

U.S. and Oklahoma Economic Outlook

Risk Management Association

August 6, 2026

Megan Williams

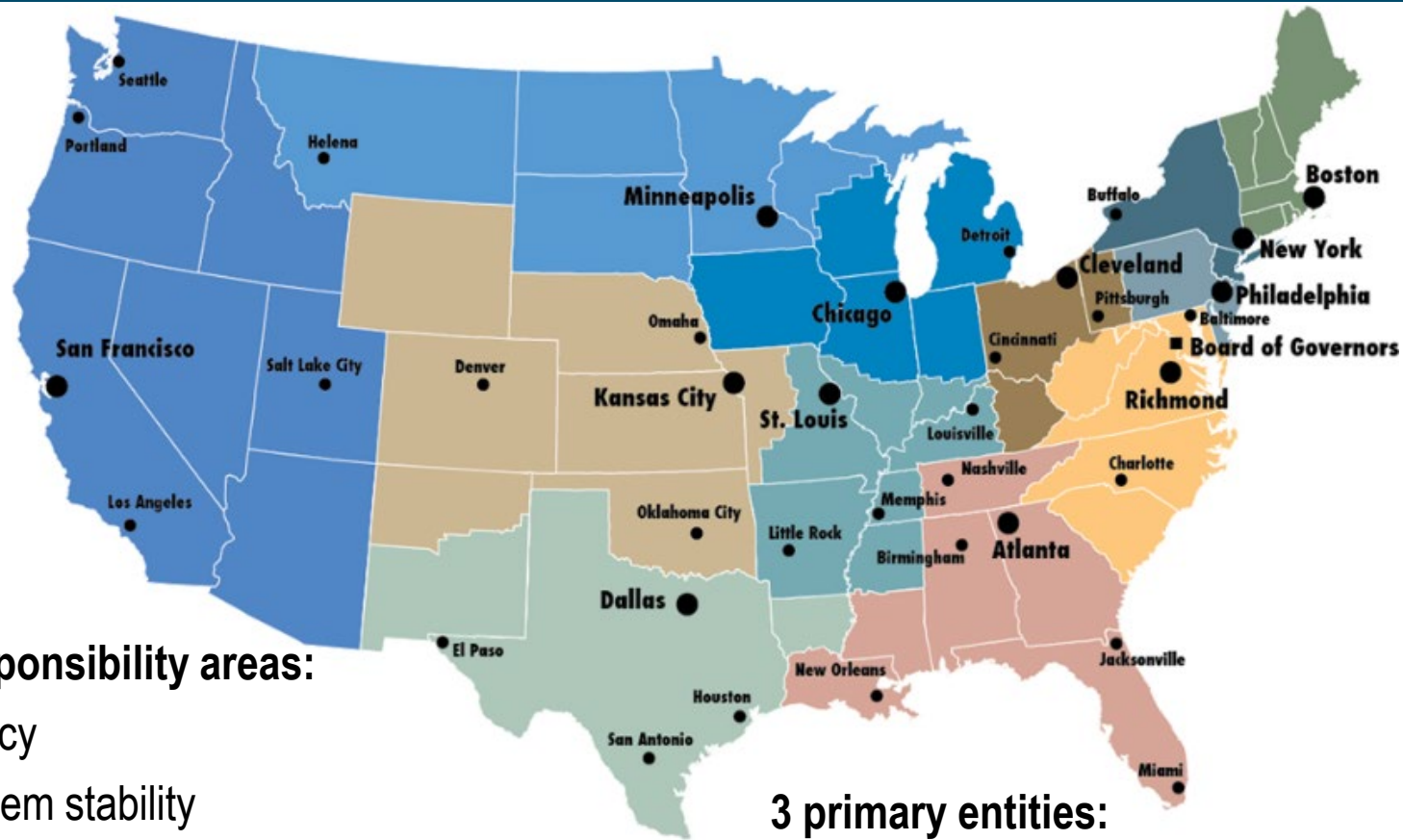
Associate Economist & Senior Manager

*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

- **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

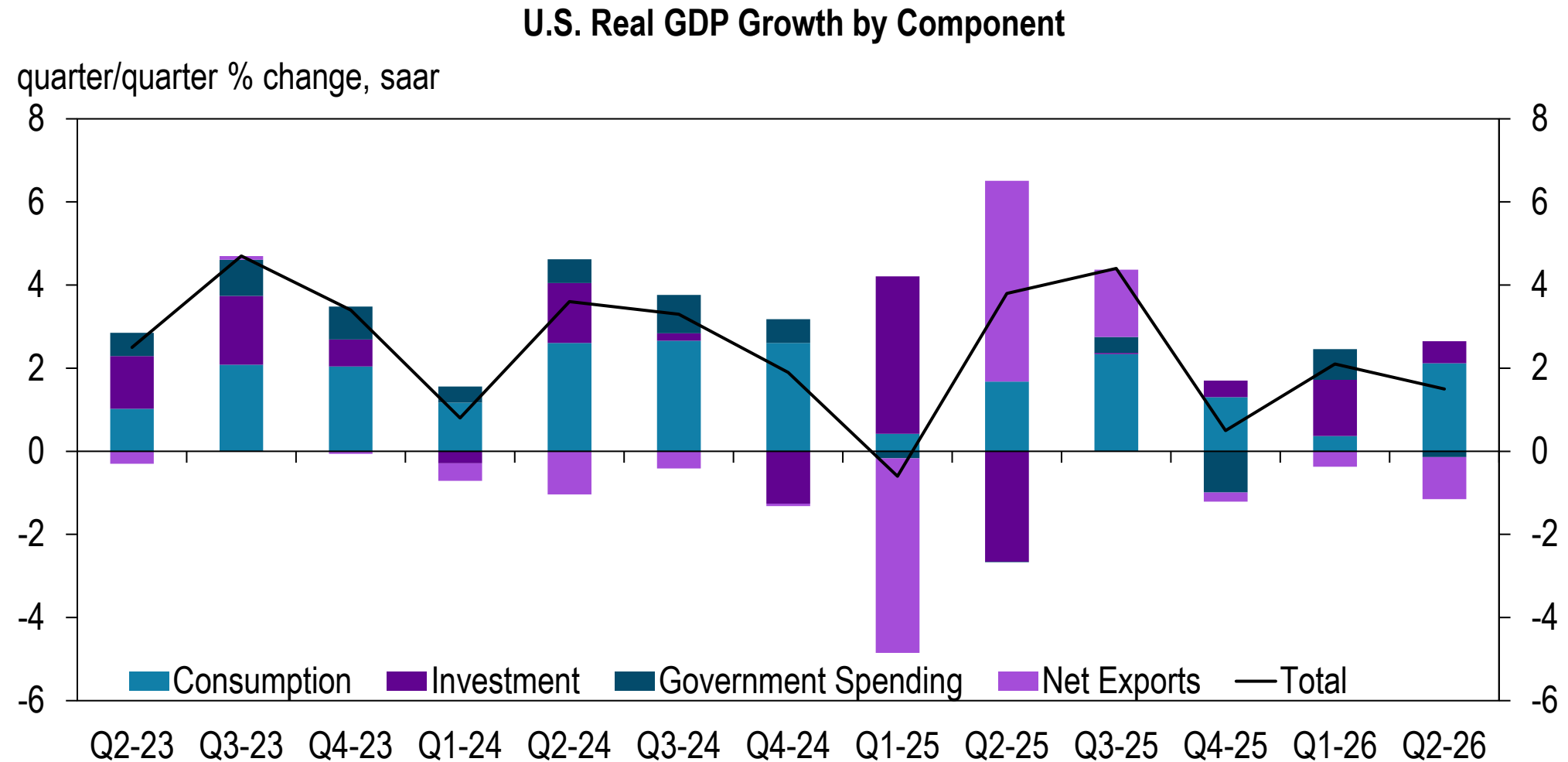


- **2026 OKC Branch Board of Directors**

- **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

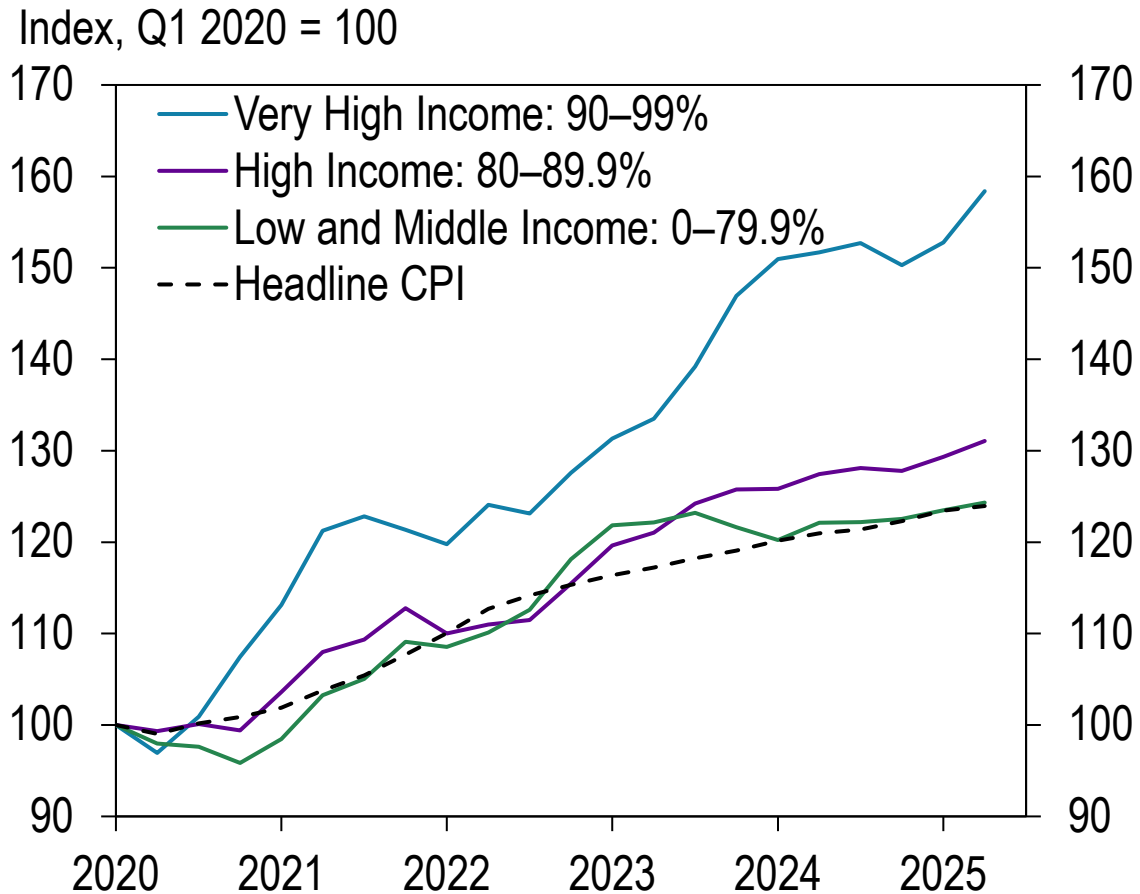


U.S. GDP growth cooled to 1.5% in Q2, as business investment eased and the Iran conflict affected supply chains

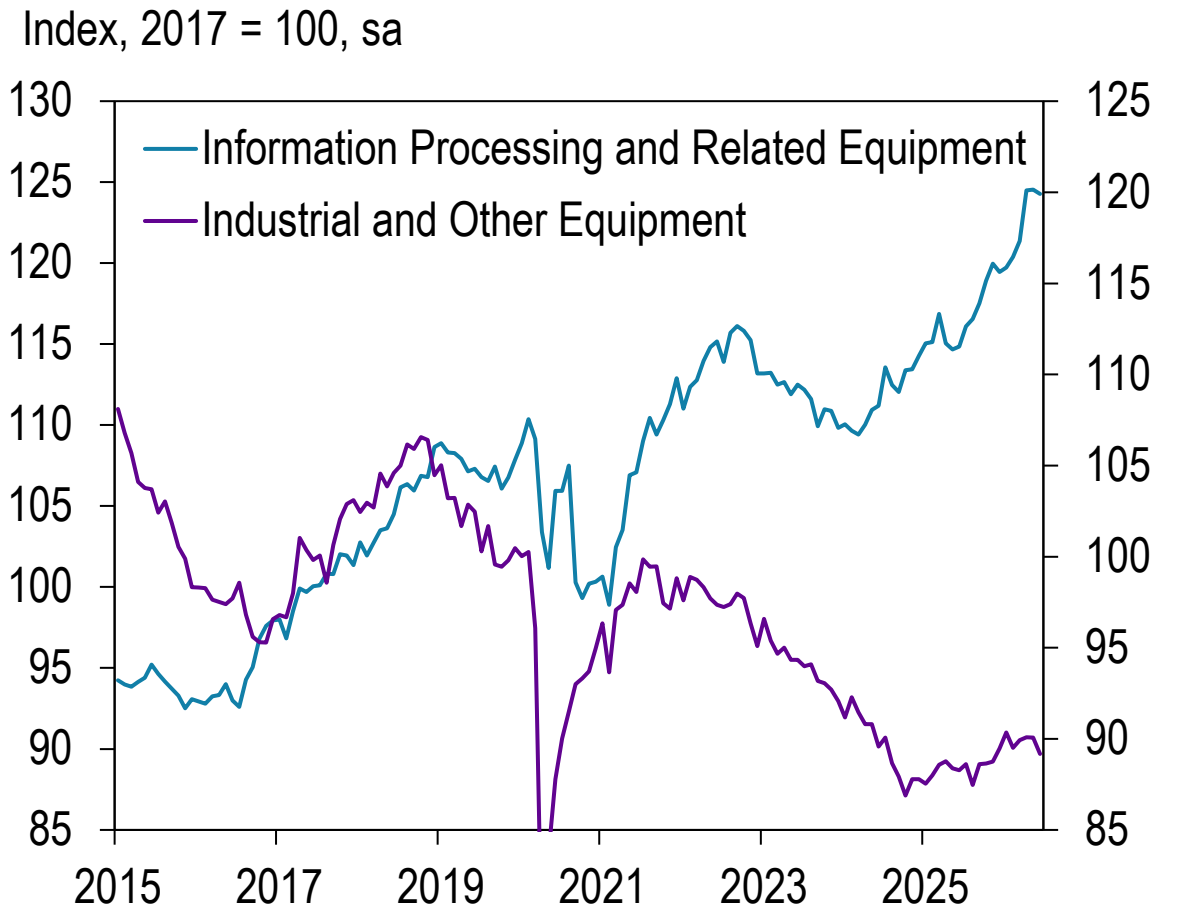


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

U.S. Consumer Spending by Income

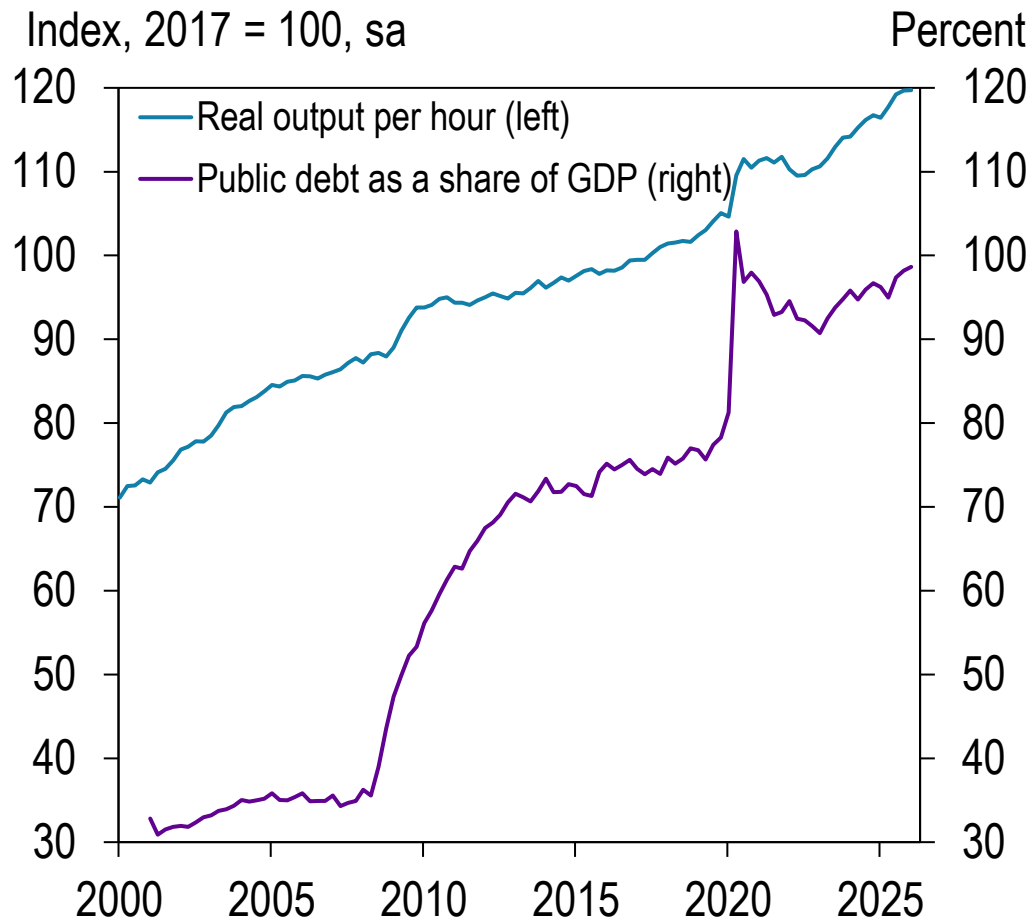


U.S. Industrial Production

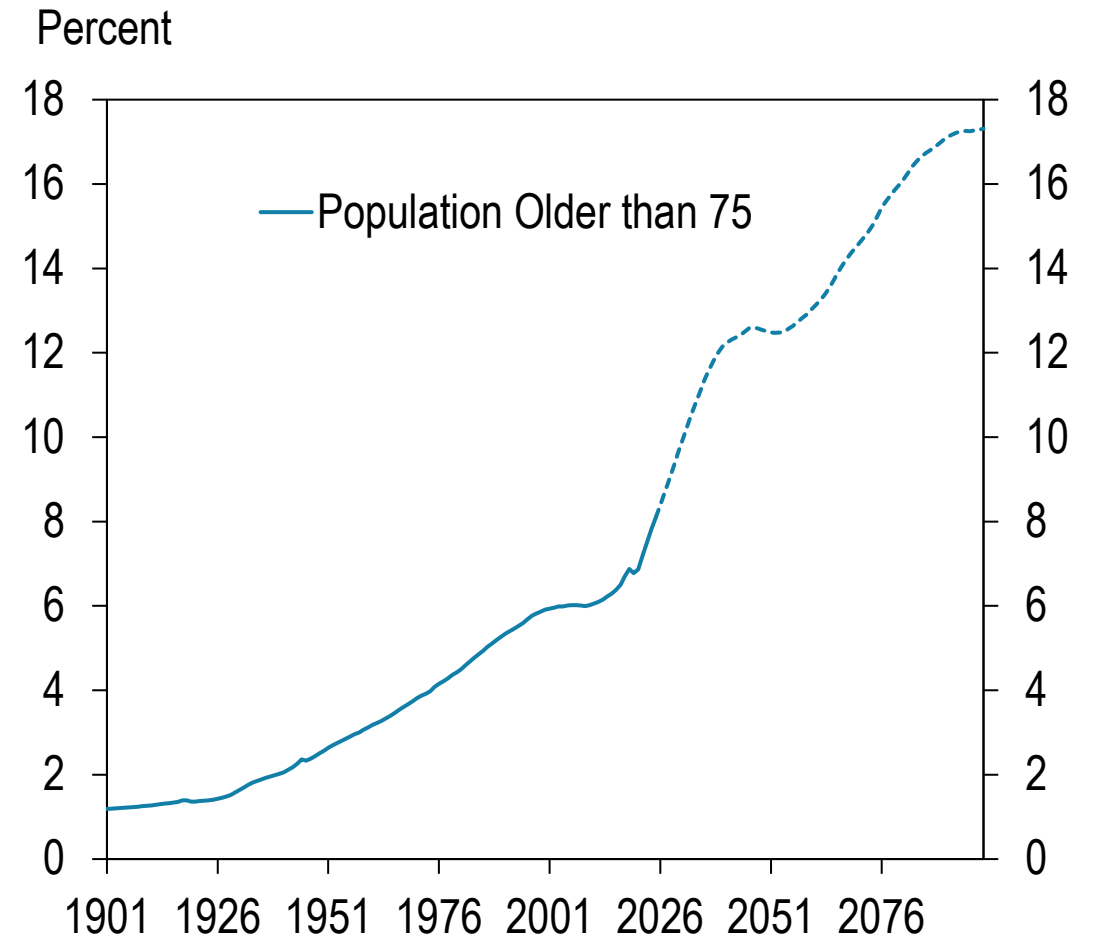


Long-term, productivity and government debt could push interest rates higher, but demographic trends could push them lower

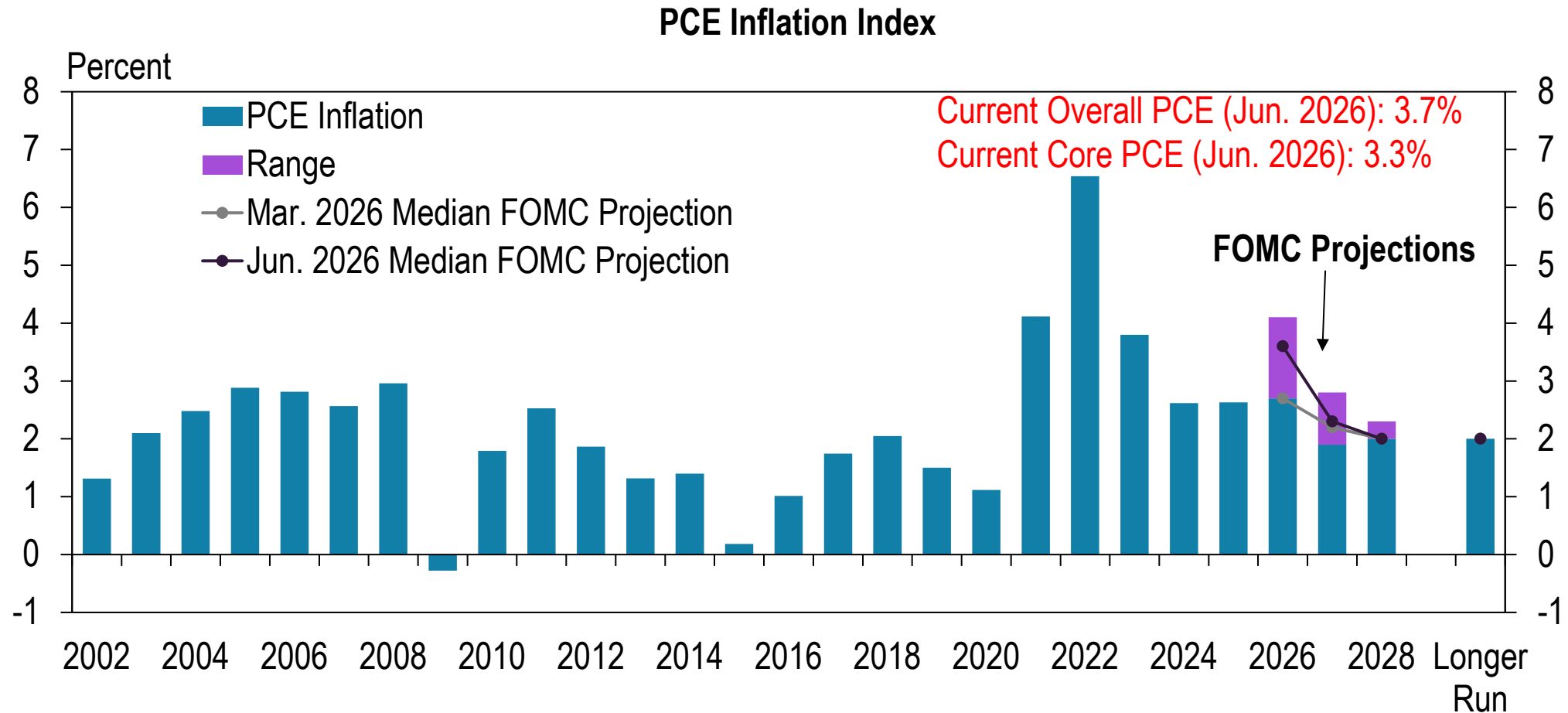
U.S. Productivity and Debt



Share of Population Older than 75



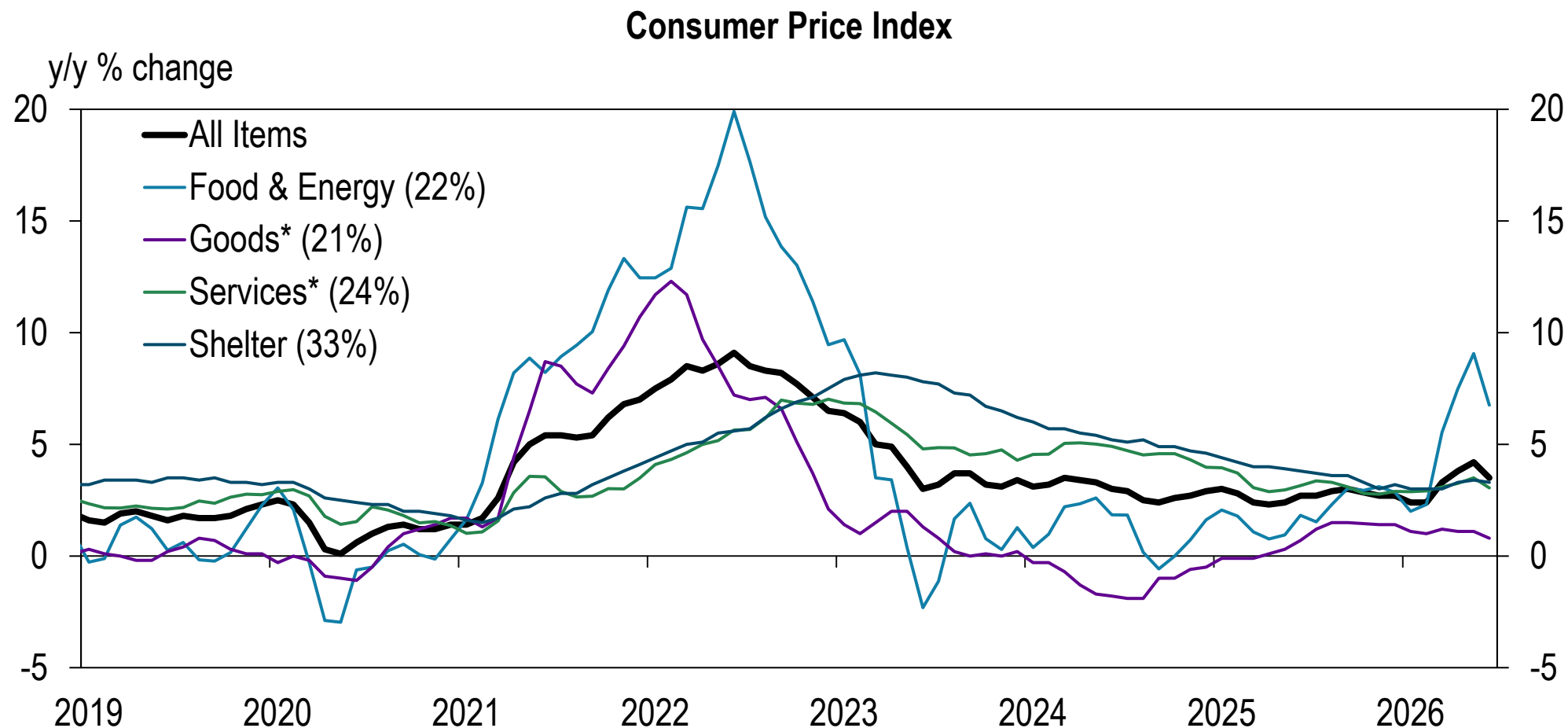
Inflation is expected to remain elevated this year amid high energy prices and broader inflationary pressures



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

Sources: Bureau of Economic Analysis, FOMC

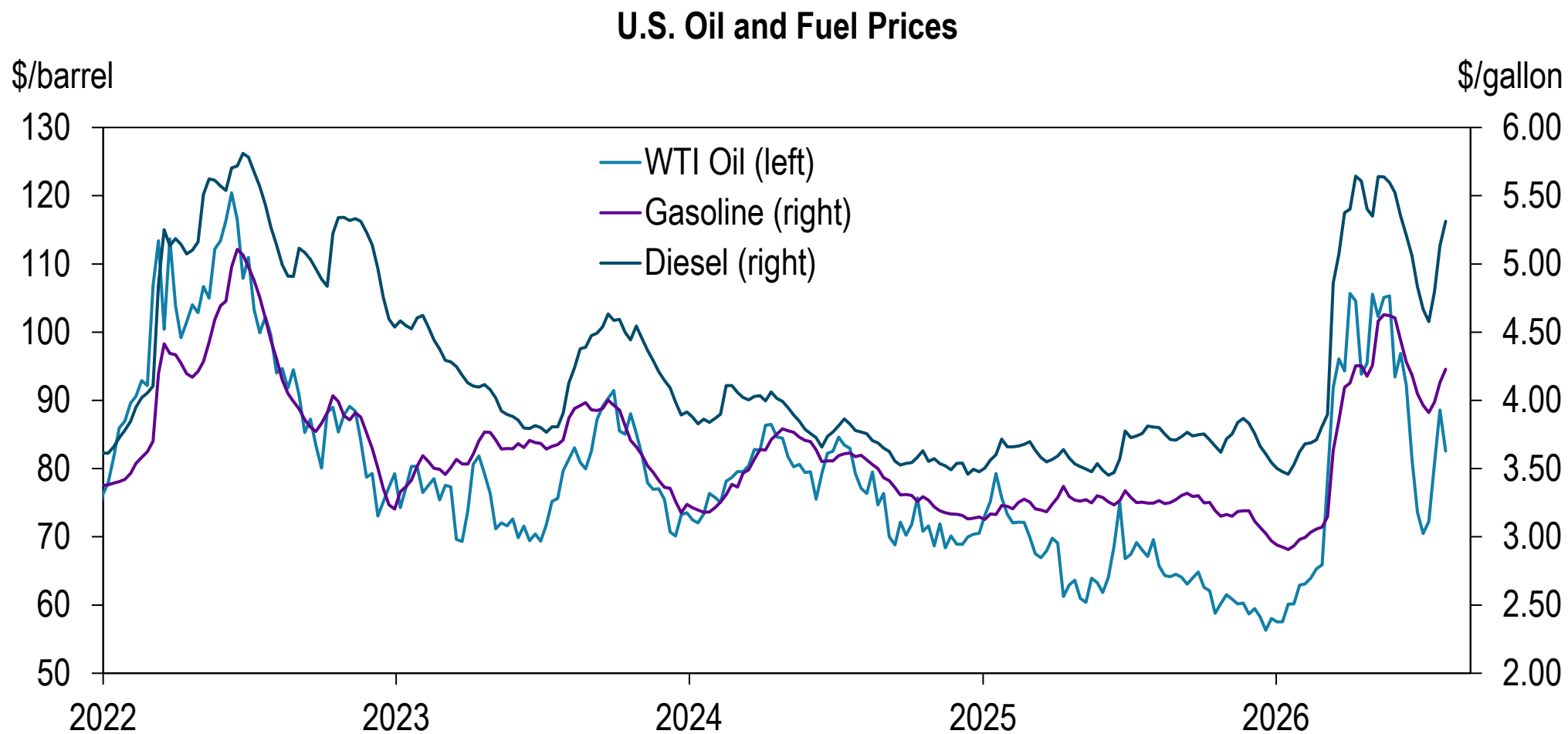
CPI inflation cooled to 3.5% in June, as energy prices eased



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

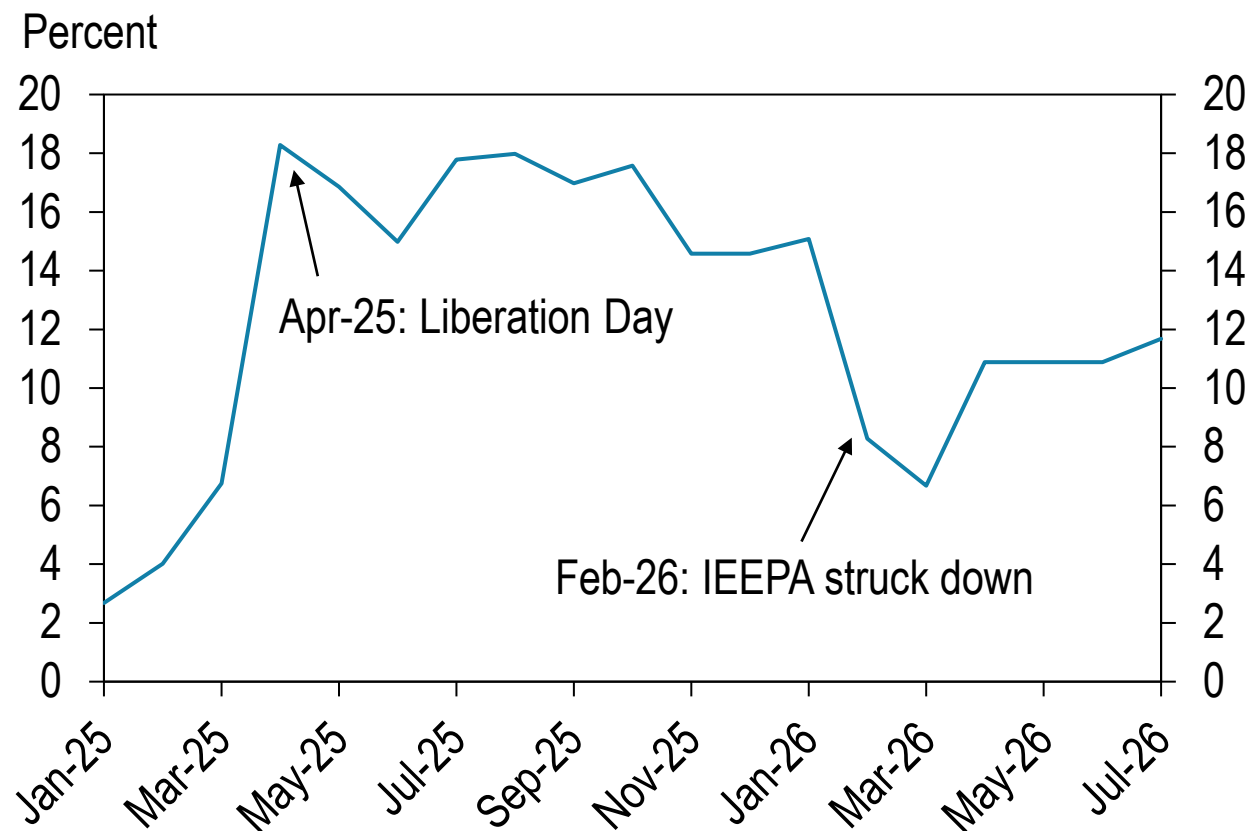
Sources: BLS/Haver Analytics

Fuel prices present upside risk to inflation

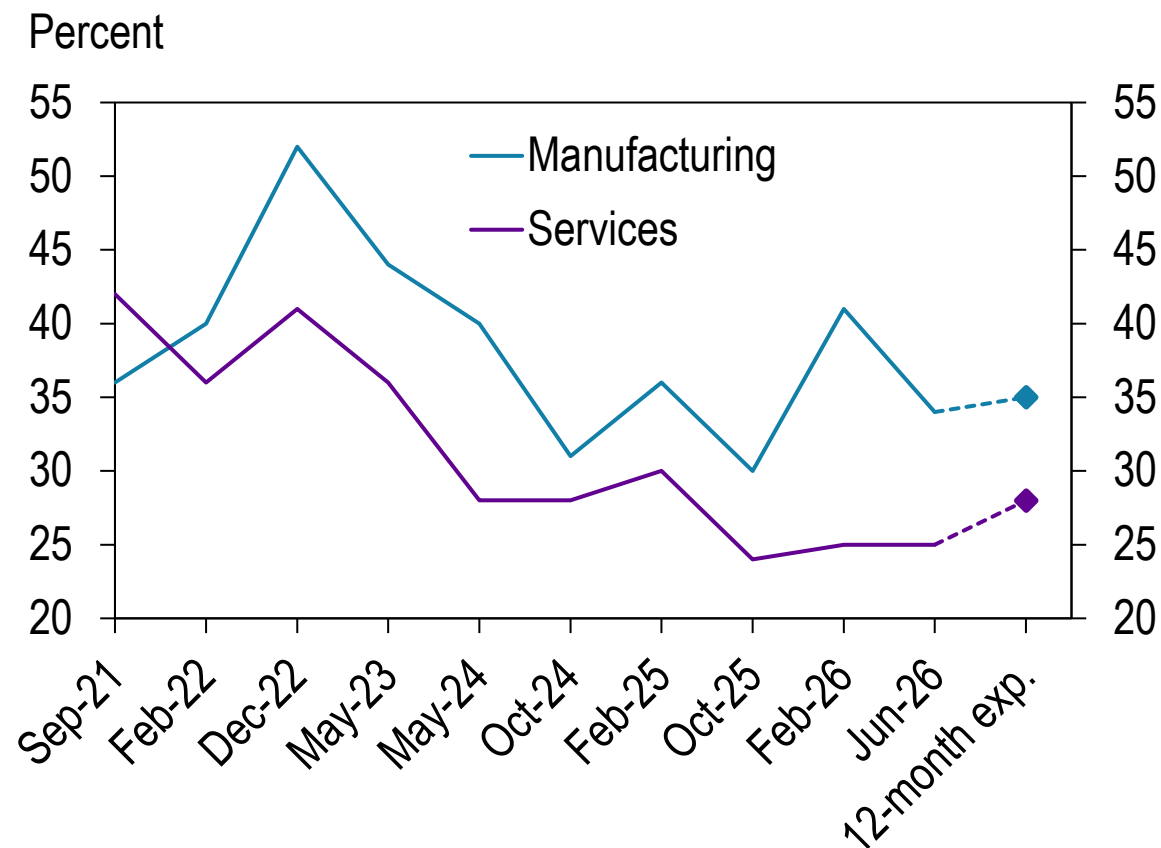


Tariffs remain elevated, but passthrough to the consumer is not expected to increase substantially

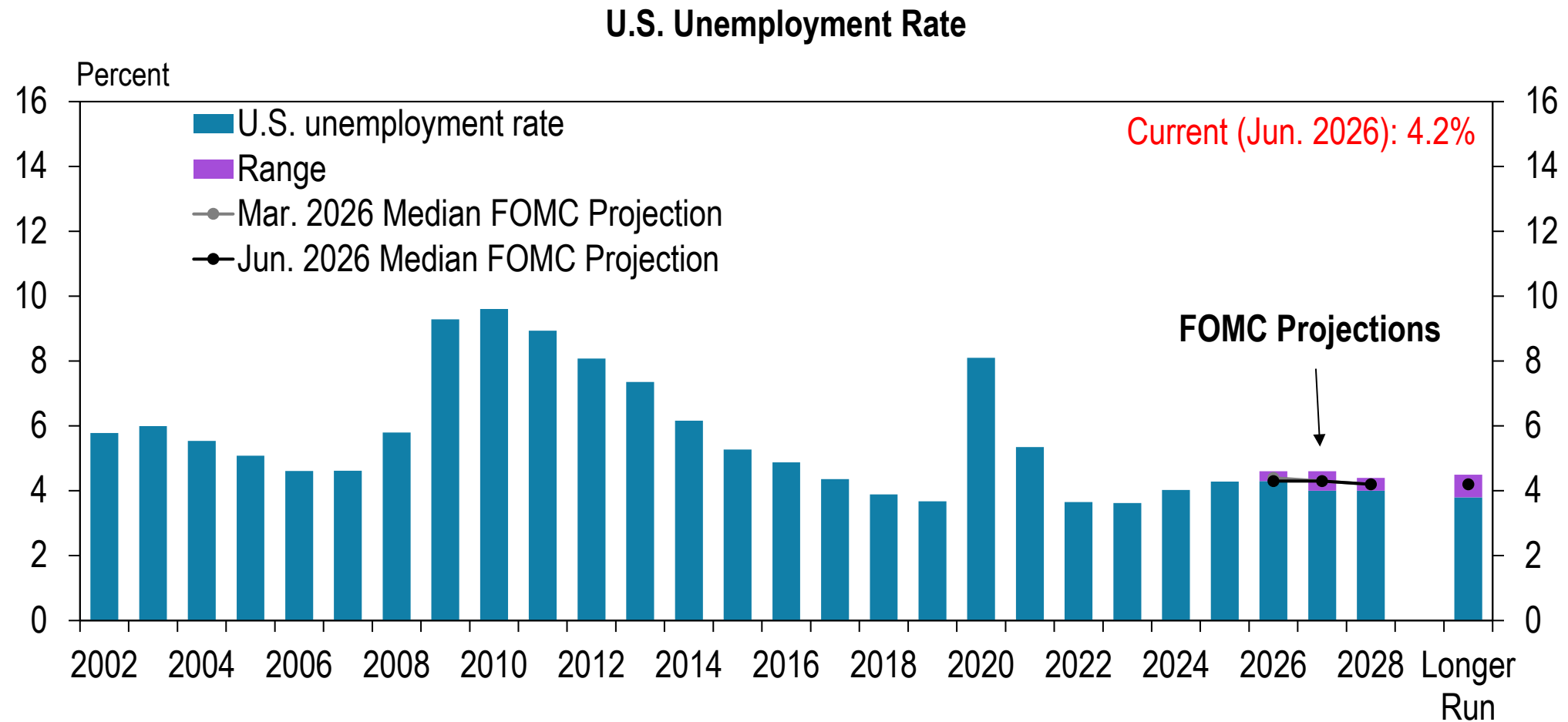
U.S. Effective Tariff Rate



Share of Tenth District Firms Passing Through More than 60% of Cost Increases



U.S. unemployment is at its long-run average and is projected to remain low moving forward

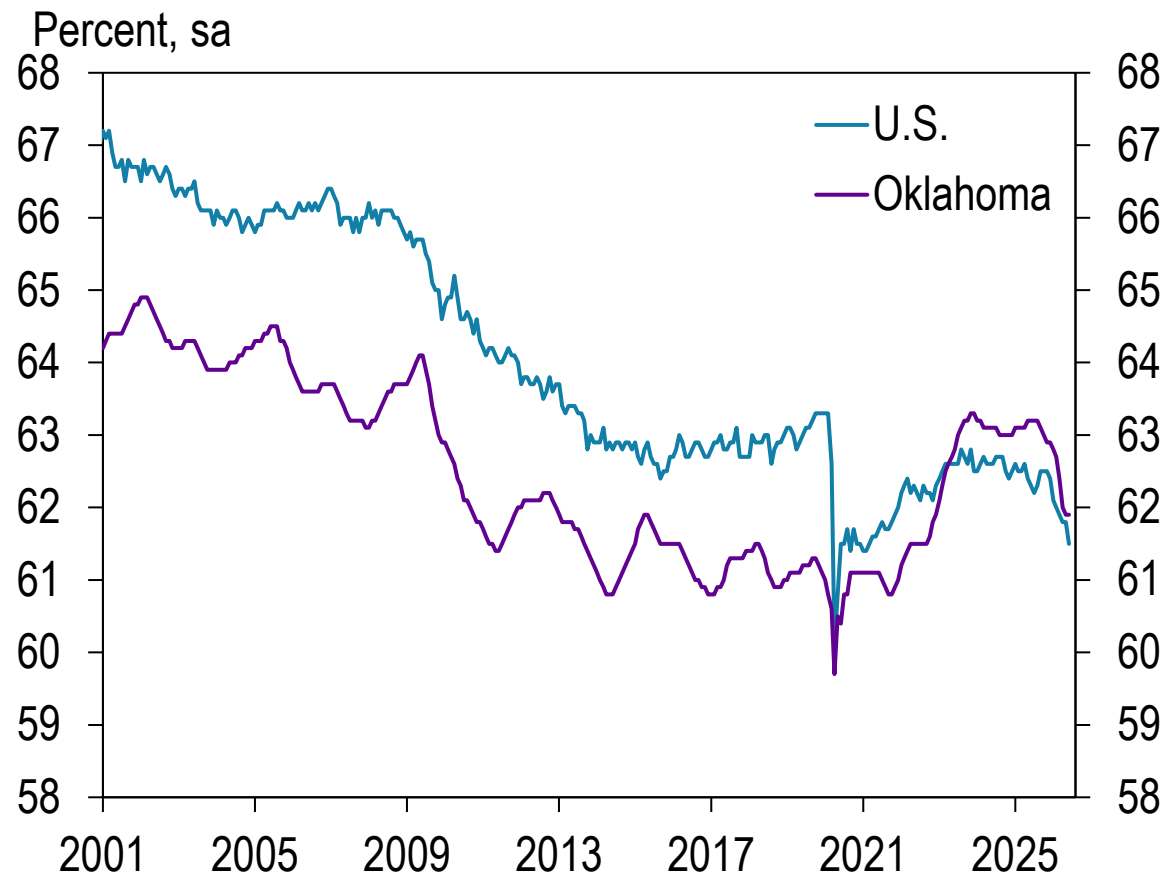


Note: Data and FOMC projections are for year-end.

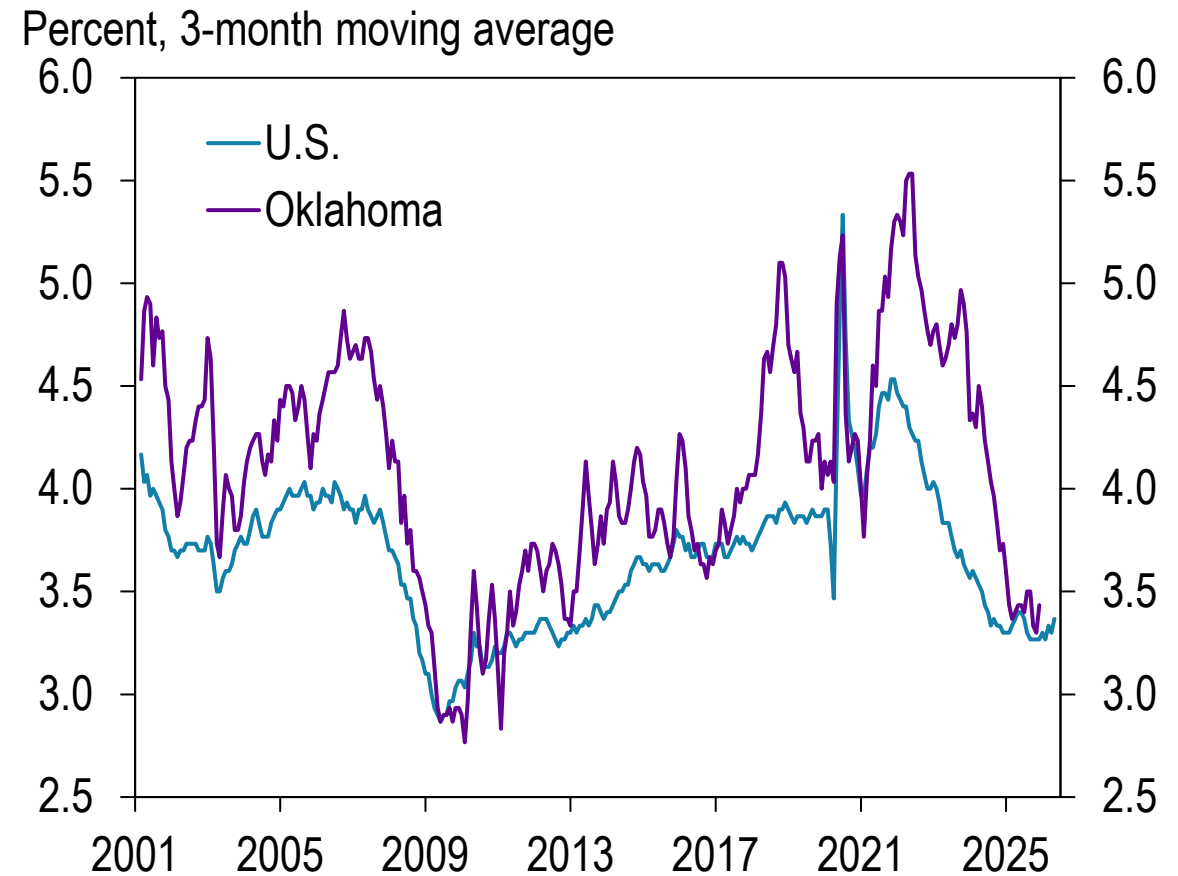
Sources: U.S. Bureau of Labor Statistics, FOMC

Both labor supply and demand have softened in the past year, but hiring in the U.S. has picked up in 2026

Labor Force Participation Rates



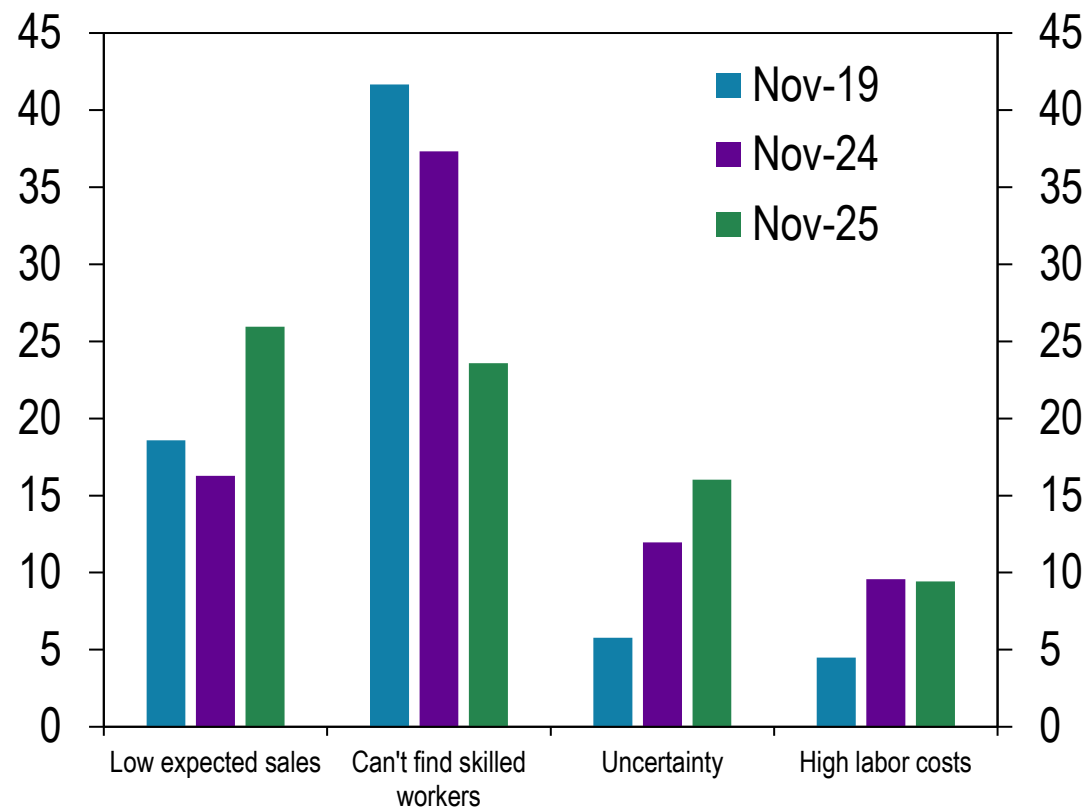
Hiring Rates



Low expected demand and uncertainty have increased as the top factor restraining hiring, and firms do not cite AI as a replacement for labor

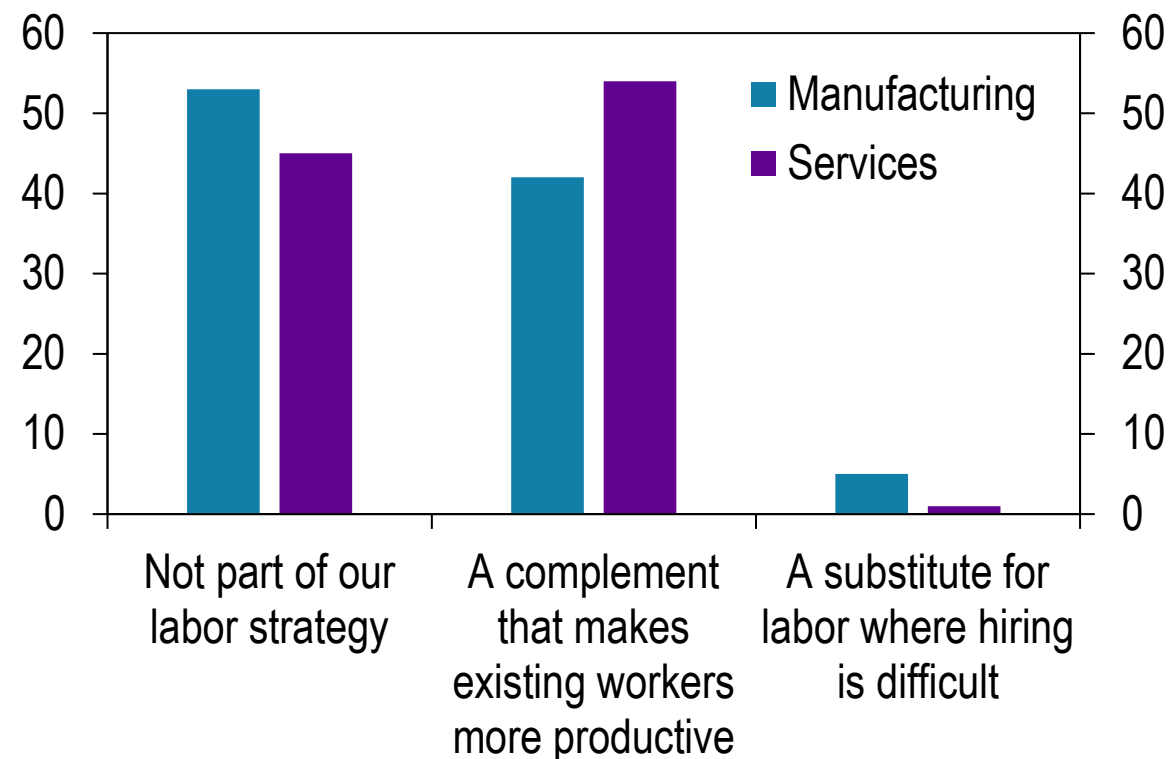
Tenth District Firms' Top Factors Restraining Hiring

Percent of firms

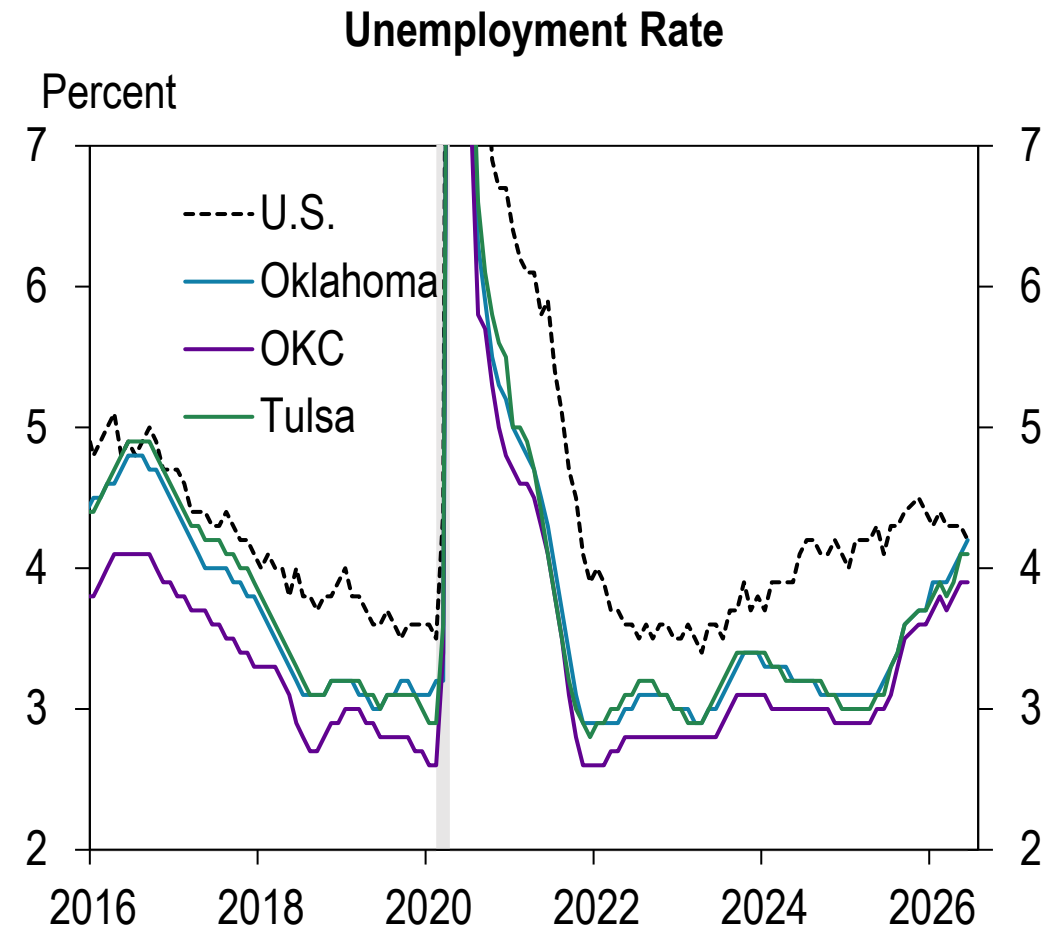
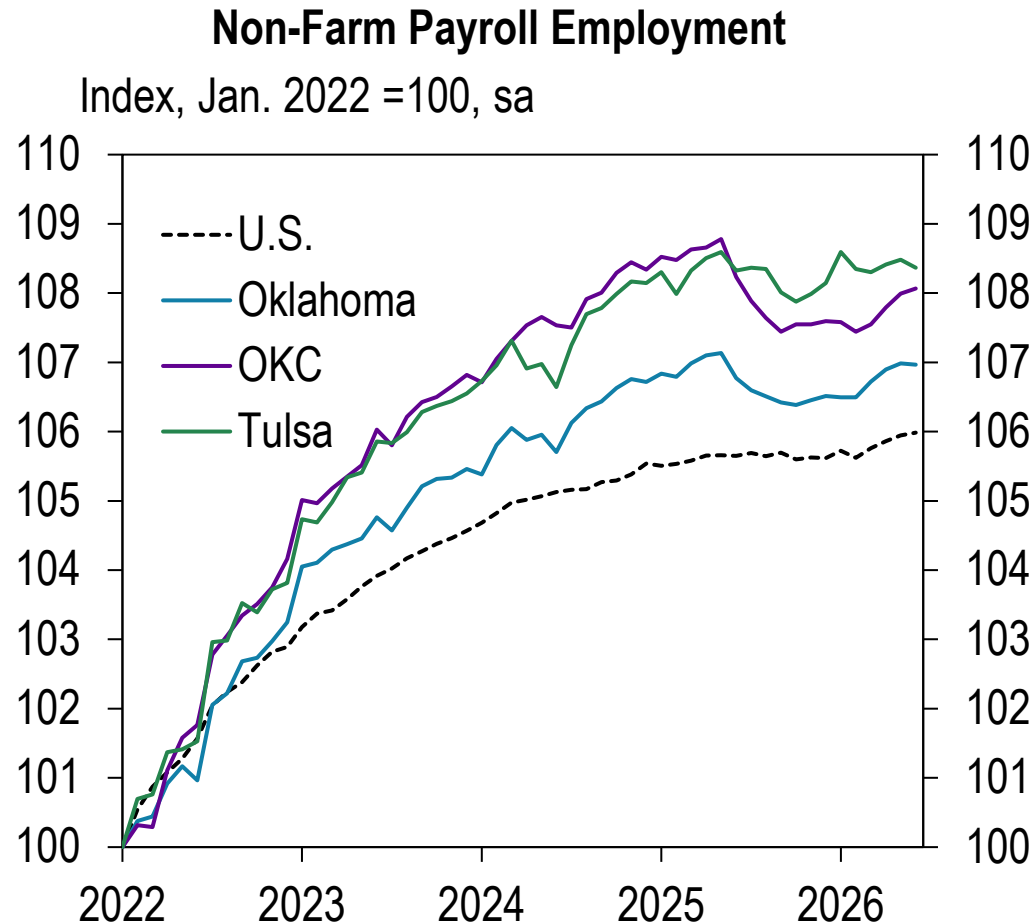


Jan. 2026: Which best describes how AI or technology fits into your firm's labor strategy?

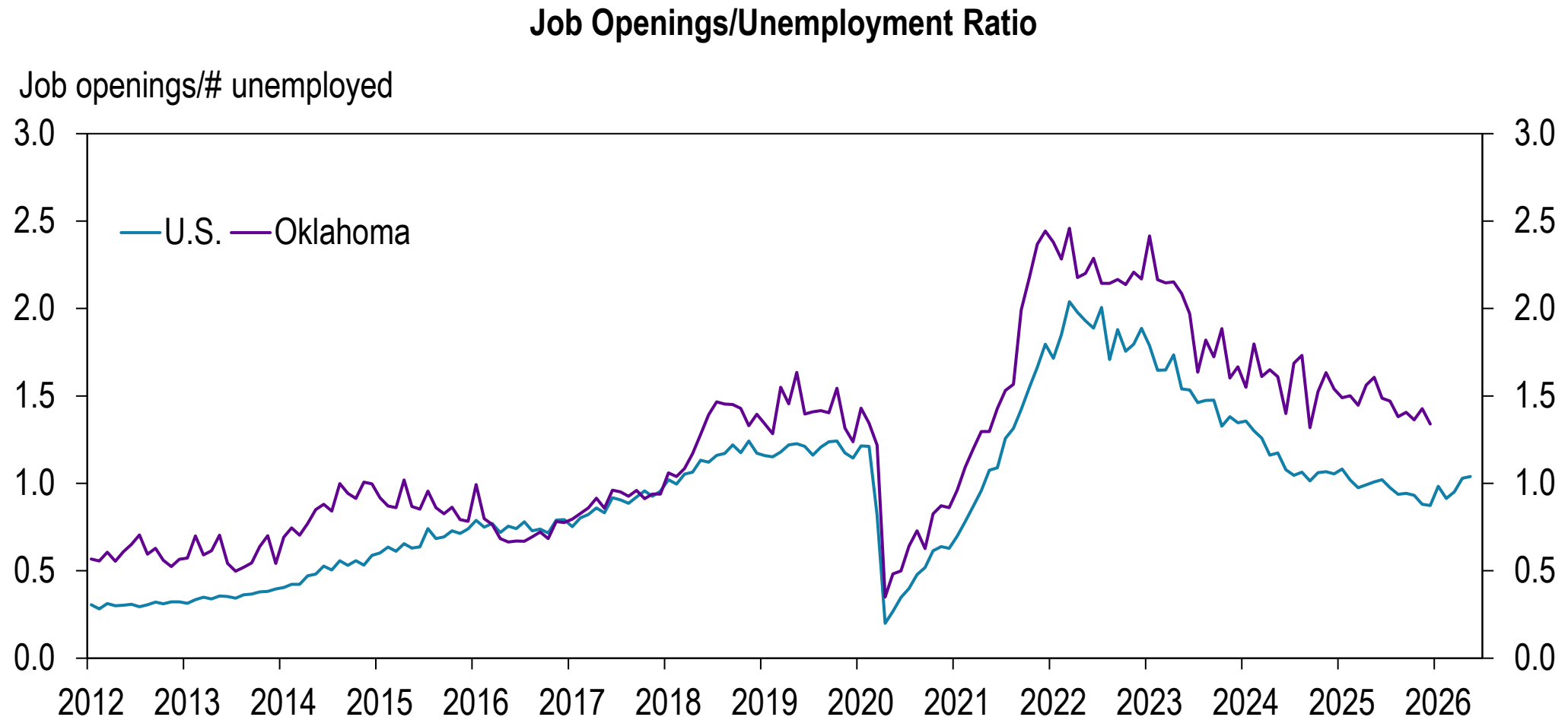
Percent of firms



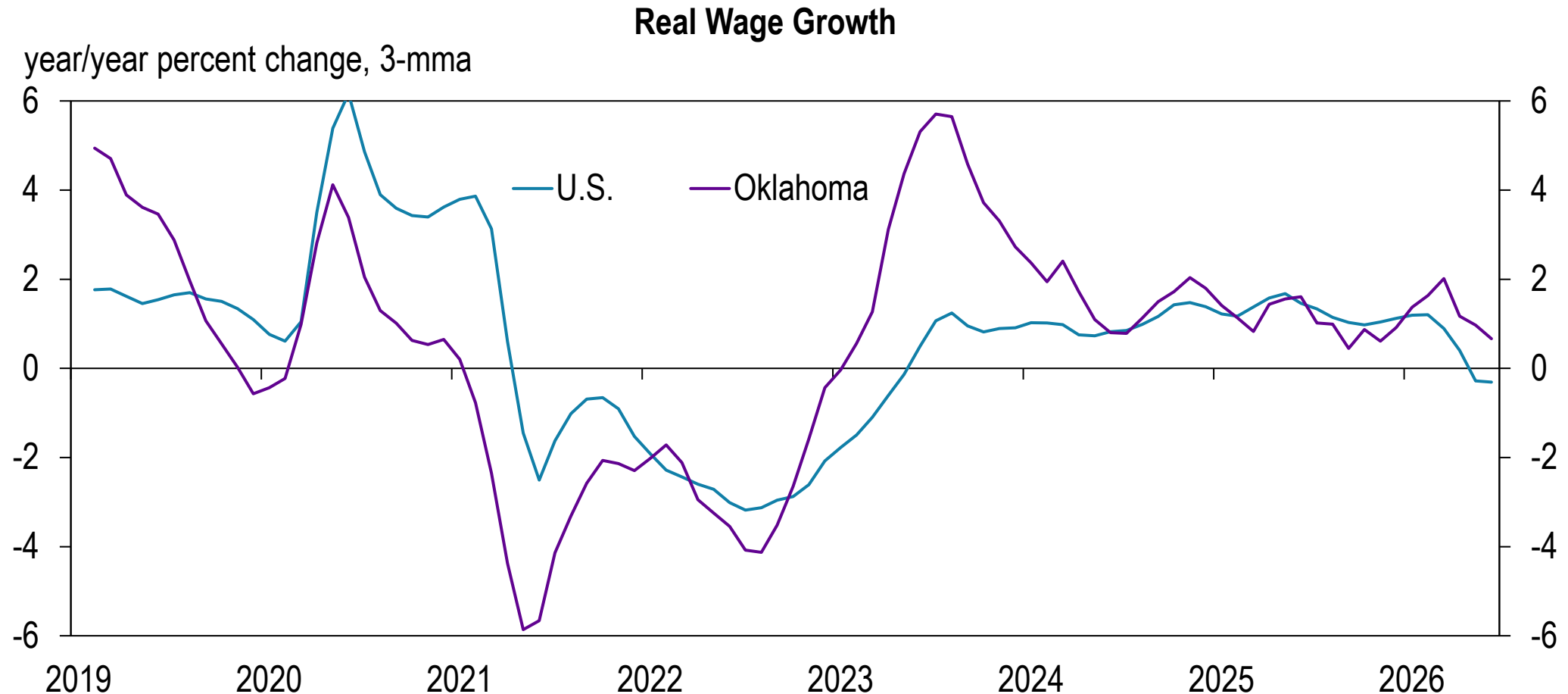
Job growth in Oklahoma slowed in 2025, and the unemployment rate has met the national average for the first time in a decade



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

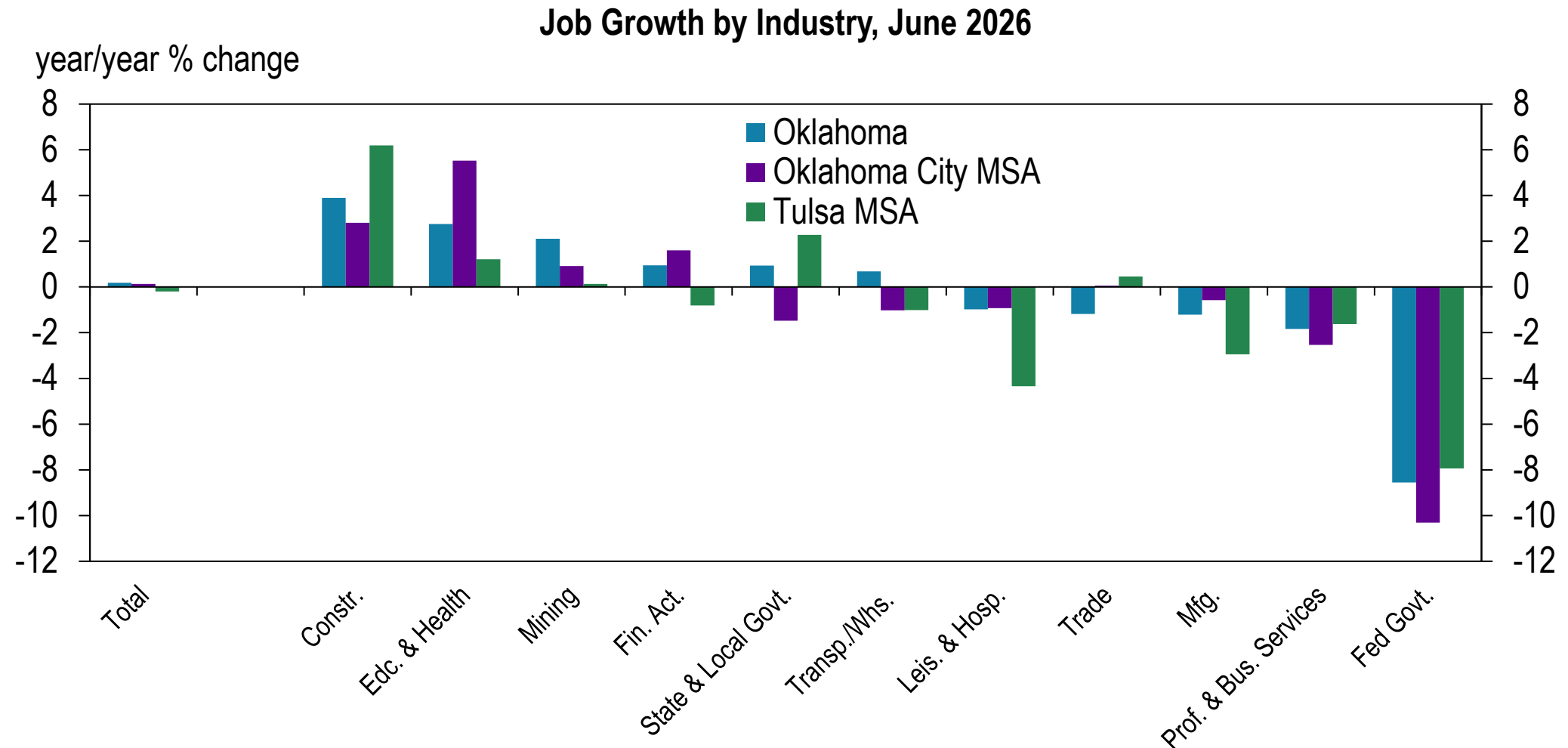


Wage growth has slowed recently, but continues to outpace the nation in Oklahoma

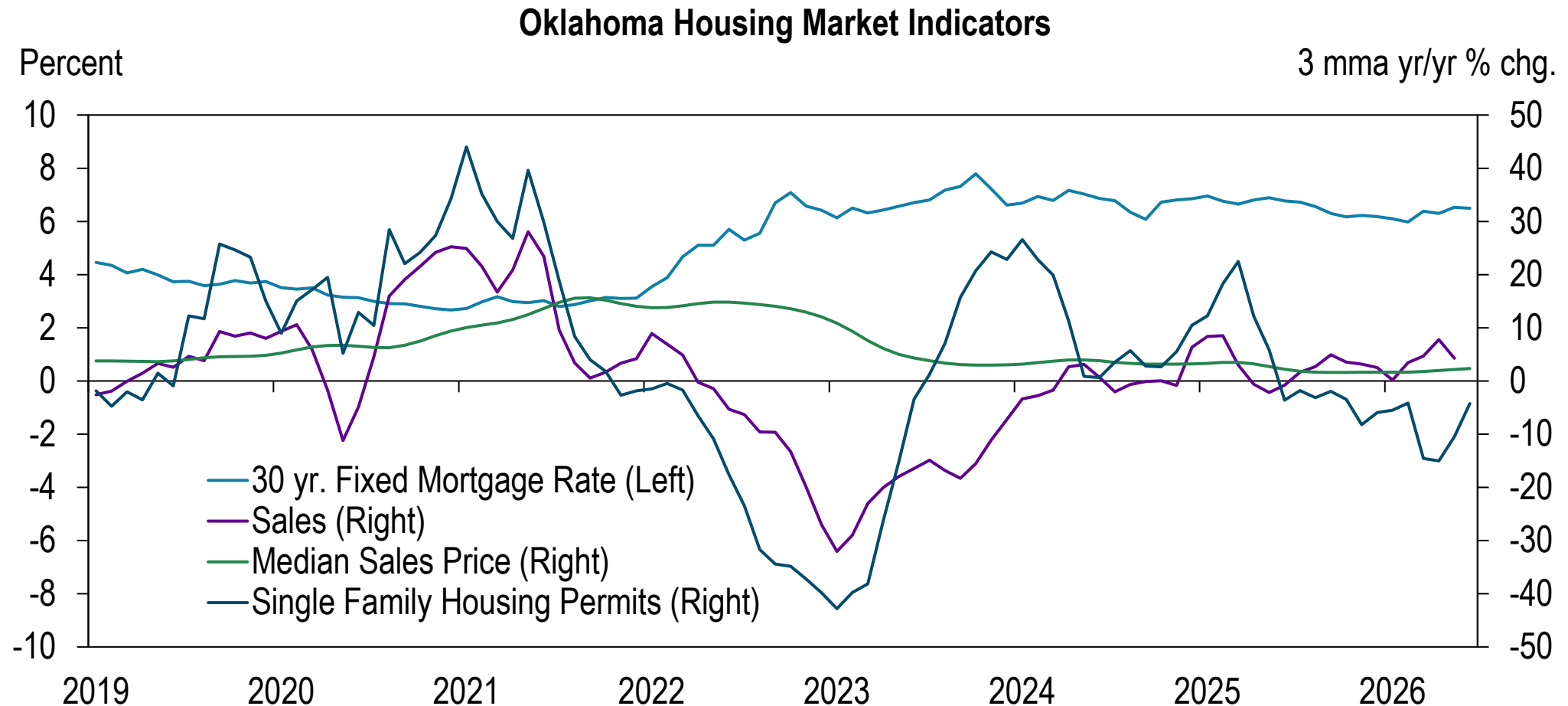


Note: U.S. wage growth is deflated by U.S. CPI. Oklahoma wage growth is deflated by South West Central CPI, including OK, TX, LA, and AR.
Sources: U.S. BLS/Haver Analytics

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



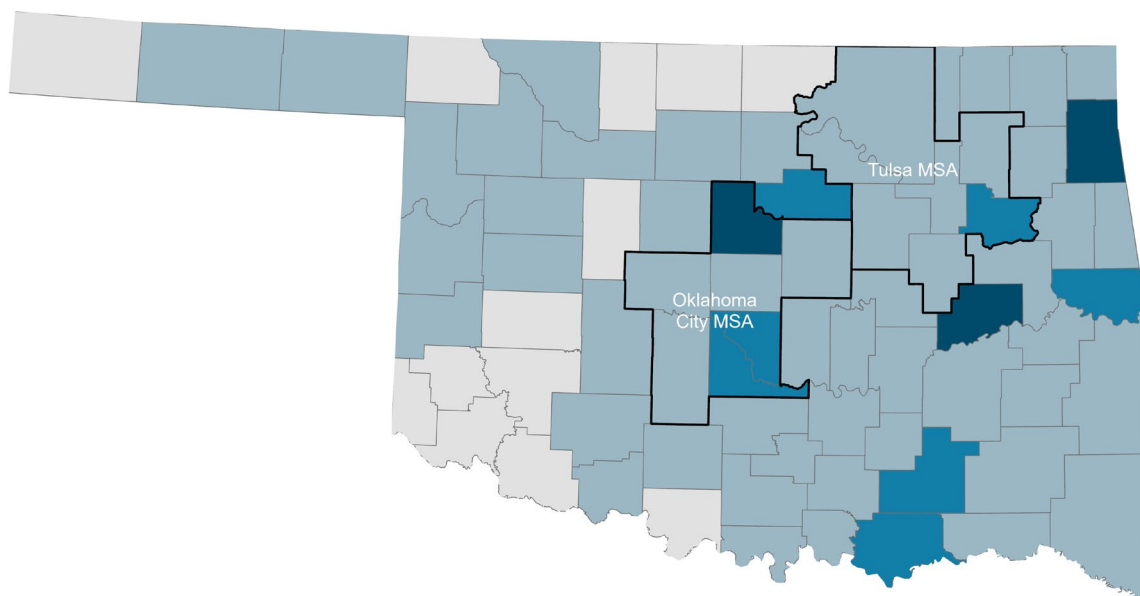
The Oklahoma housing market has stalled with higher for longer mortgage rates, although permits may be picking up



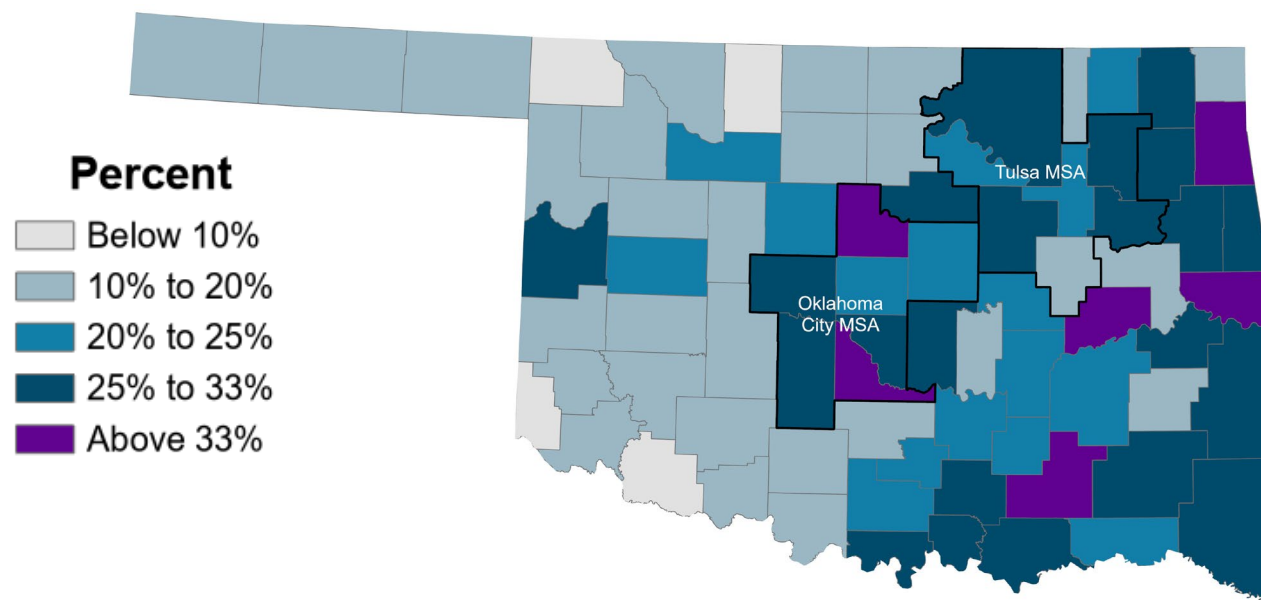
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019

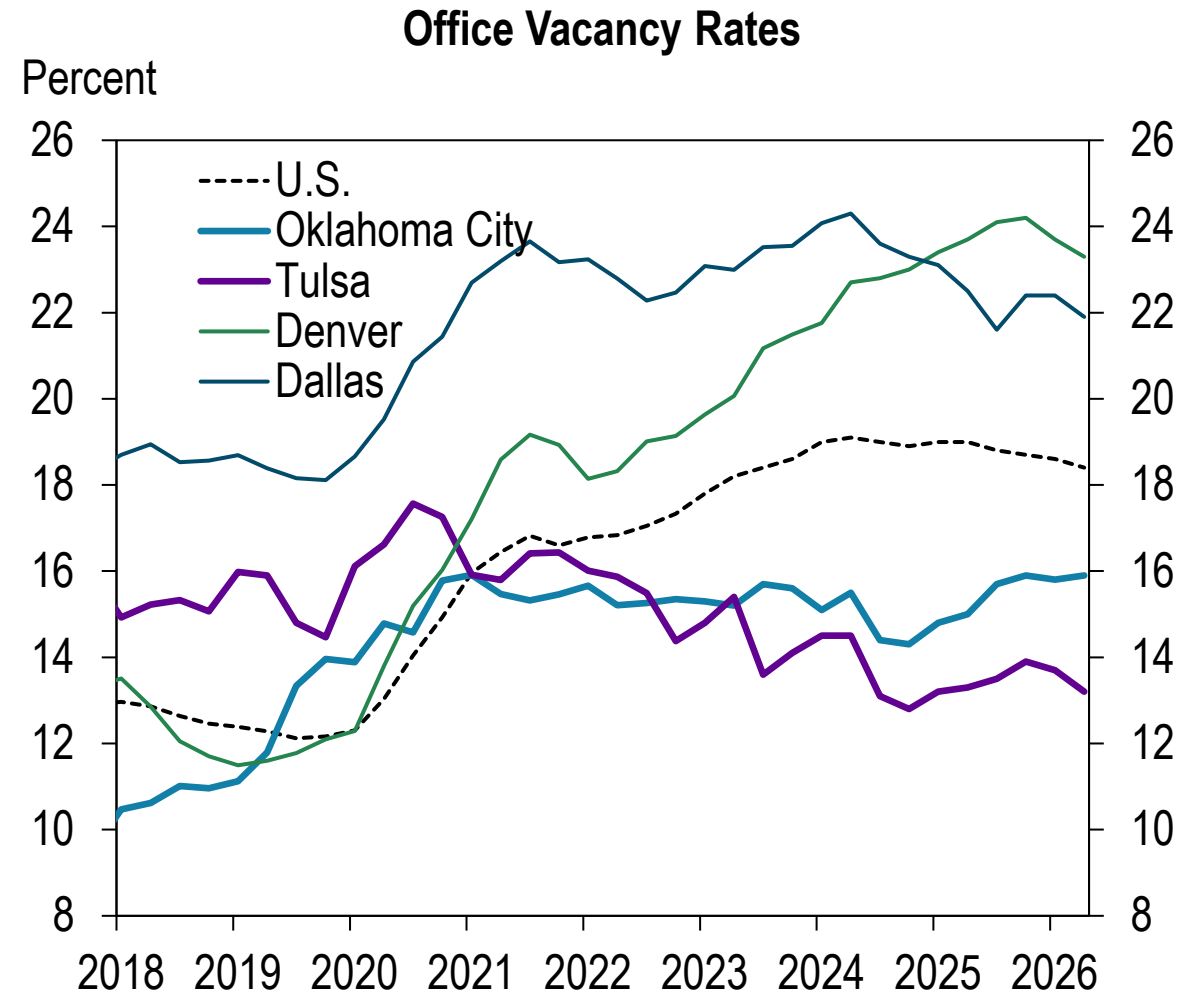
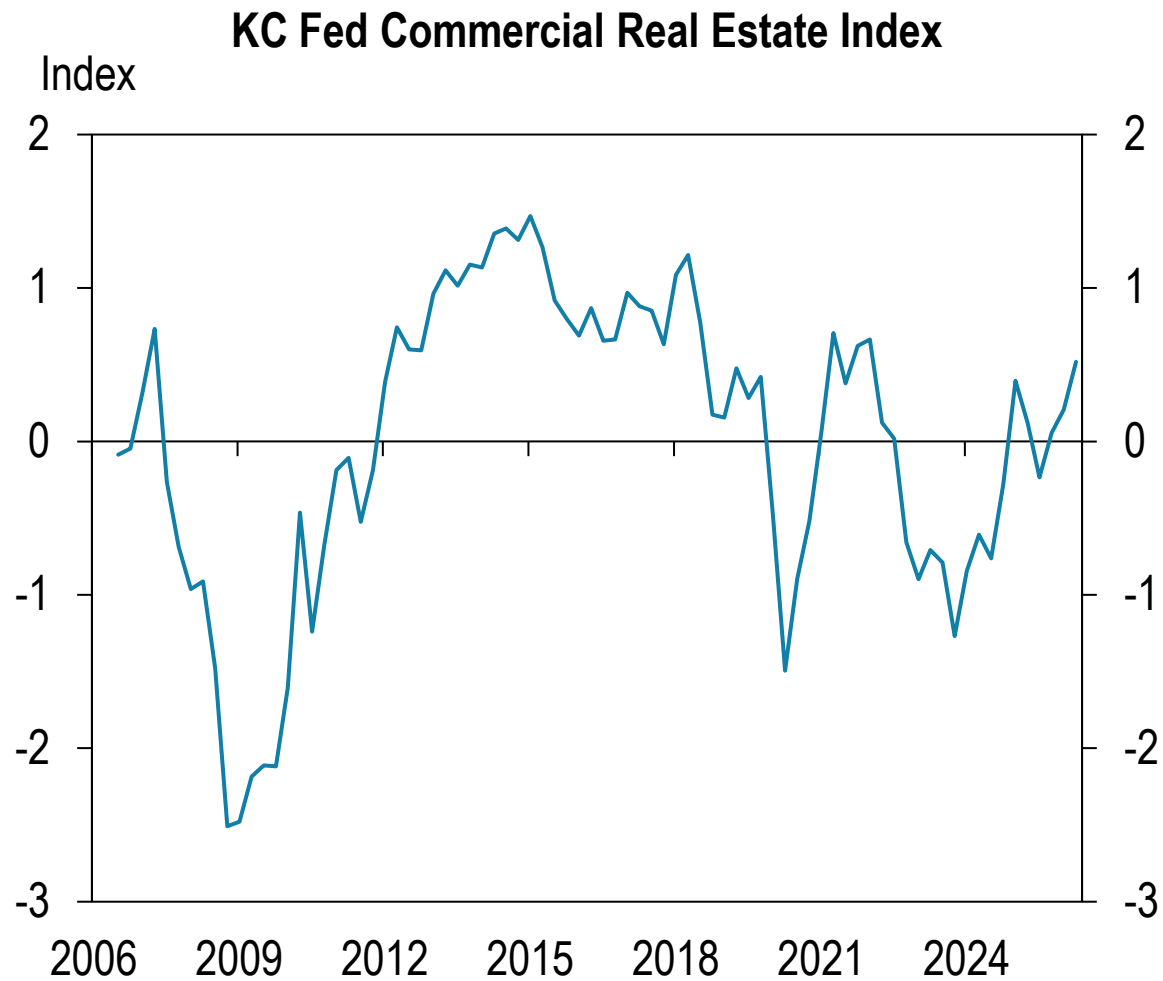


2024



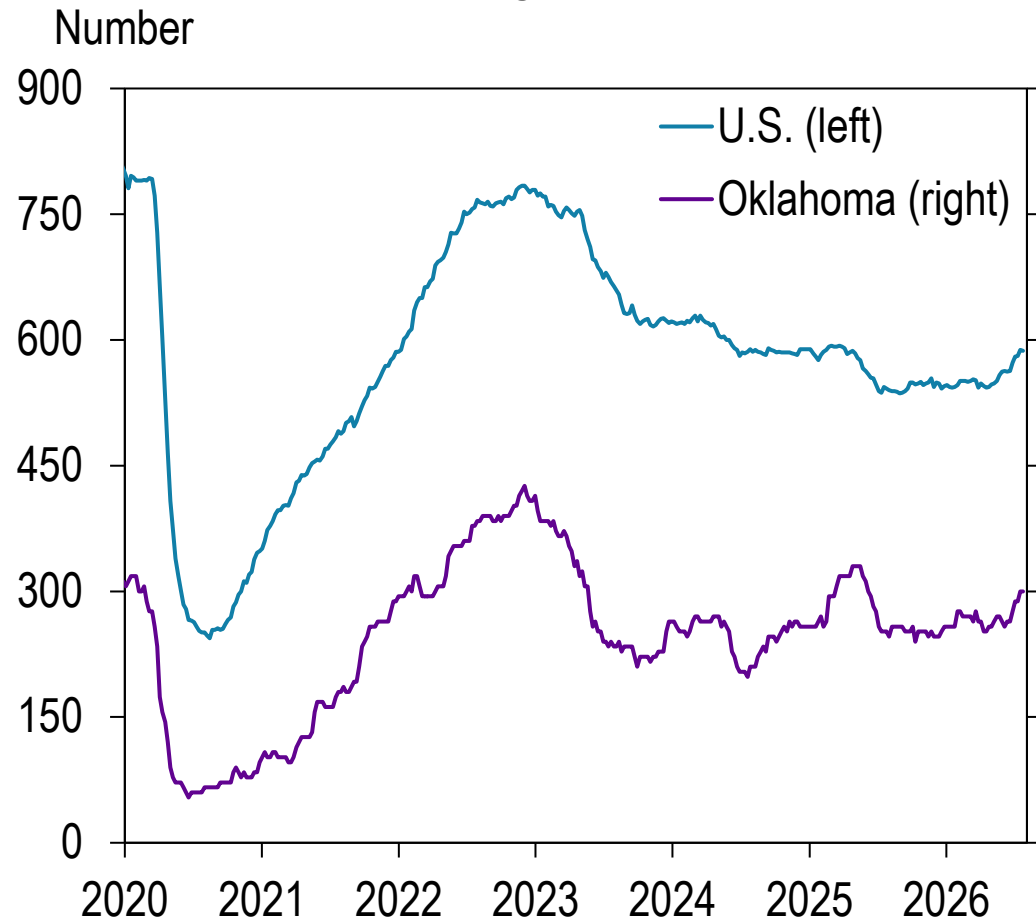
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

CRE activity has picked up, and office vacancy rates in Oklahoma have not risen like in other markets



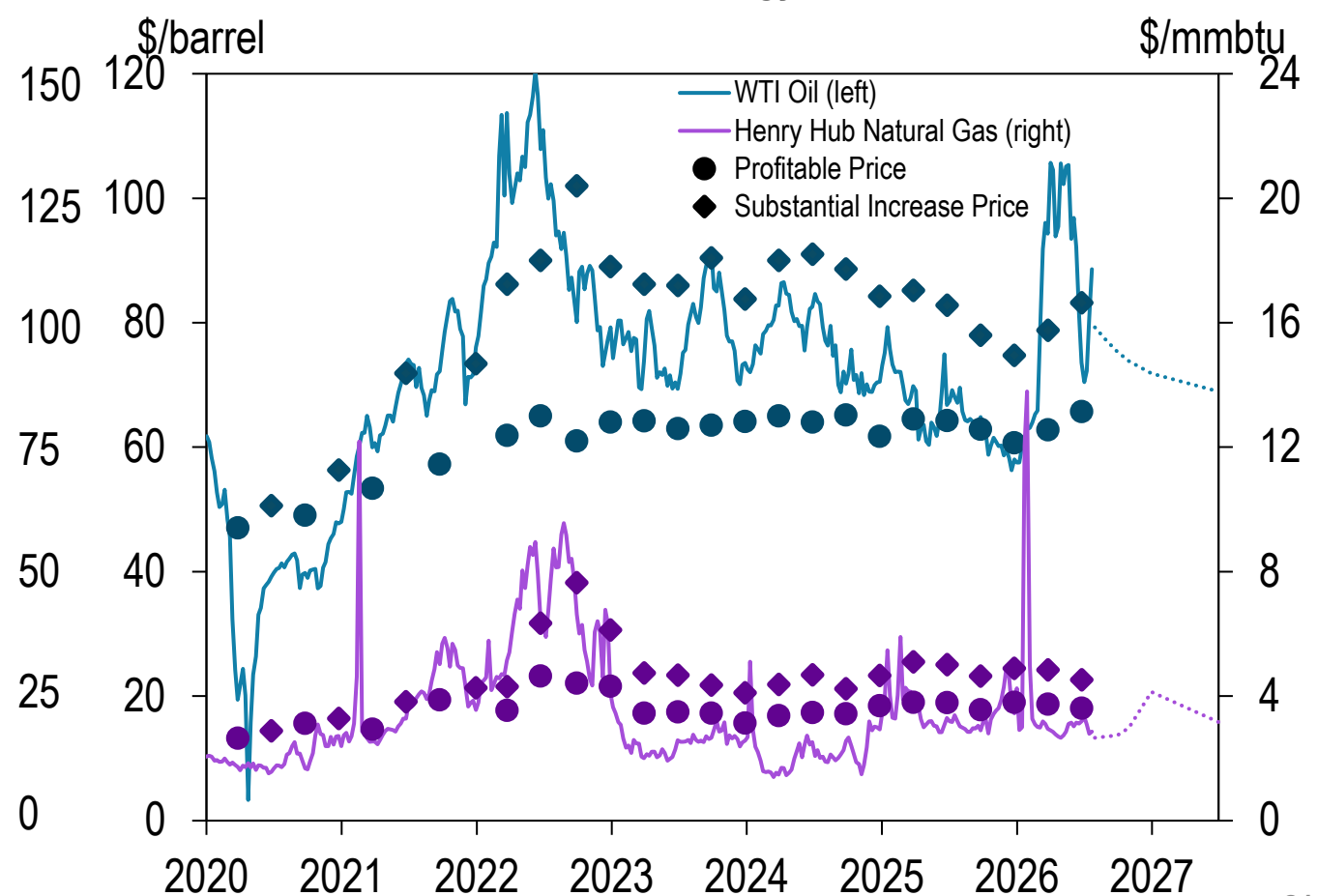
Rig counts have increased recently as oil prices surpass levels needed to increase drilling, and are expected to remain above breakevens

Rig Counts



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

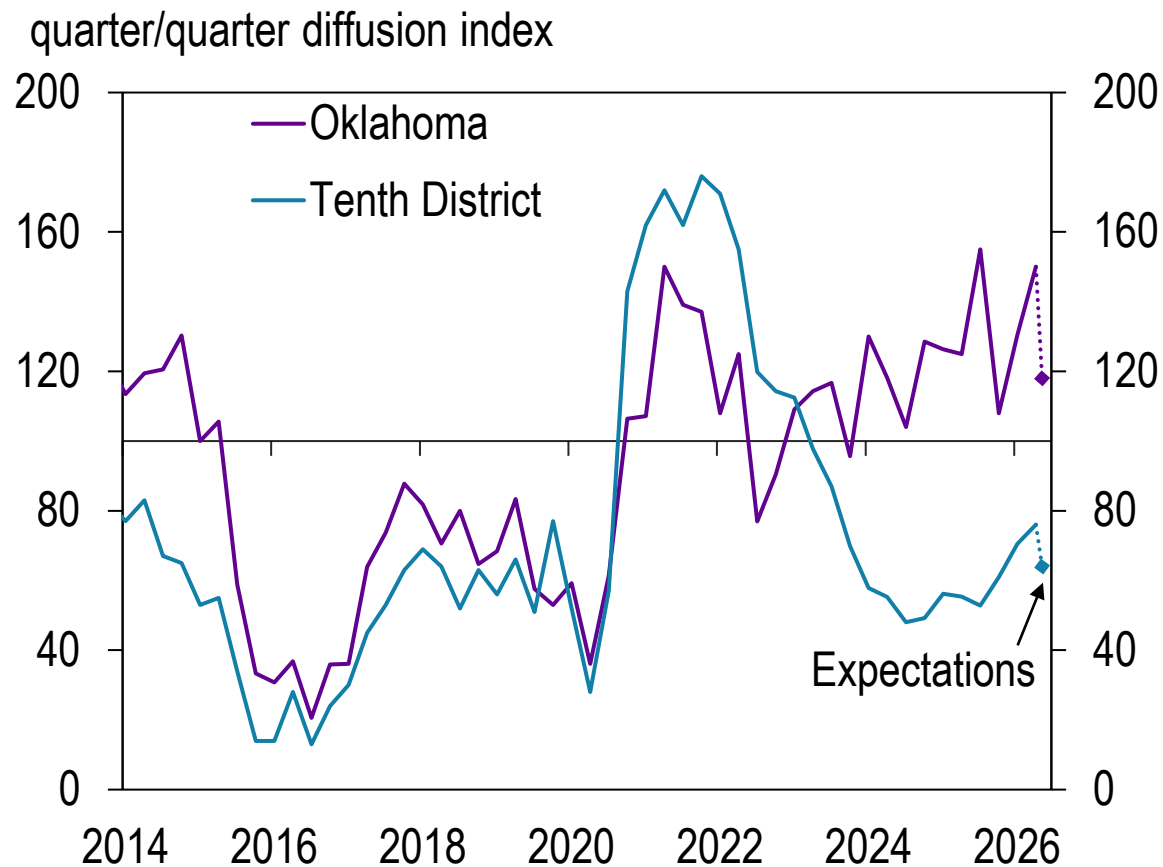
U.S. Energy Prices



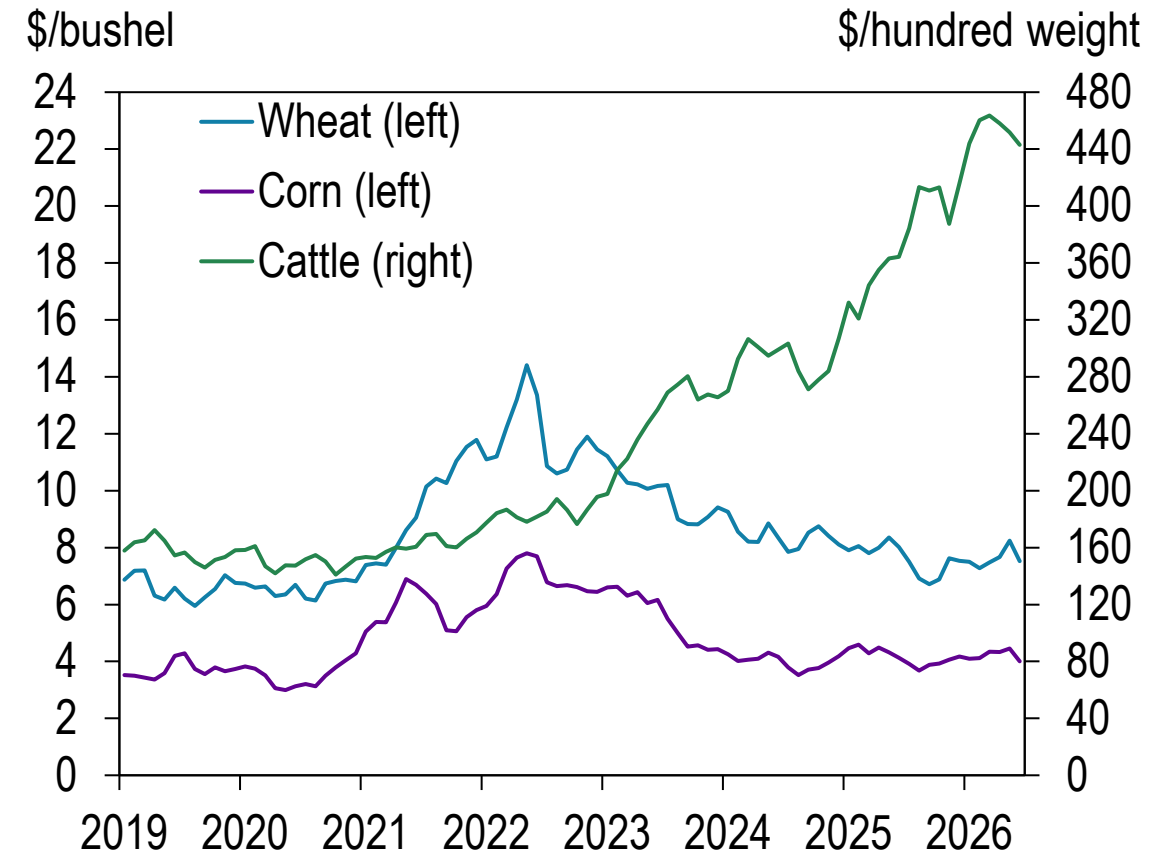
Note: Dotted lines show CME futures prices as of July 28.

Oklahoma farm income grew in Q2 while it declined in other District states, partially due to higher cattle prices

Farm Income

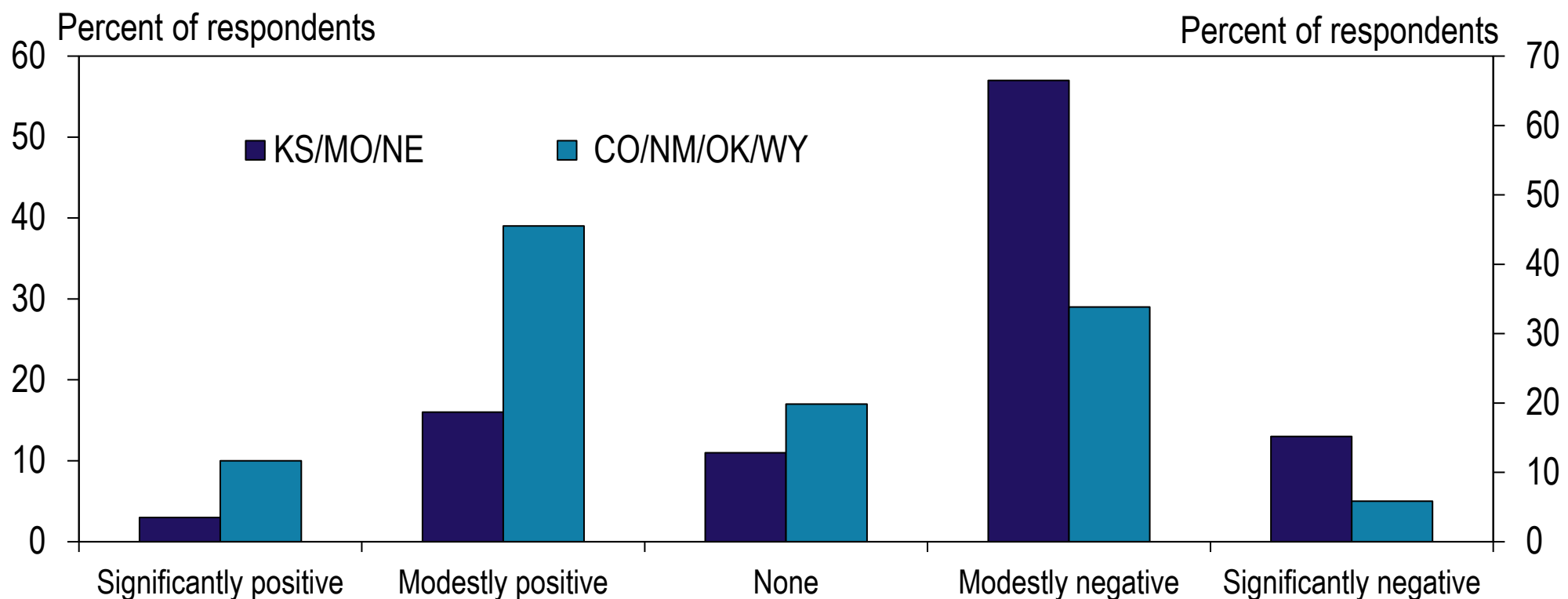


Agricultural Commodity Prices



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

Thank you!

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!



www.kansascityfed.org/oklahomacity