The “Fed” consists of three main entities:

- **Board of Governors**: 7 members appointed by U.S. President
- **Federal Reserve Banks**: 12 total; semi-independent by design
- **Federal Open Market Committee**: 19 members; 12 voting

Primary responsibility areas:

- Monetary policy
- Bank regulation
- Financial services
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 programming for low/moderate income groups, workforce focus
  - Economic education and public outreach programming

- **2022 OKC Branch Board of Directors**
  - Katrina Washington (chair), Owner/Broker, Stratos Realty, OKC
  - Walt Duncan, President, Duncan Oil Properties, OKC
  - Rhonda Hooper, President & CEO, Jordan Advertising, OKC
  - Susan Plumb, Chair & CEO, Bank of Cherokee Co., Tahlequah
  - Brady Sidwell, Principal, Sidwell Strategies, Enid
  - Chris Turner, COO, First National Bank, Shawnee/OKC
  - Dana Weber, Chair & CEO, Webco Industries, Sand Springs
Oklahomans are also well represented on Districtwide Fed Boards and Councils

• Kansas City Head Office Board:
  • Doug Stussi, Executive Advisor, Love Family of Companies, Oklahoma City

• Economic Advisory Council (EAC):
  • Clay Gaspar, Exec. VP and COO, Devon Energy, Oklahoma City
  • Peggy Simmons, President and COO, Public Services Company of Oklahoma, Tulsa

• Community Development Advisory Council (CDAC):
  • Raúl Font, President, Latino Community Development Agency, Oklahoma City
  • Cindy Logsdon, Exec. Director and CEO, Citizen Potawatomi Community Development Corporation, Oklahoma City

• Community Depository Institutions Advisory Council (CDIAC):
  • Mark Burrage, CEO, FirstBank, Antlers
  • Alicia Wade, President and COO, Valliance Bank, Oklahoma City
Overview

• U.S. economic indicators are mixed, with strong job growth but sluggish output, while inflation remains too high

• Several factors have boosted inflation over the past year, and several factors should help bring it back down

• Oklahoma’s economy continues to recover, but jobs remain below pre-pandemic levels in some sectors, especially energy

• Oklahoma had record in-migration in 2021, helping offset record deaths and hopefully boosting the future workforce
GDP growth has been modestly negative for 2 quarters, while job growth remains well above pre-COVID pace.

Quarterly U.S. Economic Growth

Sources: BEA, BLS/Haver Analytics
U.S. unemployment remains historically low and is projected to edge up only slightly in coming years

U.S. Unemployment Rate

Current (August 2022): 3.7%

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

Sources: U.S. Bureau of Labor Statistics, FOMC
Meanwhile, inflation has moved well above the Fed’s 2% target but is expected to ease heading forward.

PCE Inflation Index

- Current Overall PCE (July 2022): 6.3%
- Current Core PCE (July 2022): 4.6%

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

Sources: Bureau of Economic Analysis, FOMC
CPI inflation did ease slightly in July, to 8.5%, as goods inflation continued to drop and food/energy prices fell.

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

Sources: BLS/Haver Analytics
But longer-term inflation expectations remain pretty well anchored.
The Fed raised the federal funds rate target 75 bp in July, with more increases expected in 2022 and 2023.

Federal Funds Rate
Year-End Target

Current Target: 2.25% - 2.5%

Projections

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

Sources: Bureau of Economic Analysis, FOMC
The Fed has also begun to reduce its balance sheet of securities, further tightening policy.
Jobs in Oklahoma are back to around pre-COVID levels, and unemployment is very low in the state.
The number of job openings still greatly exceeds the number of unemployed workers but has leveled off.
Oklahoma’s population grew in 2021 despite a historic increase in deaths, due to massive in-migration.

Oklahoma Population Changes by Component, 2001-2021

Source: U.S. Census Bureau
Many people moved to OK from CA and TX, mostly to the metros but some other parts of the state, too.
Oklahoma employment is still down from pre-COVID levels in energy and office support-related industries

### Oklahoma Industries Shedding the Most Jobs Since 2019

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Support Activities for Mining</td>
<td>17,000</td>
<td>-12,300</td>
<td>-42% -12% -49% 24%</td>
<td>$76,446</td>
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<tr>
<td>Machinery Manufacturing</td>
<td>22,300</td>
<td>-5,000</td>
<td>-18% -9% -26% 2%</td>
<td>$66,618</td>
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<tr>
<td>Other Admin., Support, &amp; Waste Mgmt. Services</td>
<td>23,600</td>
<td>-4,600</td>
<td>-16% 17% -2% -10%</td>
<td>$52,700</td>
</tr>
<tr>
<td>Other Mining &amp; Logging (excl. Support Activities)</td>
<td>14,900</td>
<td>-4,000</td>
<td>-21% -29% -44% 9%</td>
<td>$137,359</td>
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<tr>
<td>Other Private Services</td>
<td>50,800</td>
<td>-4,000</td>
<td>-7% 22% 13% 0%</td>
<td>$42,173</td>
</tr>
<tr>
<td>Heavy &amp; Civil Engineering Construction</td>
<td>16,600</td>
<td>-3,600</td>
<td>-18% 36% 11% 2%</td>
<td>$59,563</td>
</tr>
<tr>
<td>Nursing &amp; Residential Care Facilities</td>
<td>31,300</td>
<td>-3,500</td>
<td>-10% 1% -9% -1%</td>
<td>$32,832</td>
</tr>
<tr>
<td>Fabricated Metal Manufacturing</td>
<td>21,000</td>
<td>-3,100</td>
<td>-13% 0% -13% 4%</td>
<td>$59,069</td>
</tr>
<tr>
<td>Information</td>
<td>16,800</td>
<td>-3,000</td>
<td>-15% -12% -26% -7%</td>
<td>$65,990</td>
</tr>
<tr>
<td>Local Government (excl. Educ. &amp; Indian Tribes)</td>
<td>73,600</td>
<td>-3,000</td>
<td>-4% 2% -2% 1%</td>
<td>$48,172</td>
</tr>
</tbody>
</table>

Note: **Green** indicates jobs paid above overall Oklahoma average pay of $51,350 in 2021

**Red** indicates jobs paid below overall Oklahoma average pay of $51,350 in 2021

Source: U.S. Bureau of Labor Statistics
But warehouse and finance-related jobs are above pre-COVID levels, as are many retail and restaurant jobs

Oklahoma Industries Adding the Most Jobs Since 2019

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Transportation &amp; Warehousing (excl. Truck Transp.)</td>
<td>50,400</td>
<td>16,000</td>
<td>47%</td>
<td>50%</td>
<td>119%</td>
<td>$48,919</td>
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<tr>
<td>Employment Services</td>
<td>49,700</td>
<td>7,300</td>
<td>17%</td>
<td>3%</td>
<td>21%</td>
<td>$42,530</td>
</tr>
<tr>
<td>Retail Trade (excl. Autos, Food/Beverage, General Merch.)</td>
<td>92,900</td>
<td>6,300</td>
<td>7%</td>
<td>5%</td>
<td>13%</td>
<td>$31,870</td>
</tr>
<tr>
<td>Limited Service Restaurants &amp; Other Eating Places</td>
<td>74,500</td>
<td>5,300</td>
<td>8%</td>
<td>17%</td>
<td>26%</td>
<td>$17,508</td>
</tr>
<tr>
<td>Indian Tribes</td>
<td>54,200</td>
<td>4,000</td>
<td>8%</td>
<td>26%</td>
<td>36%</td>
<td>$52,346</td>
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<tr>
<td>Accounting, Tax Prep., Bookkeeping, &amp; Payroll Services</td>
<td>17,800</td>
<td>2,500</td>
<td>16%</td>
<td>26%</td>
<td>47%</td>
<td>$73,133</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>19,500</td>
<td>1,800</td>
<td>10%</td>
<td>16%</td>
<td>27%</td>
<td>$48,376</td>
</tr>
<tr>
<td>Credit Intermediation &amp; Related Activities</td>
<td>33,800</td>
<td>1,700</td>
<td>5%</td>
<td>0%</td>
<td>6%</td>
<td>$68,217</td>
</tr>
<tr>
<td>Building Equipment Contractors</td>
<td>28,100</td>
<td>1,600</td>
<td>6%</td>
<td>22%</td>
<td>29%</td>
<td>$54,473</td>
</tr>
<tr>
<td>Insurance Carriers &amp; Related Activities</td>
<td>22,800</td>
<td>1,600</td>
<td>8%</td>
<td>-4%</td>
<td>4%</td>
<td>$69,274</td>
</tr>
</tbody>
</table>

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Source: U.S. Bureau of Labor Statistics
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Questions?

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