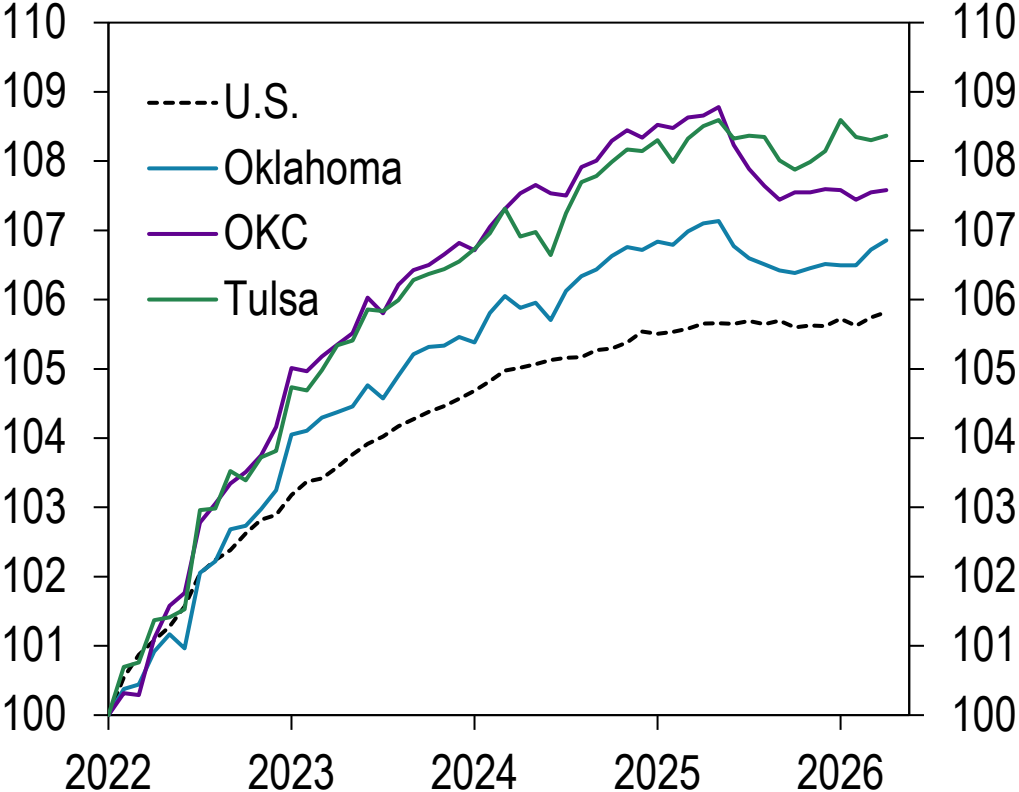
Hiring Rates



Job growth in Oklahoma slowed in 2025, and unemployment increased but remains below the national average rate

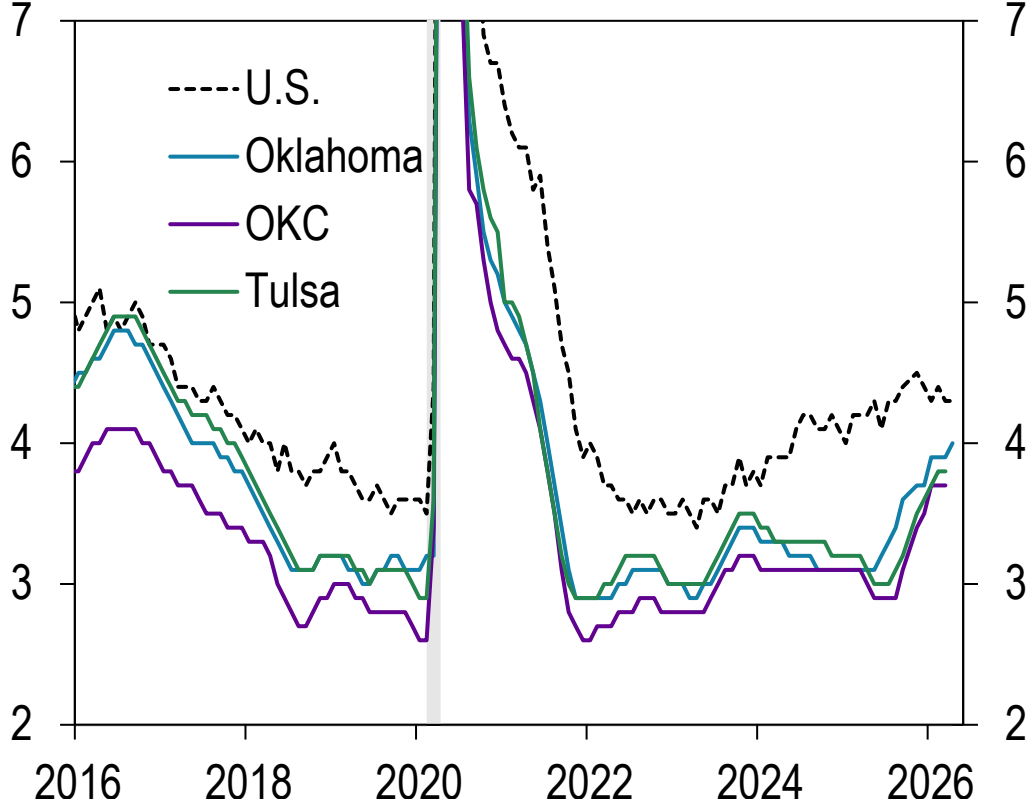
Non-Farm Payroll Employment

Index, Jan. 2022 = 100, sa



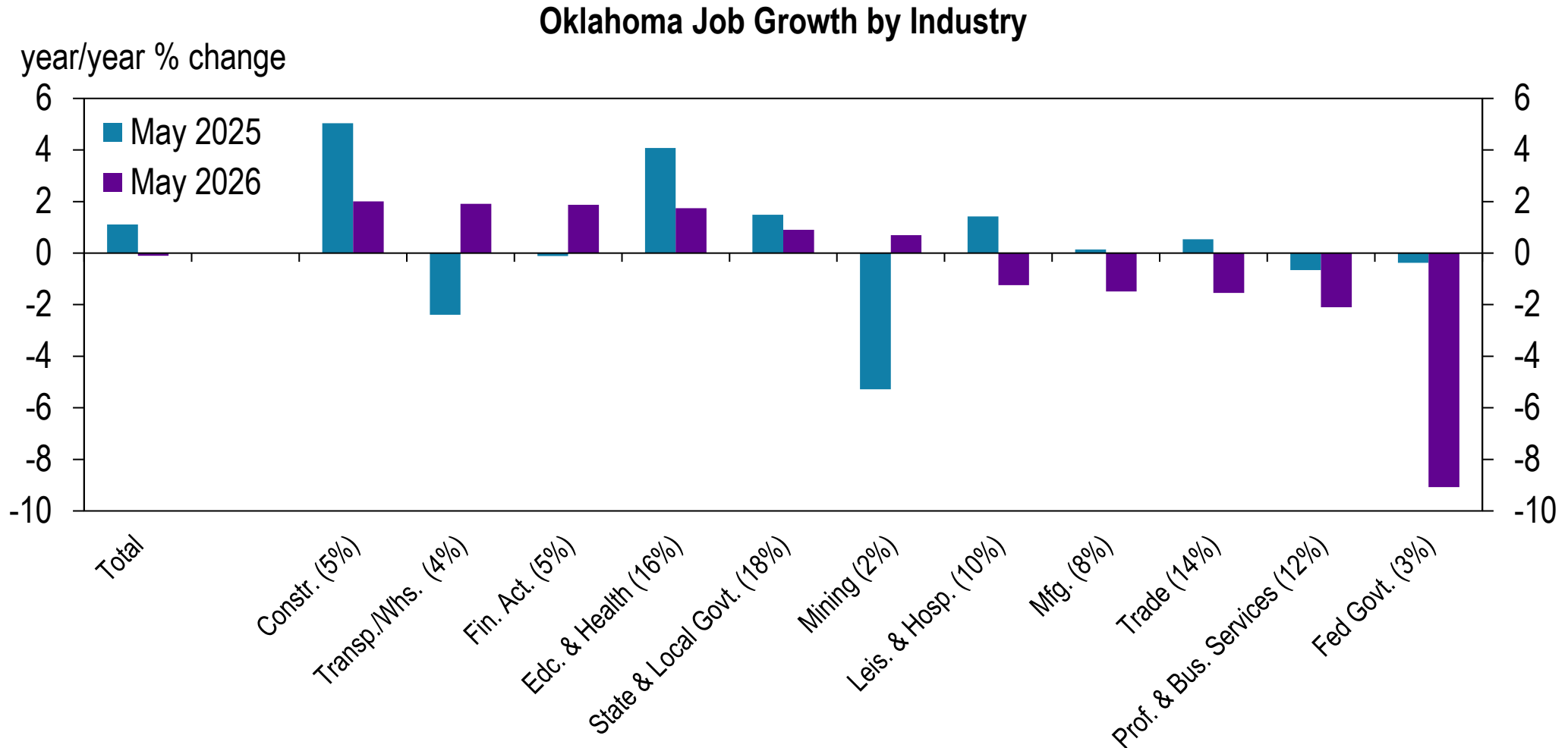
Unemployment Rate

Percent



Source: U.S. Bureau of Labor Statistics/Haver Analytics

Oklahoma jobs declined over the past year, driven by slower healthcare growth and declines in hospitality, manufacturing, and trade

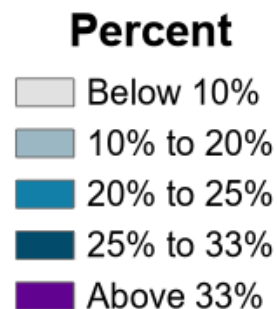
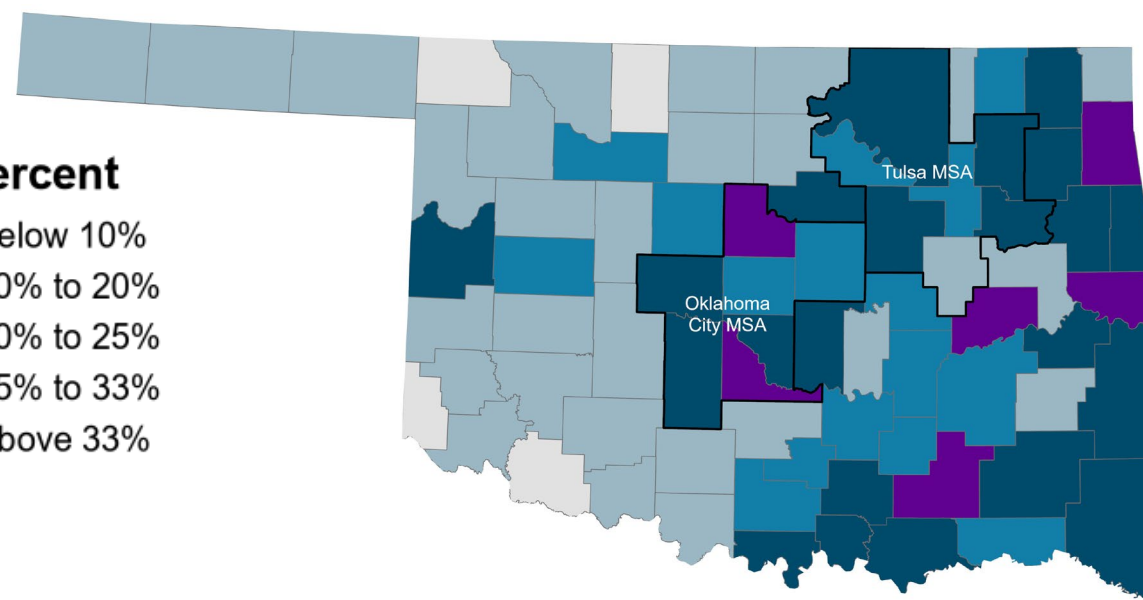
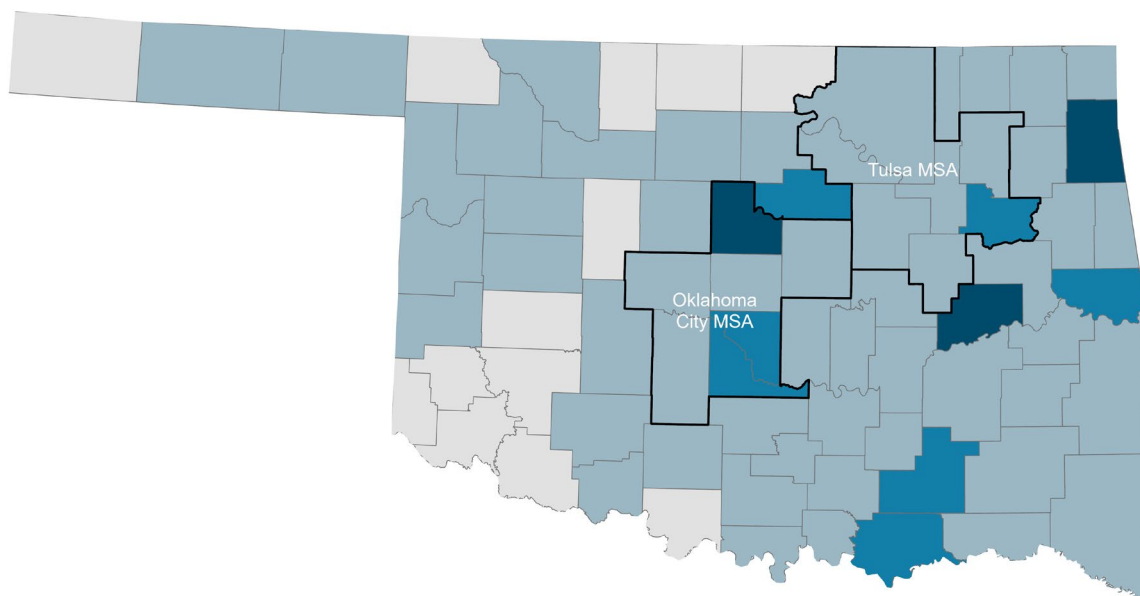


Homeownership for first-time buyers became less affordable across Oklahoma in recent years

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

The Kansas City Fed recently published *The Byways Report: The Scenic Route to Rural Prosperity*, which examines the economic impact and opportunities byways can offer rural areas and small towns



To quote Michael Wallis, author of “Route 66: The Mother Road,” “Life begins at the off-ramp.” Off the interstate, on the backroads, small towns beckon. No matter how small the town is, it is guaranteed to be a treasured part of someone’s journey.

Stories from Route 66 in Oklahoma, Willa Cather country in Nebraska, and the Crooked Road Music Trail in Virginia show what is possible when tourism is linked to economic development in small communities.

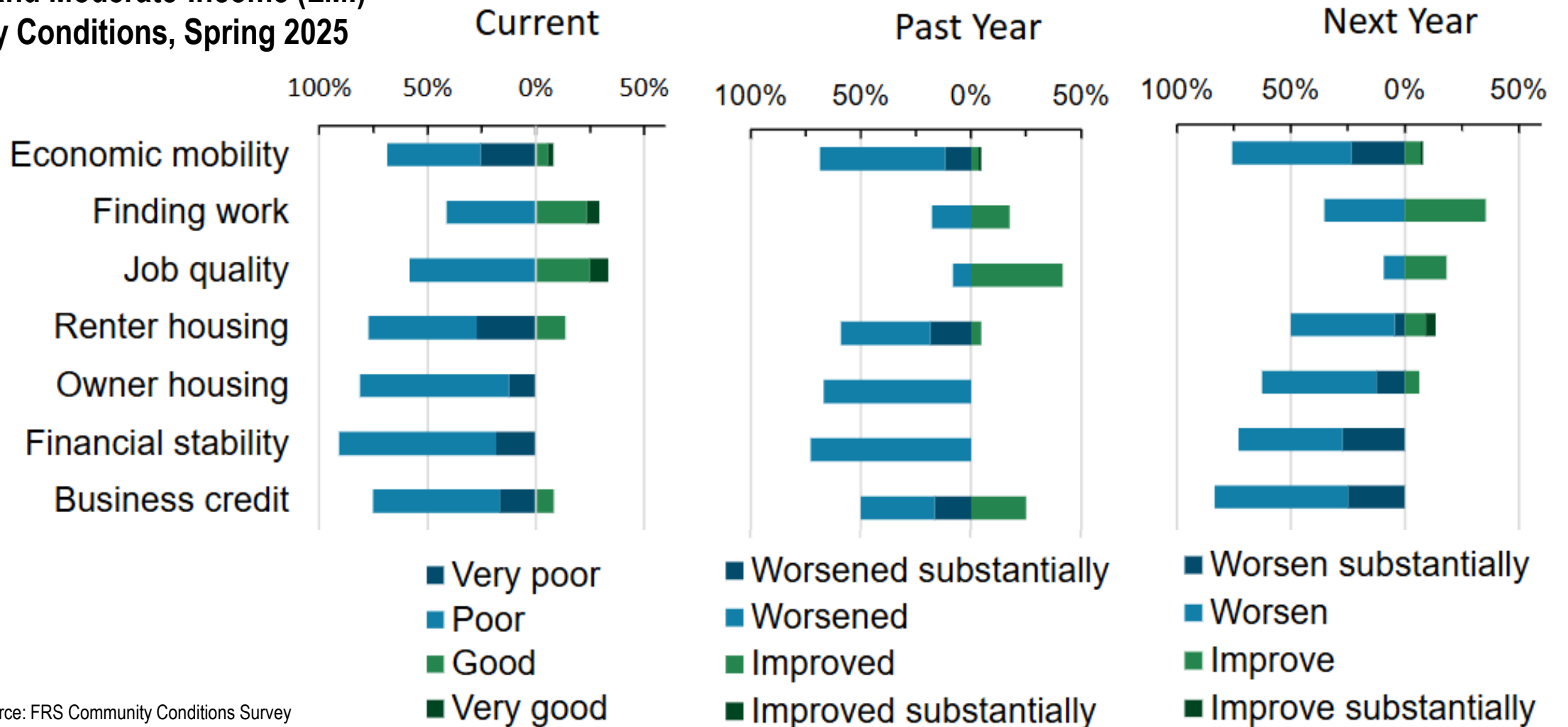


[Link to The Byways](https://www.kansascityfed.org/community/the-byways-report/the-byways-report-get-your-copy/)

Source: The Byways Report by Jennifer Wilding, <https://www.kansascityfed.org/community/the-byways-report/the-byways-report-get-your-copy/>

Overall, few sectors representing LMI-serving organizations report good current conditions, and most expect worsening conditions over the next year

U.S. Low- and Moderate-Income (LMI) Community Conditions, Spring 2025

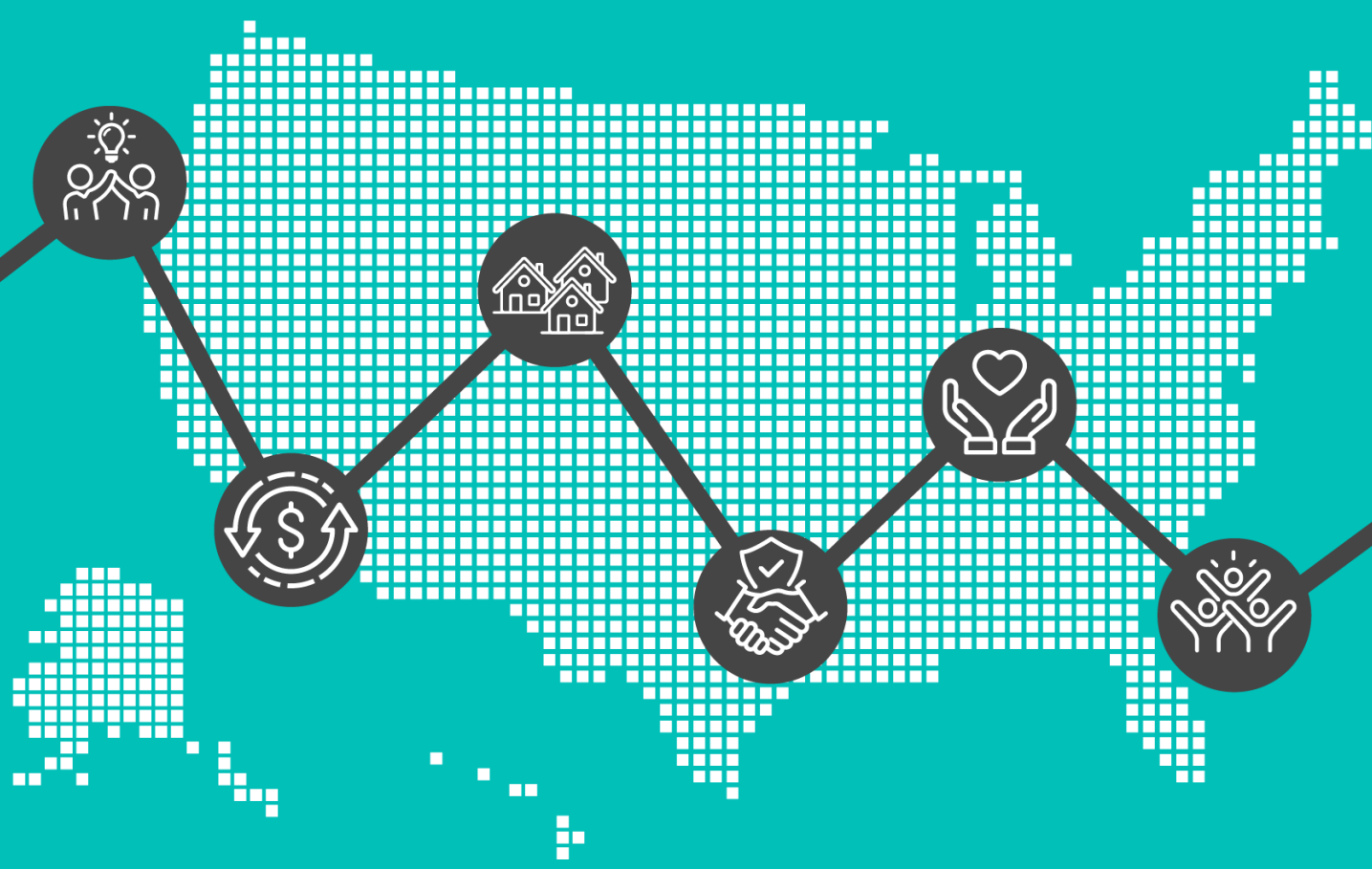


Source: FRS Community Conditions Survey

2026

Community Conditions Survey

INSIGHTS FROM THE FIELD



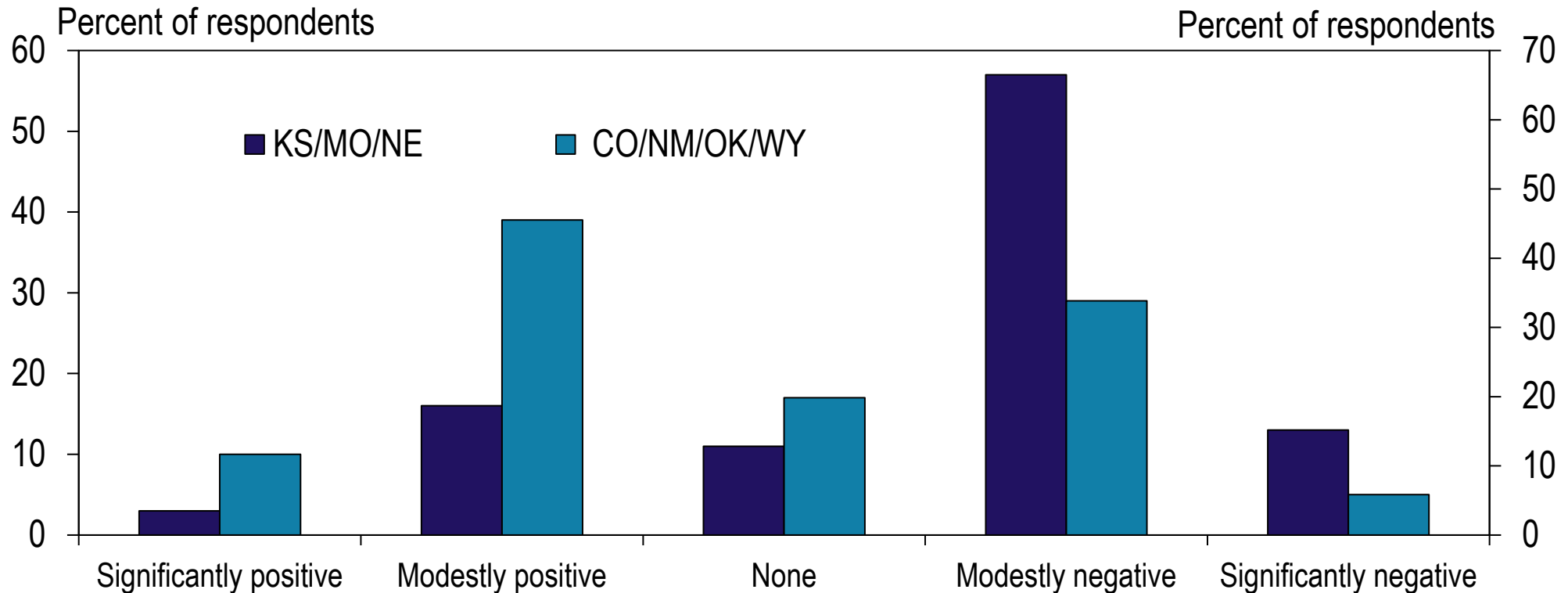
Interested in Participating?



The 2026 survey opened
Thursday, June 25 and will
close **Friday, August 14**

Furthermore, areas with a greater concentration in cattle production saw more positive outcomes in the broader economy.

Effect of The Ag Economy On the Broader Economy, Q3 2025

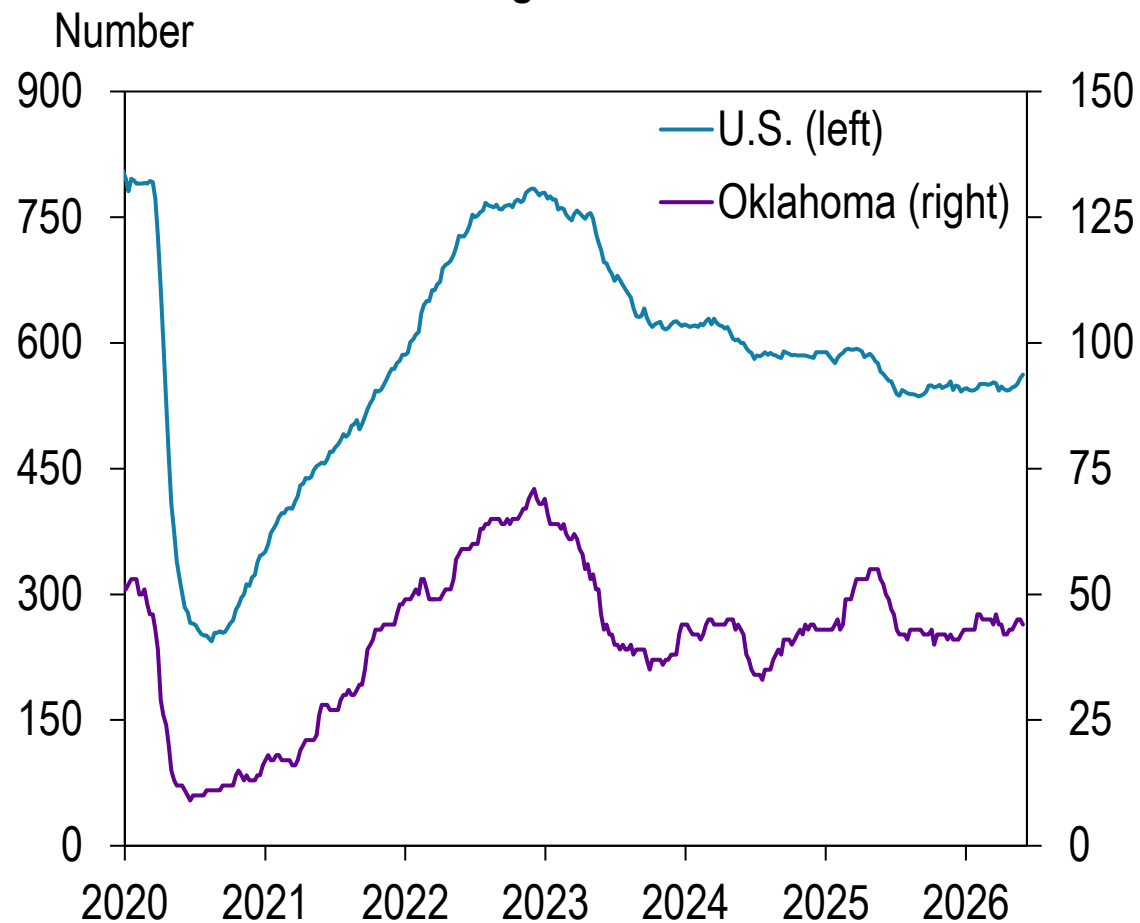


Note: Agricultural lenders were asked, "How have recent agricultural economic conditions affected broader economic conditions and business activity in your lending area?"

Source: Federal Reserve Bank of Kansas City Ag Credit Survey

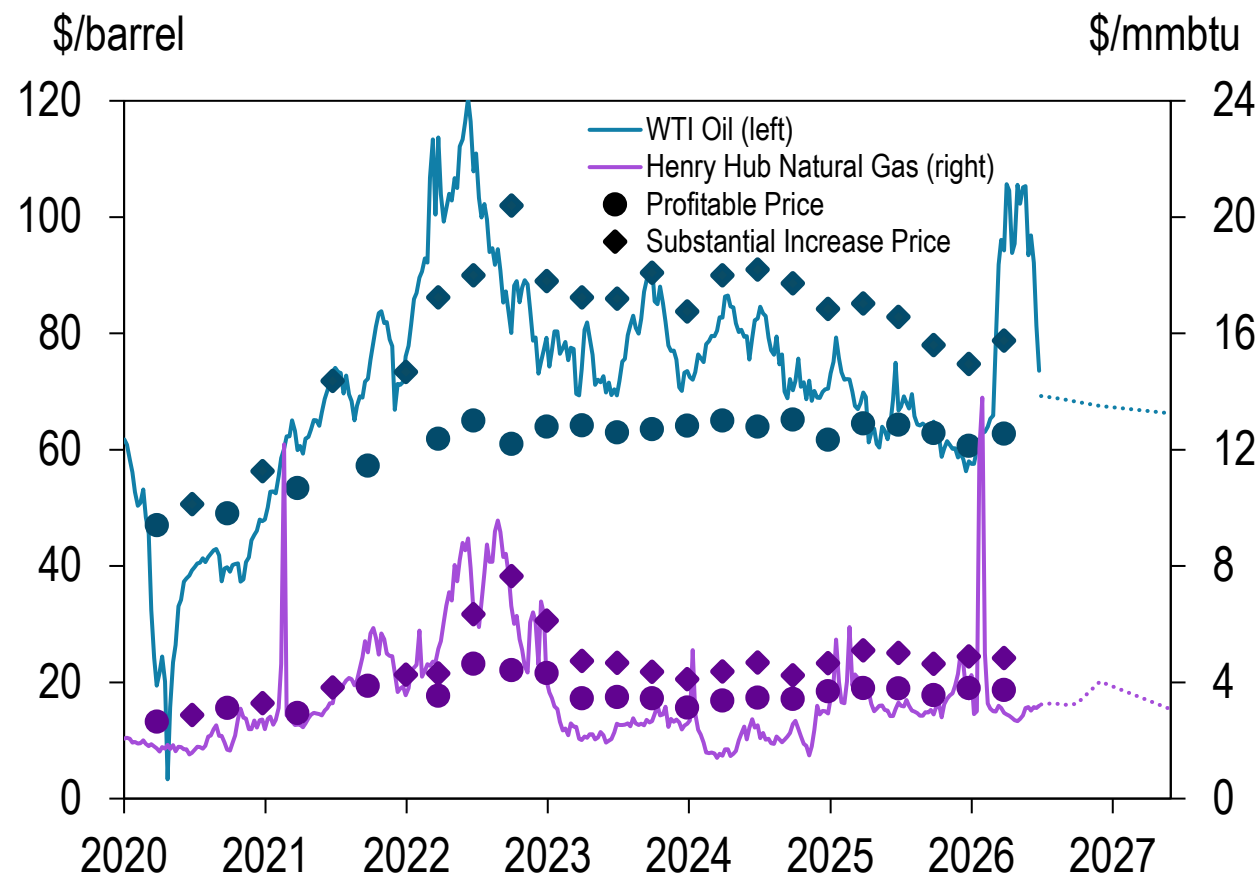
Oil prices have surged since the conflict in the Middle East but are not yet expected to sustain levels supporting a substantial increase in drilling

Rig Counts



Source: Baker Hughes, EIA/Haver Analytics, FRBKC Surveys

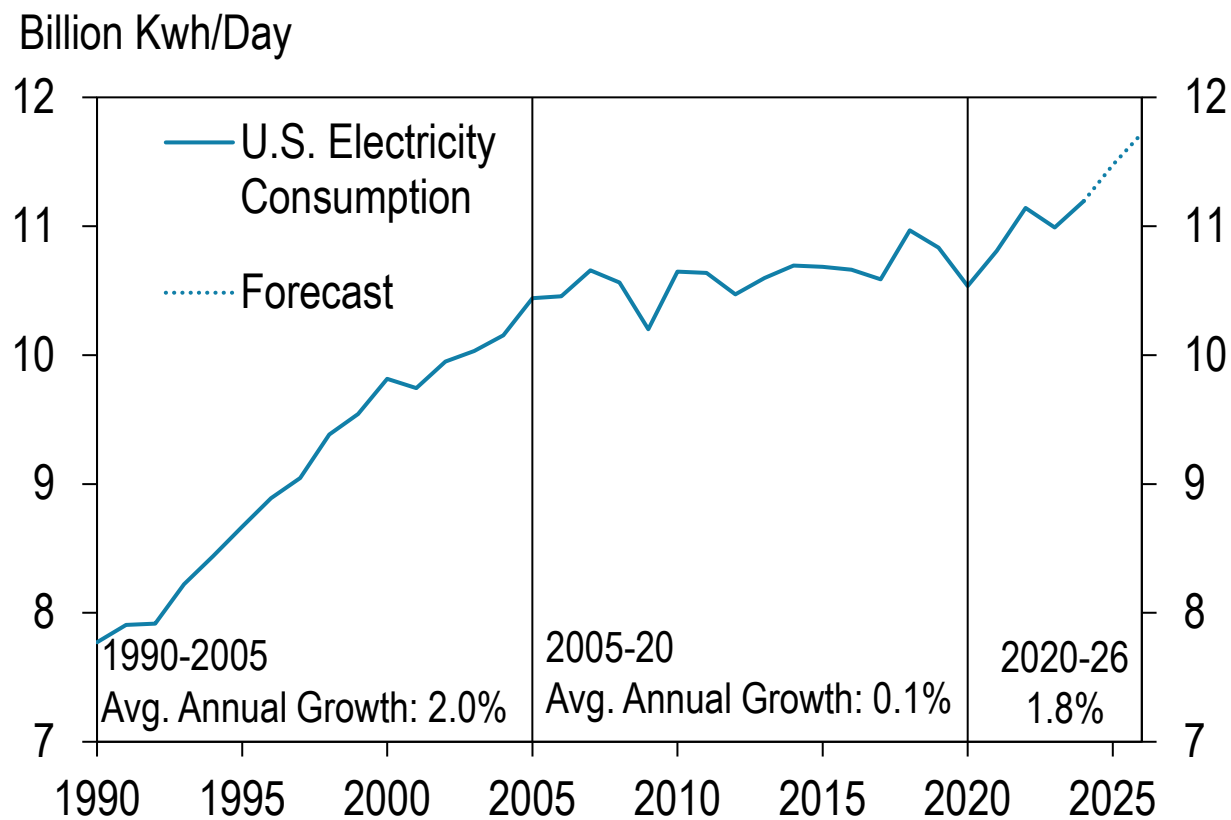
U.S. Energy Prices



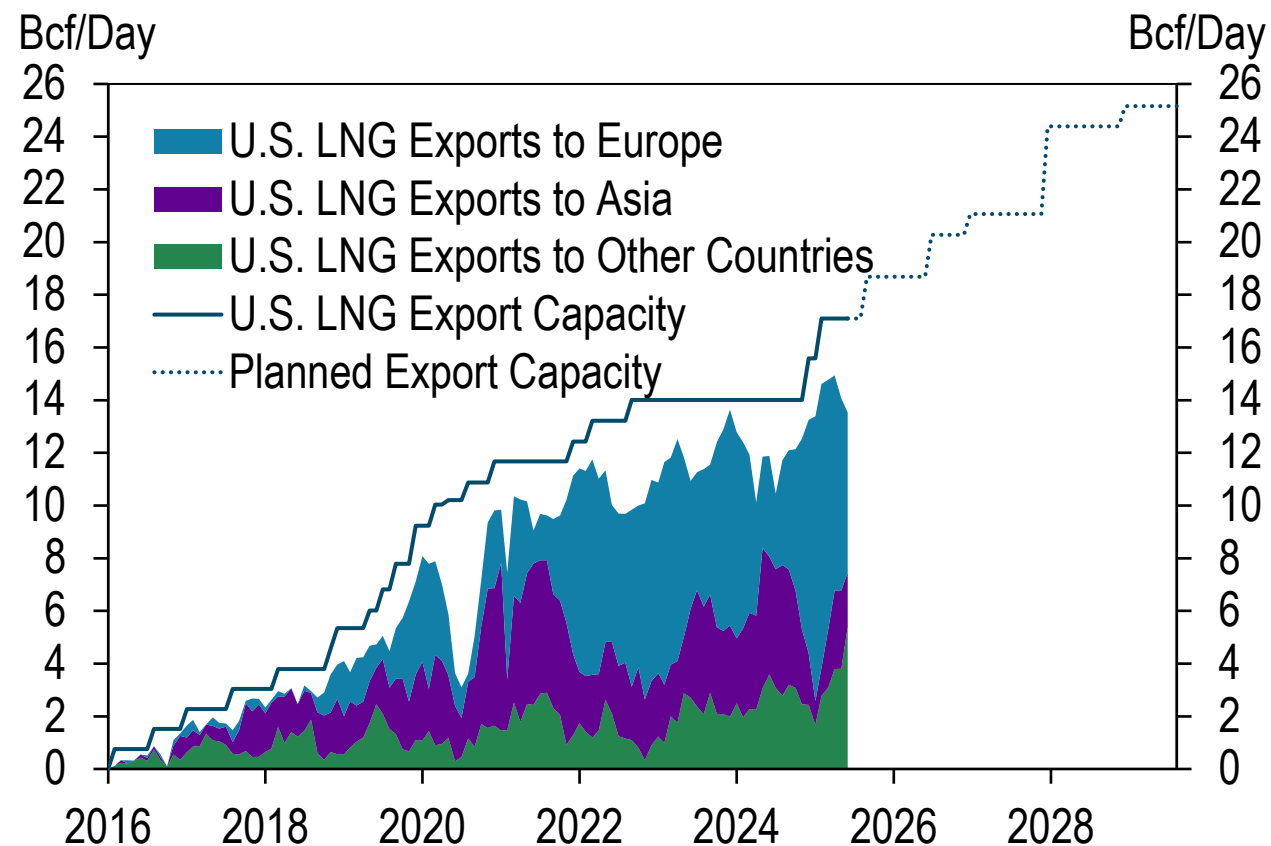
Note: Dotted lines show CME futures prices as of May 28.

In the longer term, U.S. natural gas can supply rising electricity demand domestically and abroad, boosting the outlook for prices

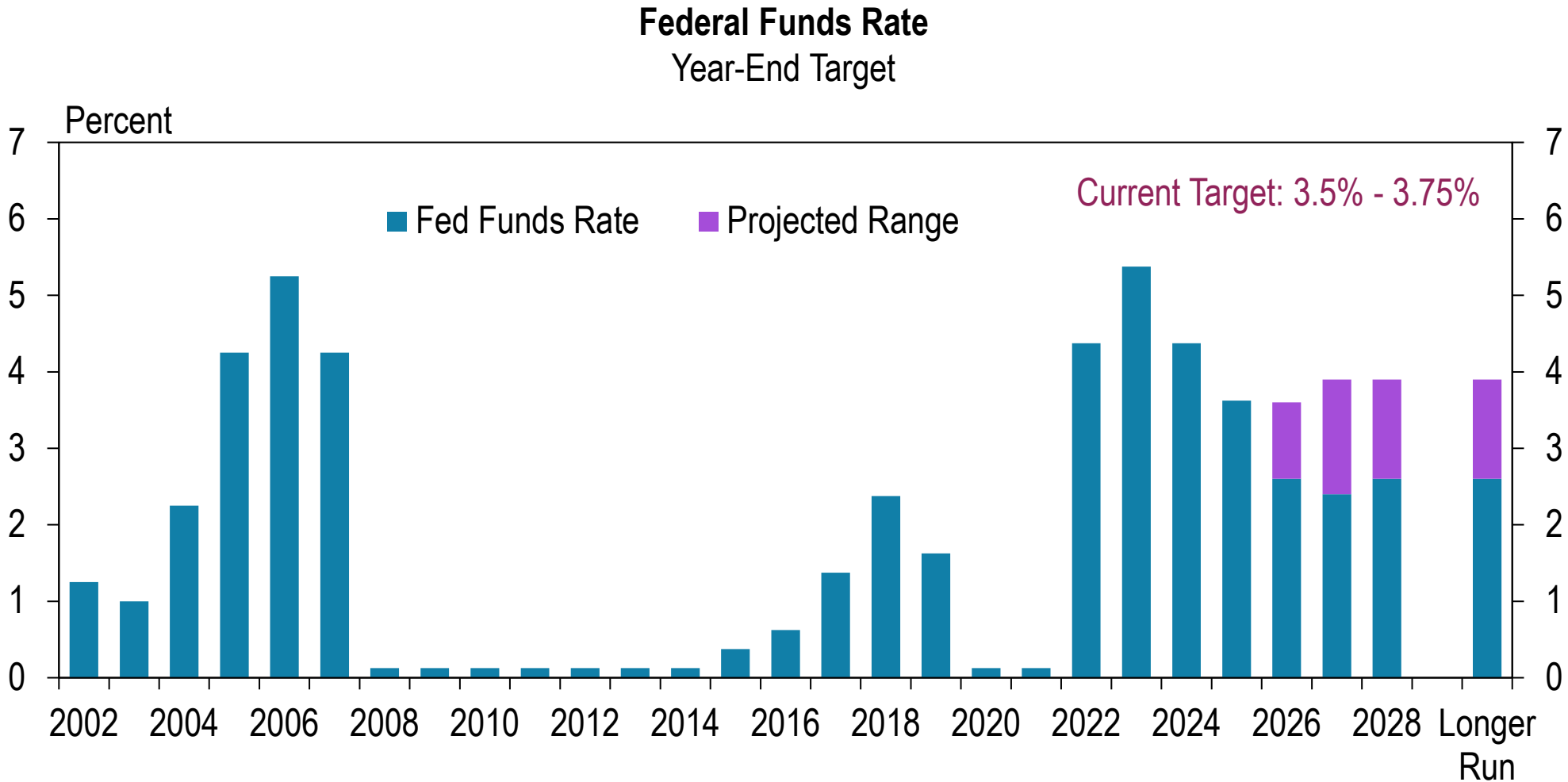
U.S. Electricity Consumption



U.S. Liquefied Natural Gas Exports



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

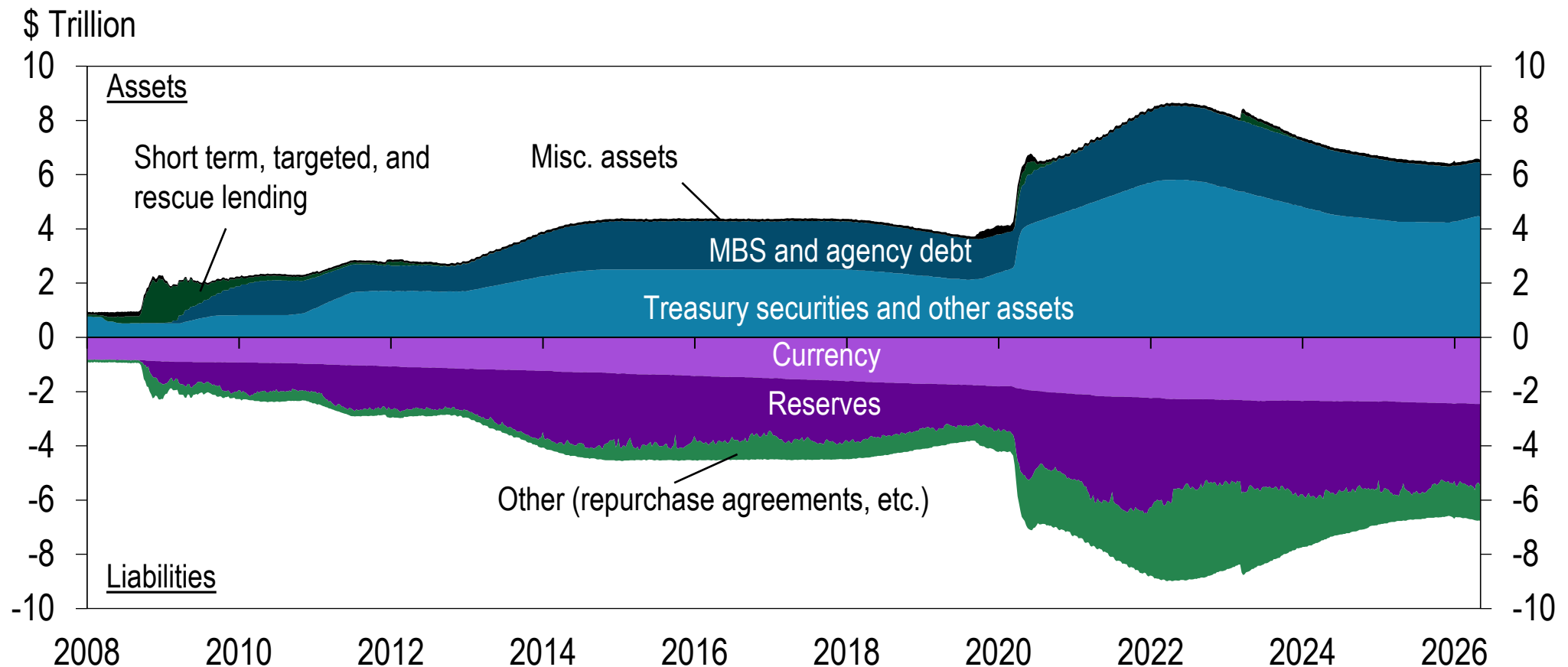


Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

The FOMC also started purchases of short-term Treasury securities and reaffirmed its policy of maintaining ample reserves in the banking system.

Federal Reserve Balance Sheet



Thank you!

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