

Economic and Financial Market Conditions

Langston University AFRC Seminar Series

February 4, 2026

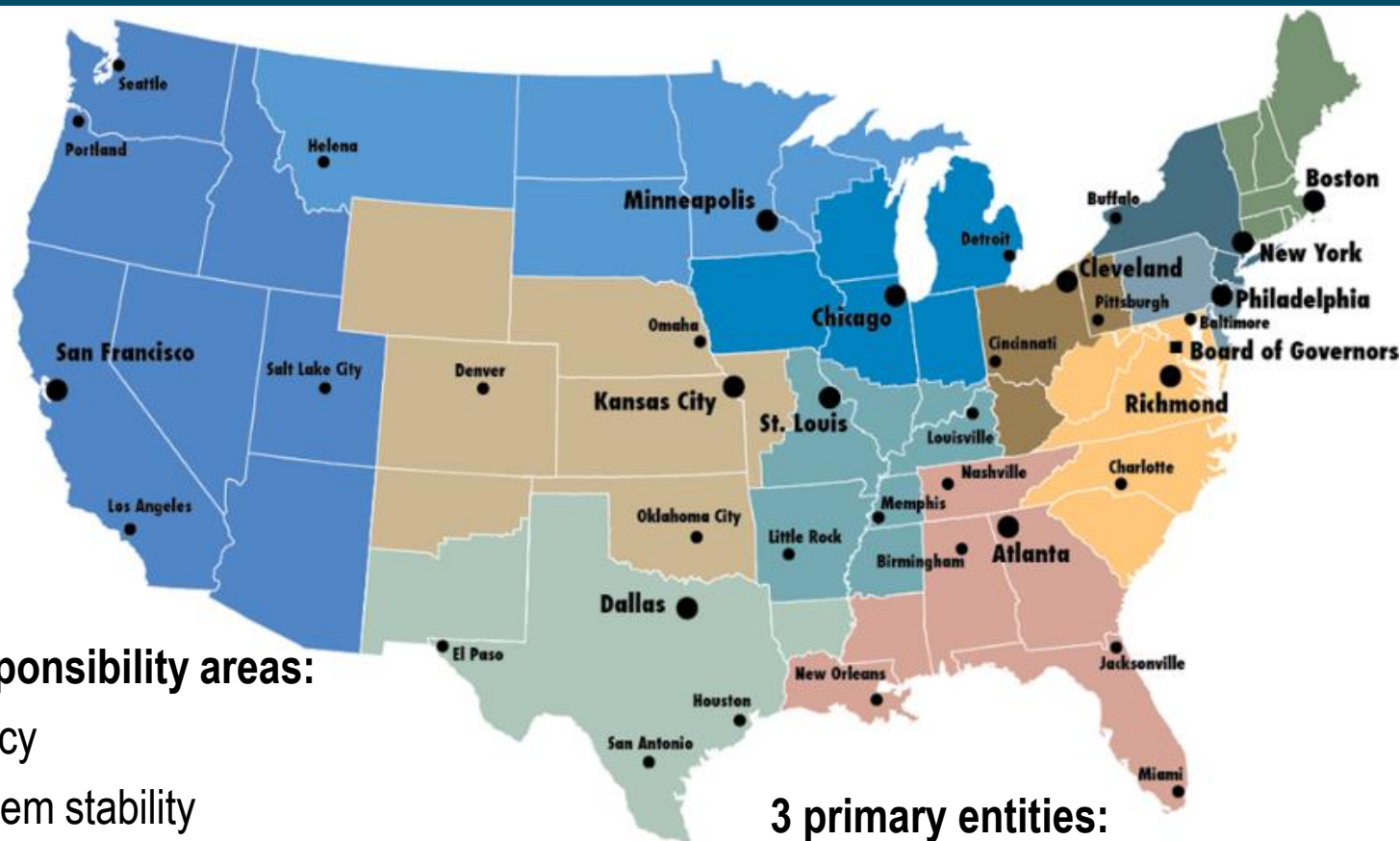
Cortney Cowley

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.



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

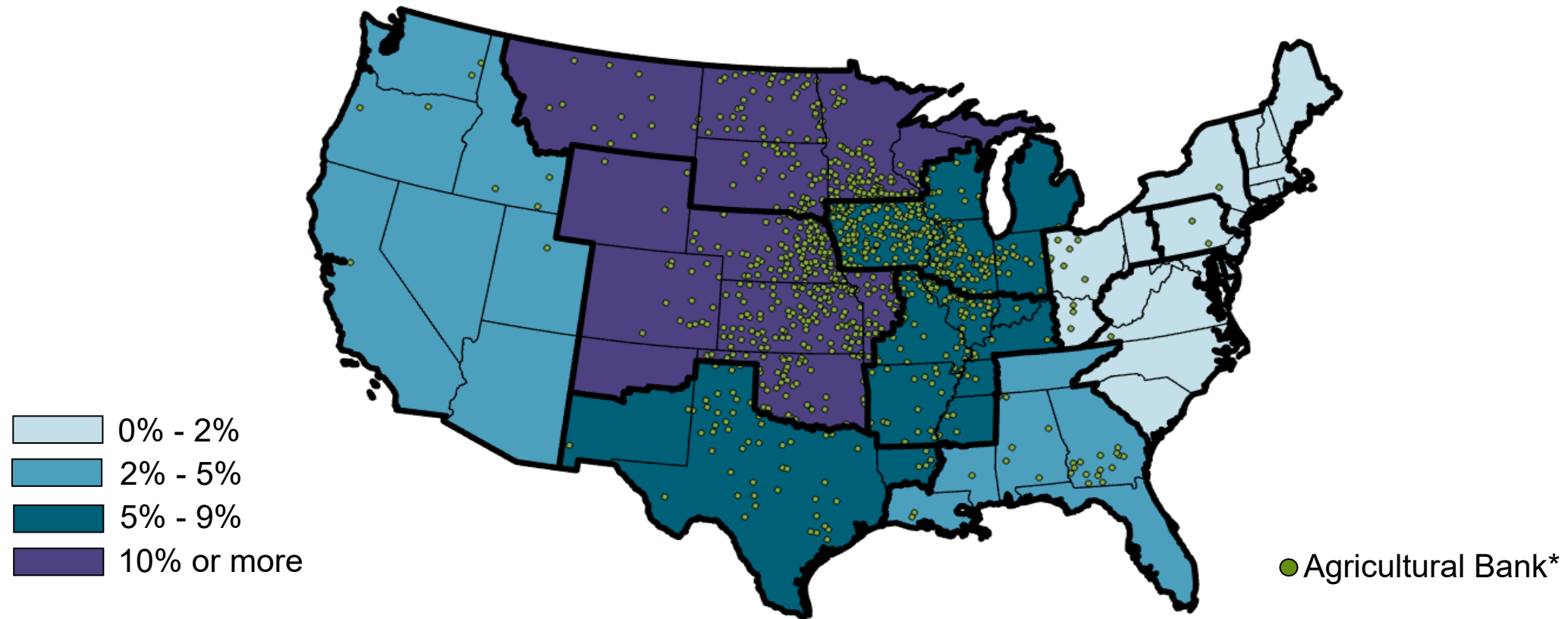


Oklahomans on National and Regional Fed Advisory Councils

- **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

Agriculture is concentrated in the Tenth District.

Farm Income as a Share of Total Income



*Agricultural banks are commercial banks with combined agricultural production and farmland loans totaling at least 25 percent of total loans.

Note: Farm income as a share of total income is shown as the average across all counties in each Federal Reserve District and computed using 2023 farm earnings as a share of total earnings.

Sources: Bureau of Economic Analysis, Reports of Condition and Income, and Federal Reserve Bank of Kansas City staff calculations

The Kansas City Fed has had a long history in monitoring conditions in agriculture, and last year, launched the Center for Agriculture and the Economy

- 1978 – “[World Agricultural Trade: The Potential for Growth](#)” ~ 1st Jackson Hole Symposium
- 2000 – “[Beyond Agriculture: New Policies for Rural America](#)” ~ A conference sponsored by the Center for the Study of Rural America
- 2010 – Agricultural Symposium ~ “[Farming, Finance, and the Global Marketplace](#)”
- June 2025– Food and Agriculture Economic Summit: “[Investing in Food Production and Distribution](#)”
- October 2025 –National Agricultural Credit Conference
- Frequent research publications, economic presentations, System collaboration, and media interaction.



**Center FOR Agriculture
AND the Economy**

FEDERAL RESERVE BANK OF KANSAS CITY

The Center exists to inform policy-related discussions within the Fed on topics related to agriculture and rural areas.

- Research: journal articles and Bank publications, in addition to policy briefings, surveys, and data products.
- Outreach: engagement with external audiences to build relationships that will contribute to our understanding of key agricultural and rural trends.
- National Advisory Council: a core external group serving as a key foundation to activities of the Center and our understanding of industry developments.

Overview: Economic and Financial Market Conditions

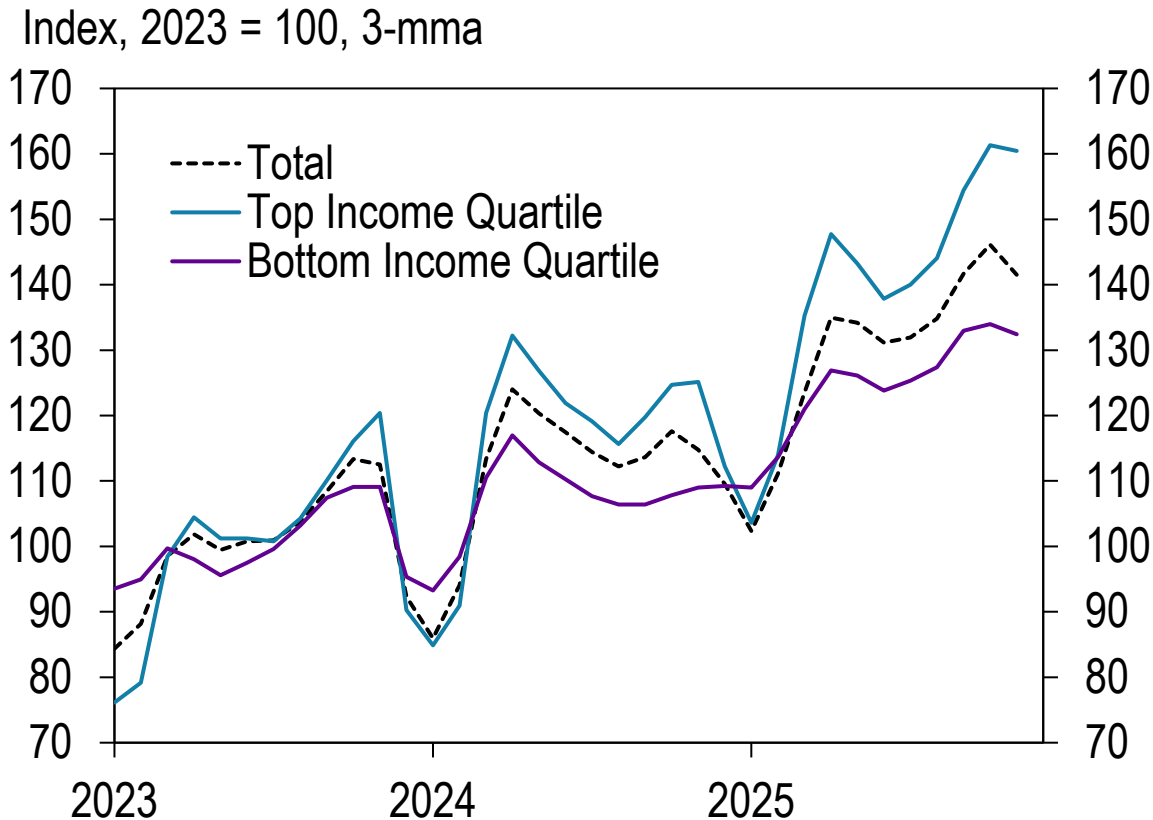
- U.S. economic growth remains solid, but is concentrated in certain sectors and segments of the population
- The labor market is balanced, but softening, as labor supply and demand fall together. Unemployment is up slightly but remains near long-term averages.
- Inflation has come closer to the Fed's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

GDP accelerated in Q3 and employment growth has slowed considerably

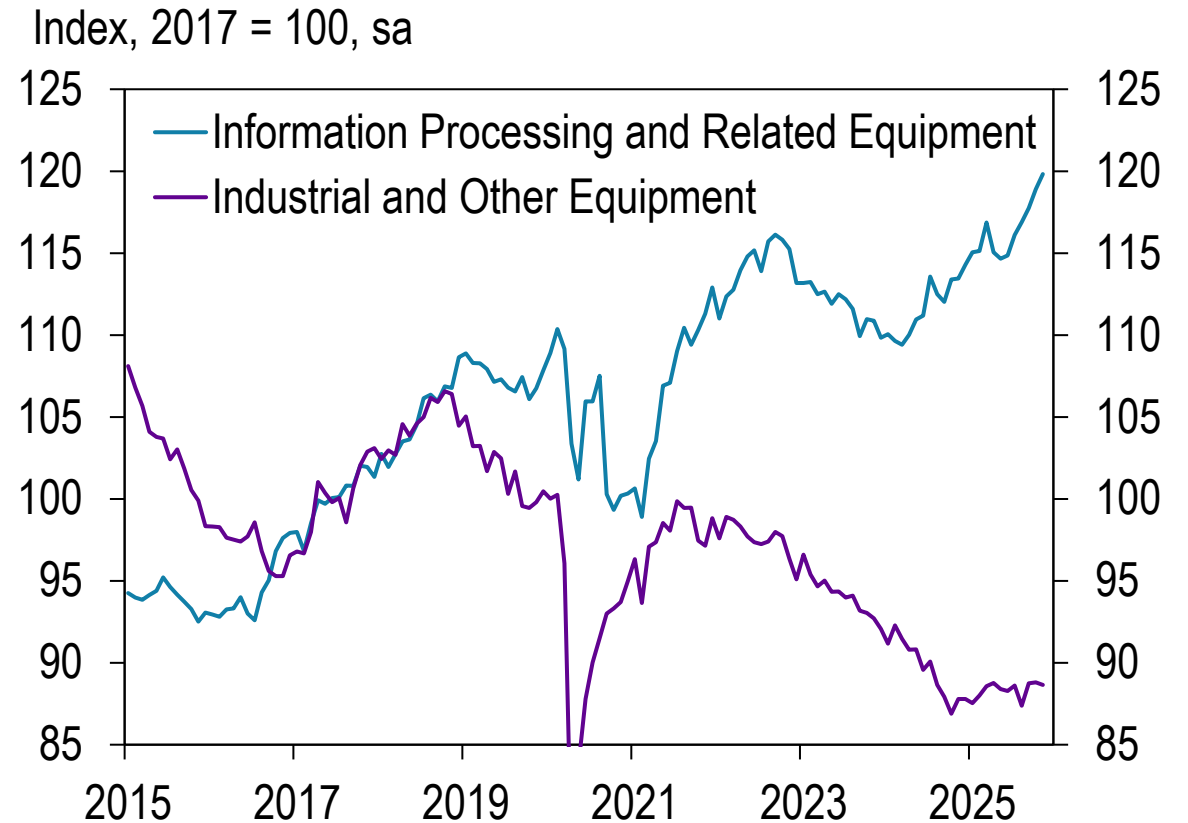


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

U.S. Credit Card Consumer Spending by Income

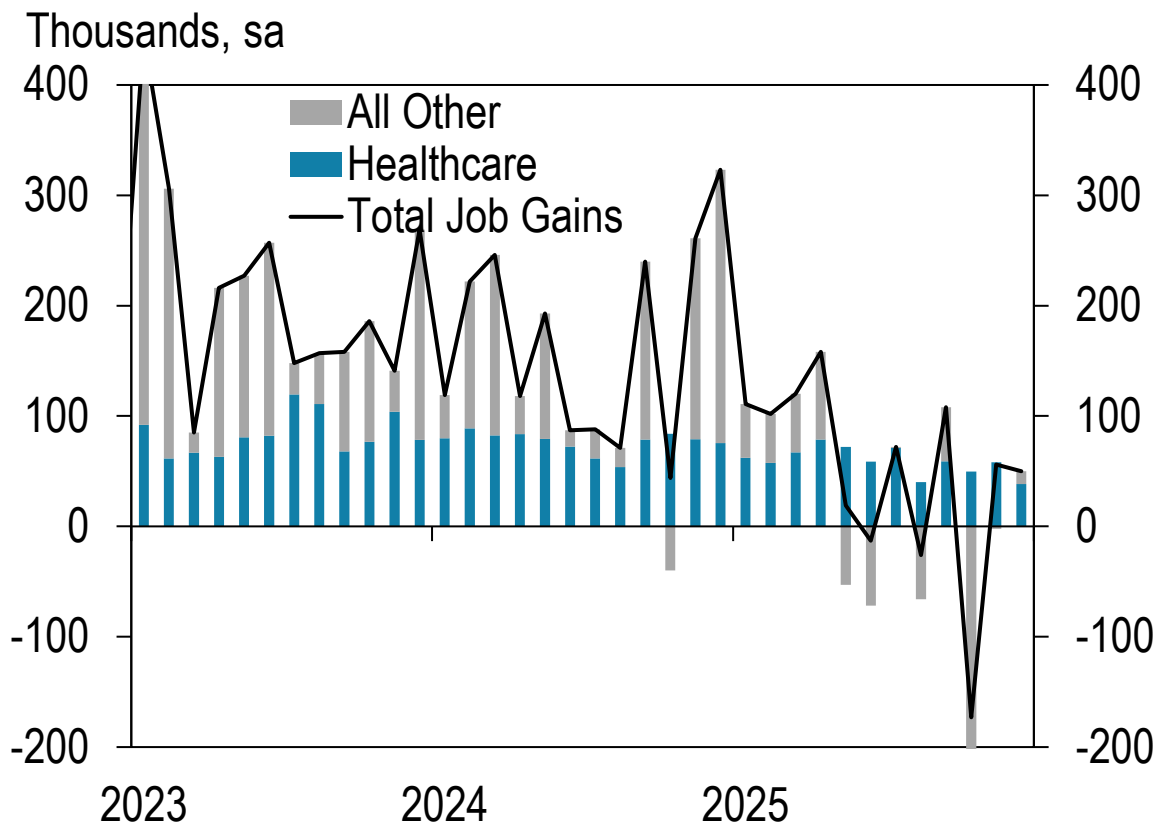


U.S. Industrial Production

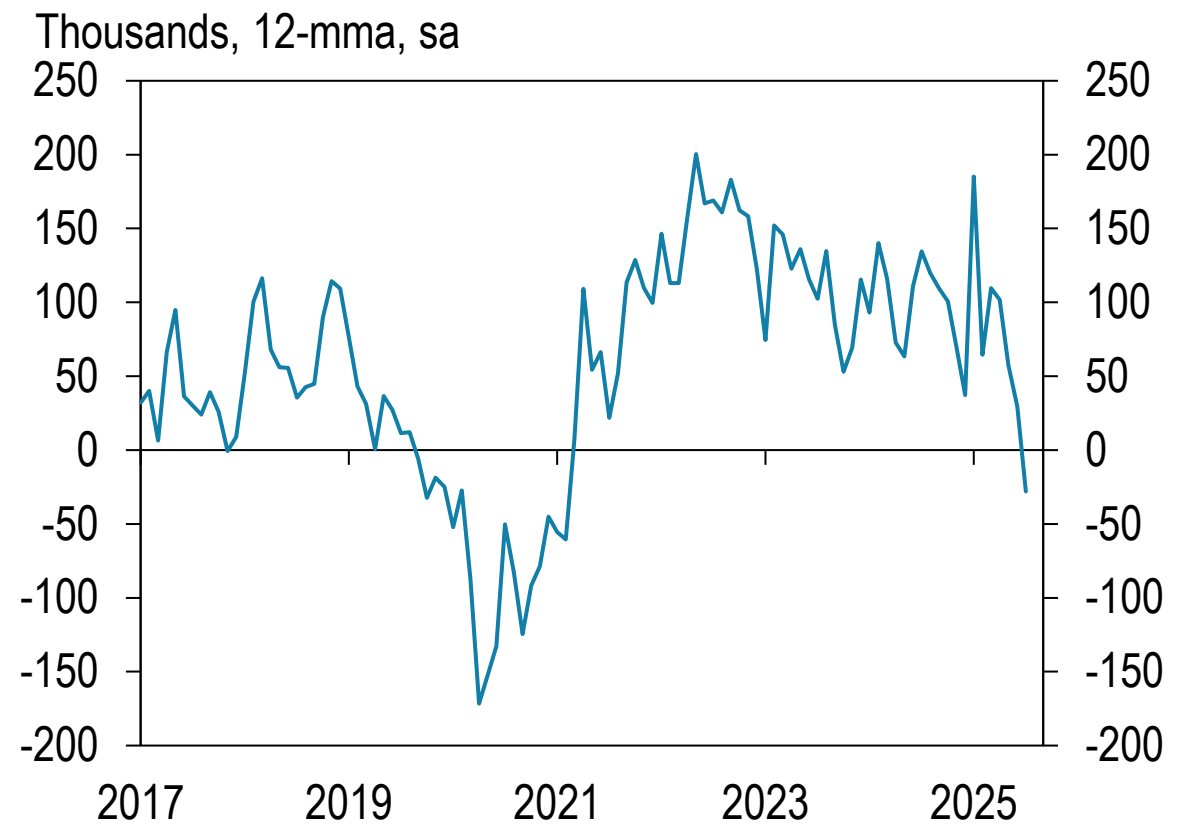


U.S. job gains have slowed in recent months and are largely concentrated in healthcare, partially due to reduced labor supply from immigration

U.S. Net Monthly Job Gains

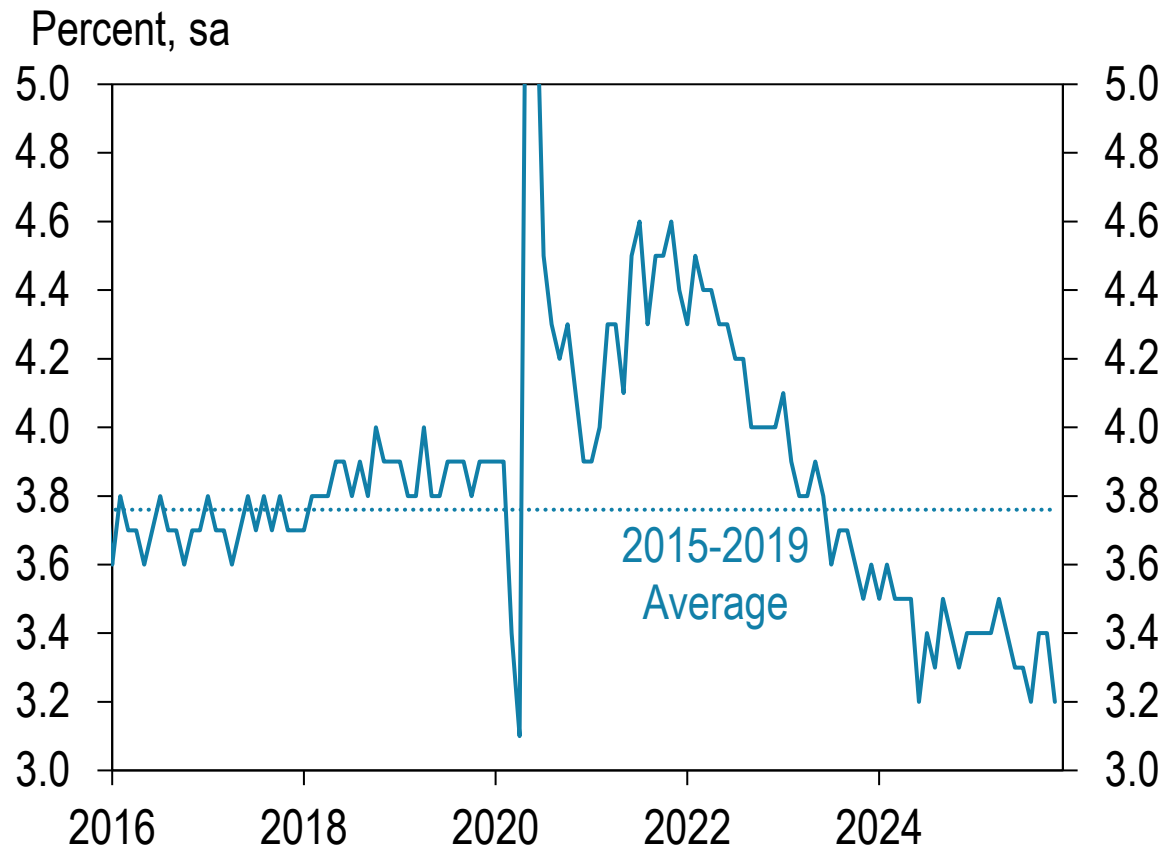


U.S. Net Immigration



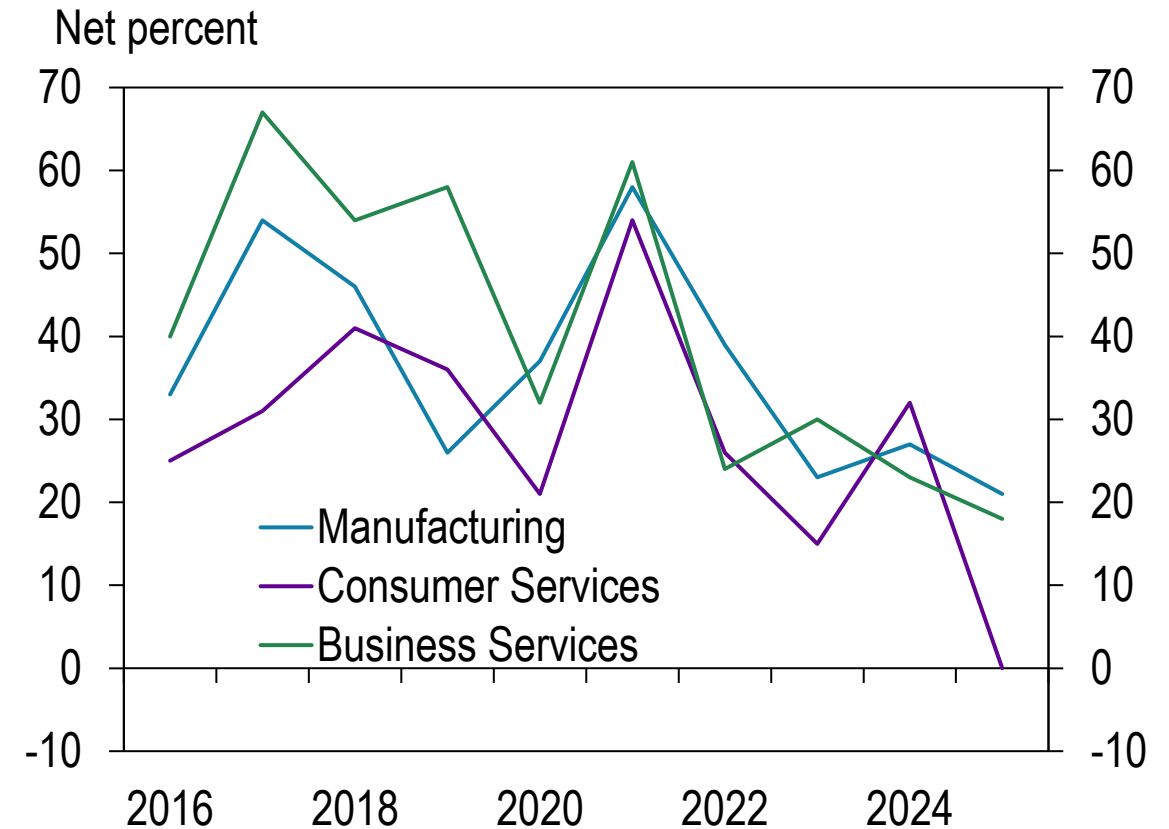
U.S. hiring has stayed below pre-pandemic levels over the last year, and Tenth District firms report the lowest hiring outlook on record for the coming year

U.S. Hiring Rate



Sources: BLS, FRBKC/Haver Analytics

Tenth District Firms Expecting Higher Employment in 12 Months

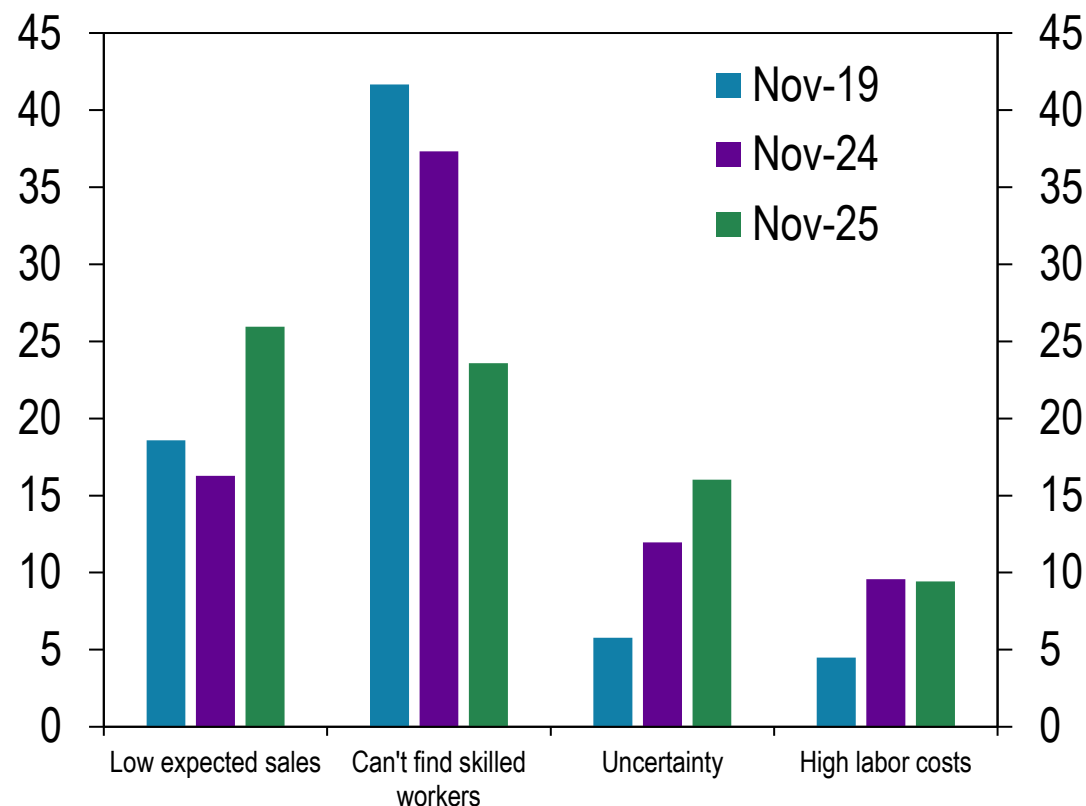


Note: Question asked in November of each year.

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

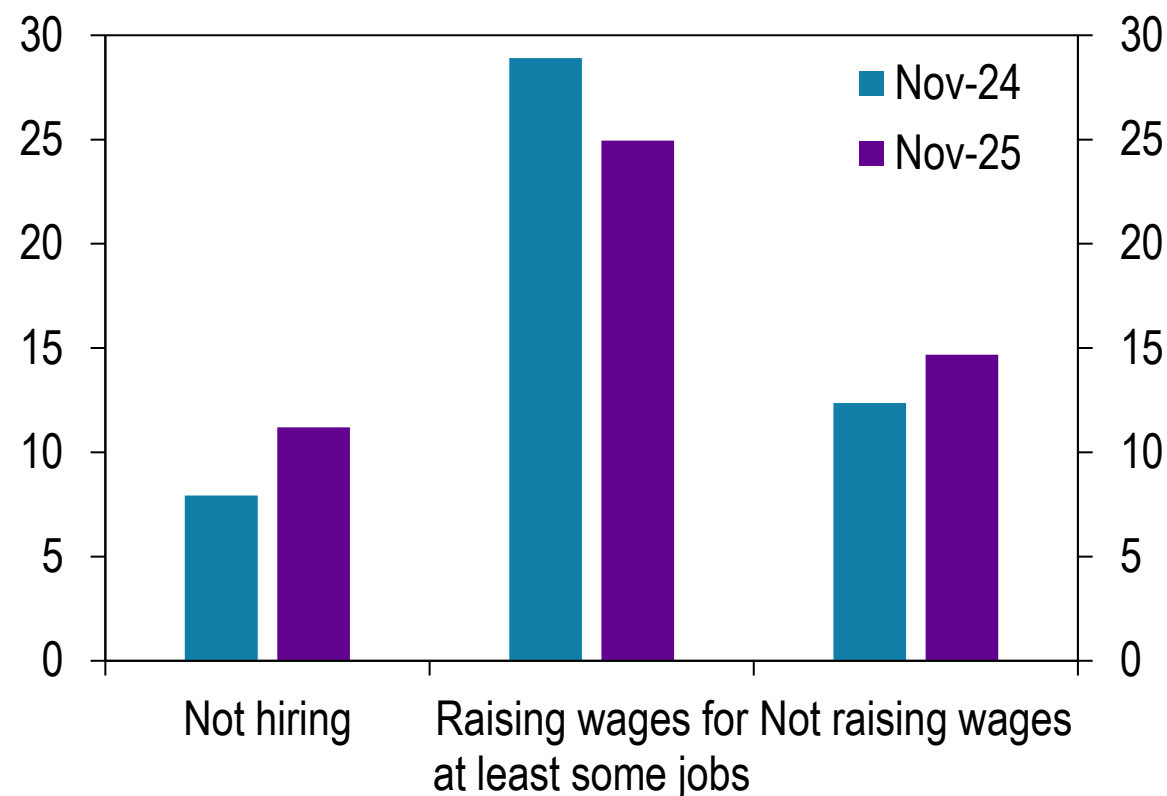
Percent of firms



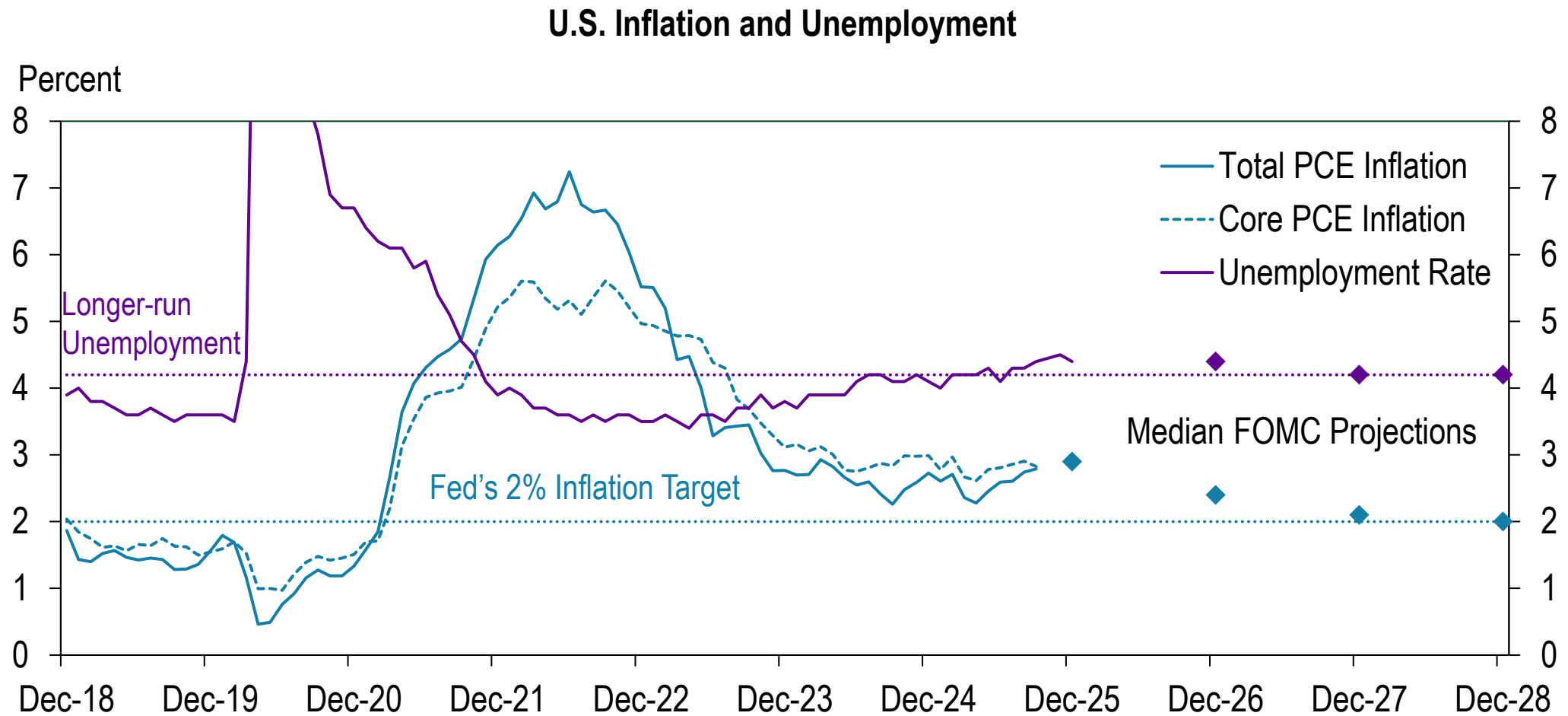
Source: FRBKC

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

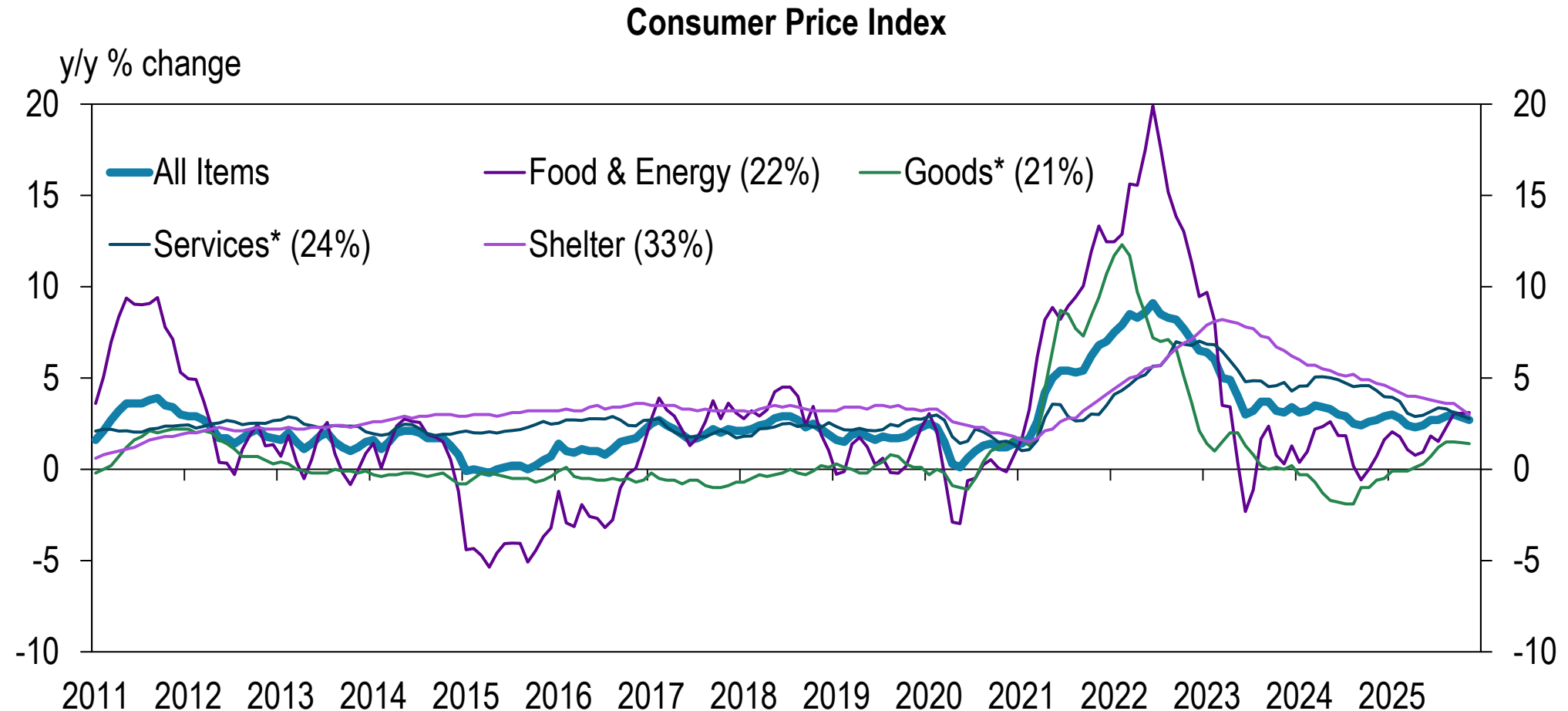
Percent of firms



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



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

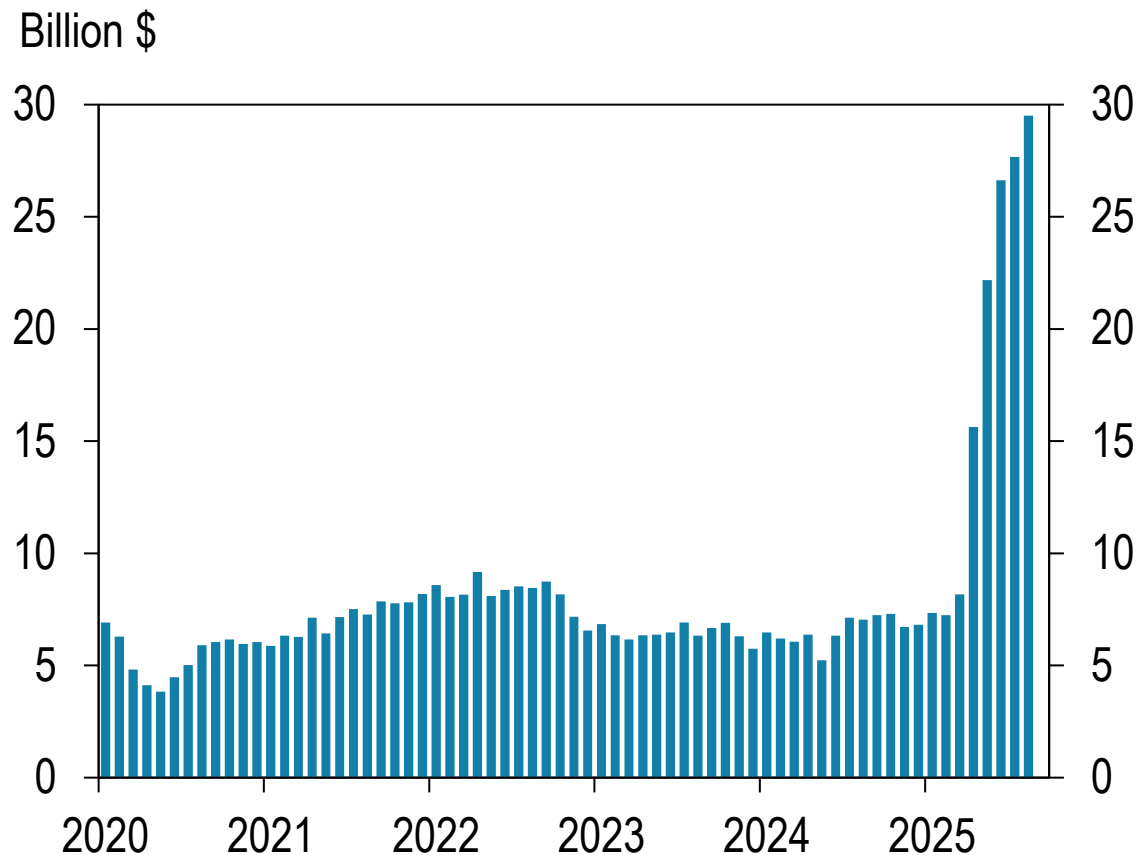


*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

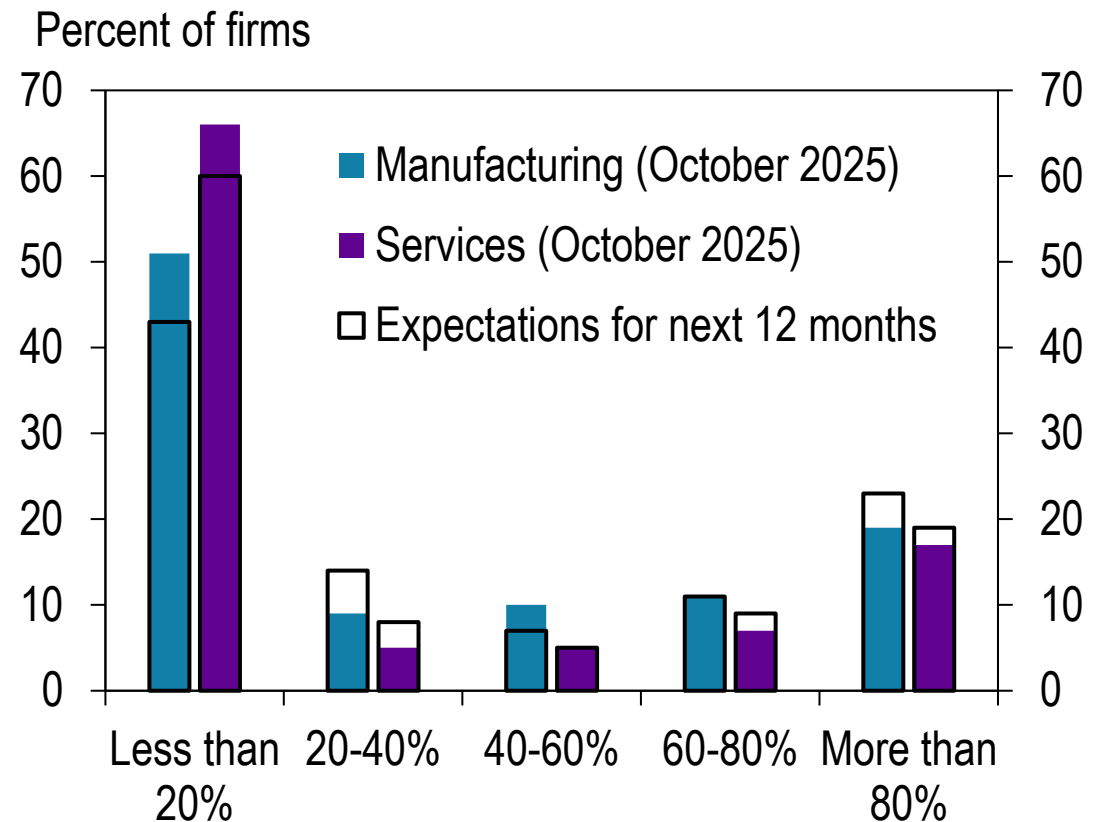
Sources: BLS/Haver Analytics

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

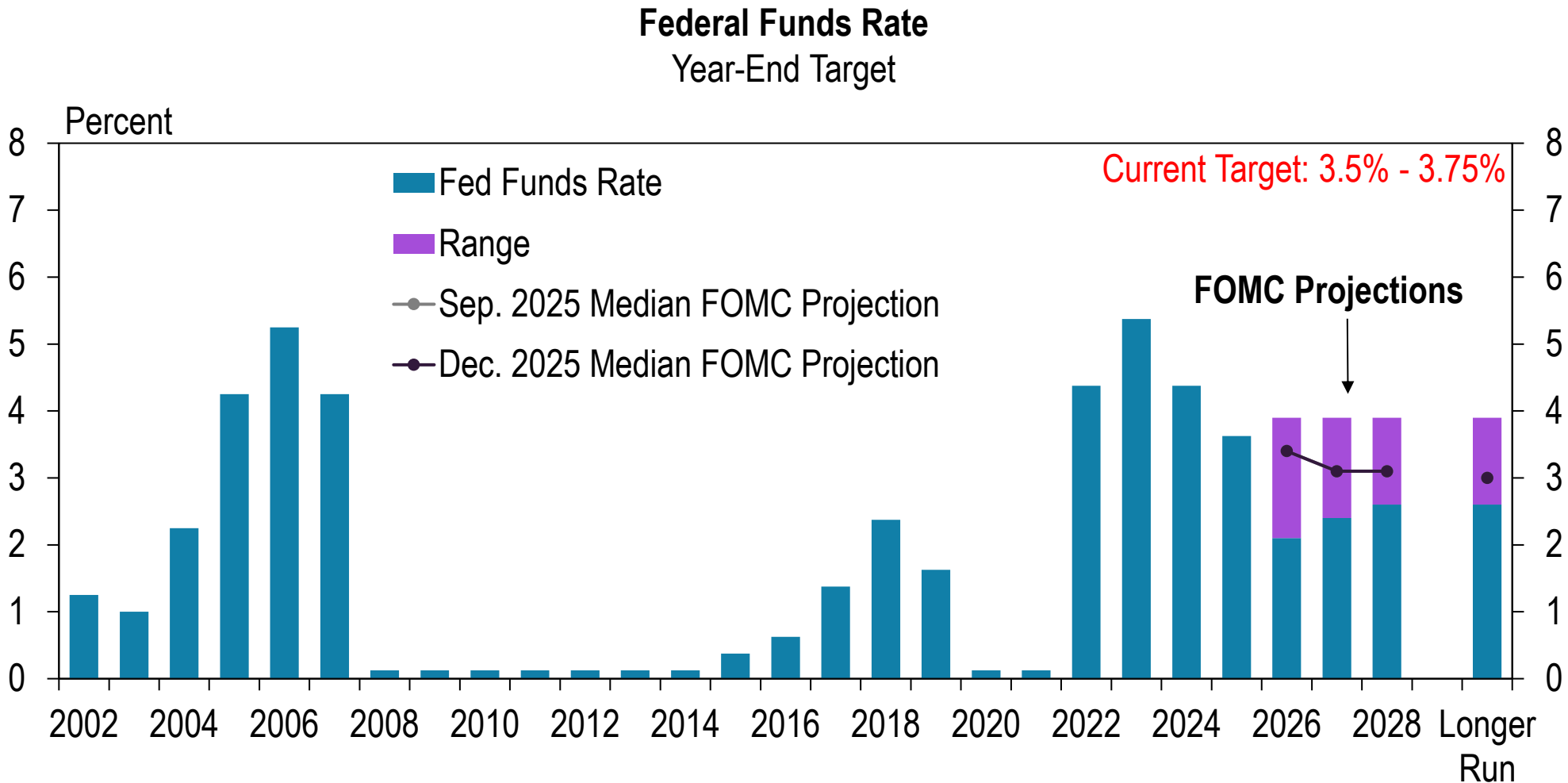
U.S. Customs Taxes Collected



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



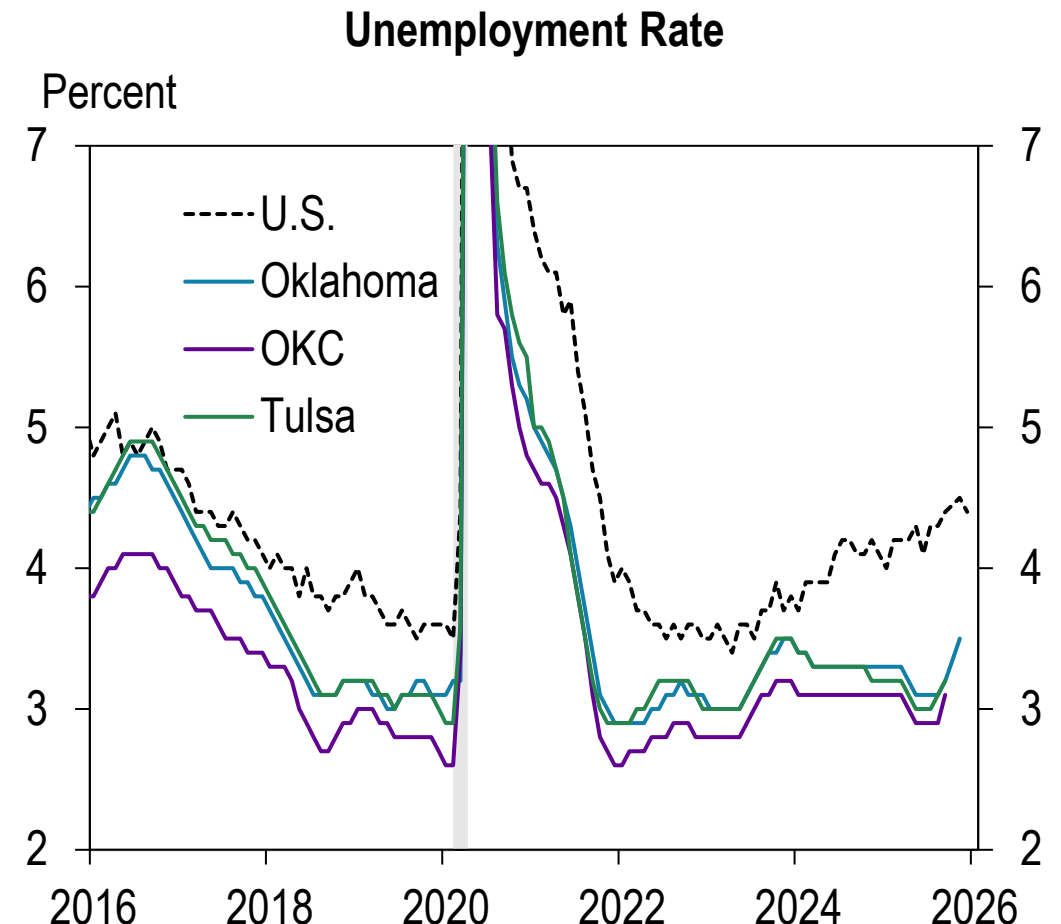
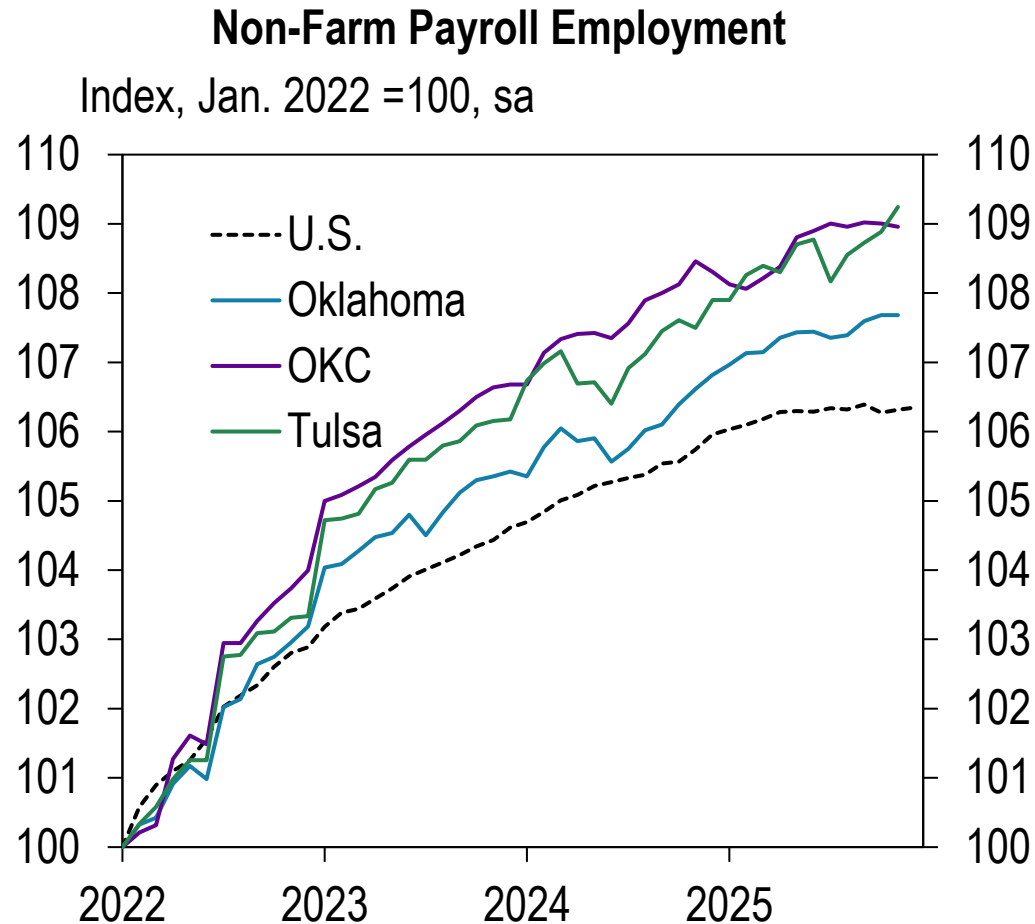
The Fed cut the federal funds rate by 25 basis points in December and the latest projections are shown



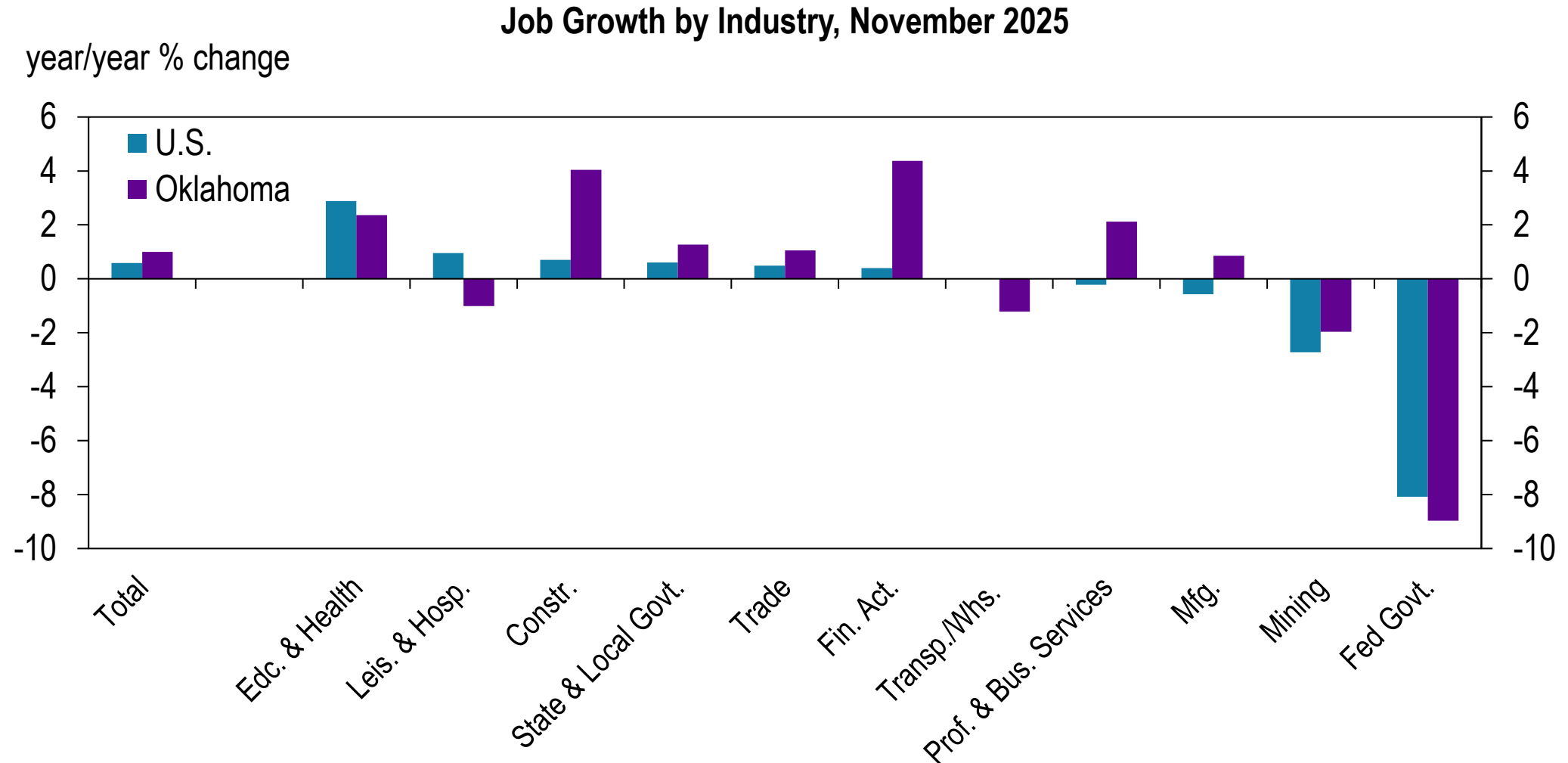
Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

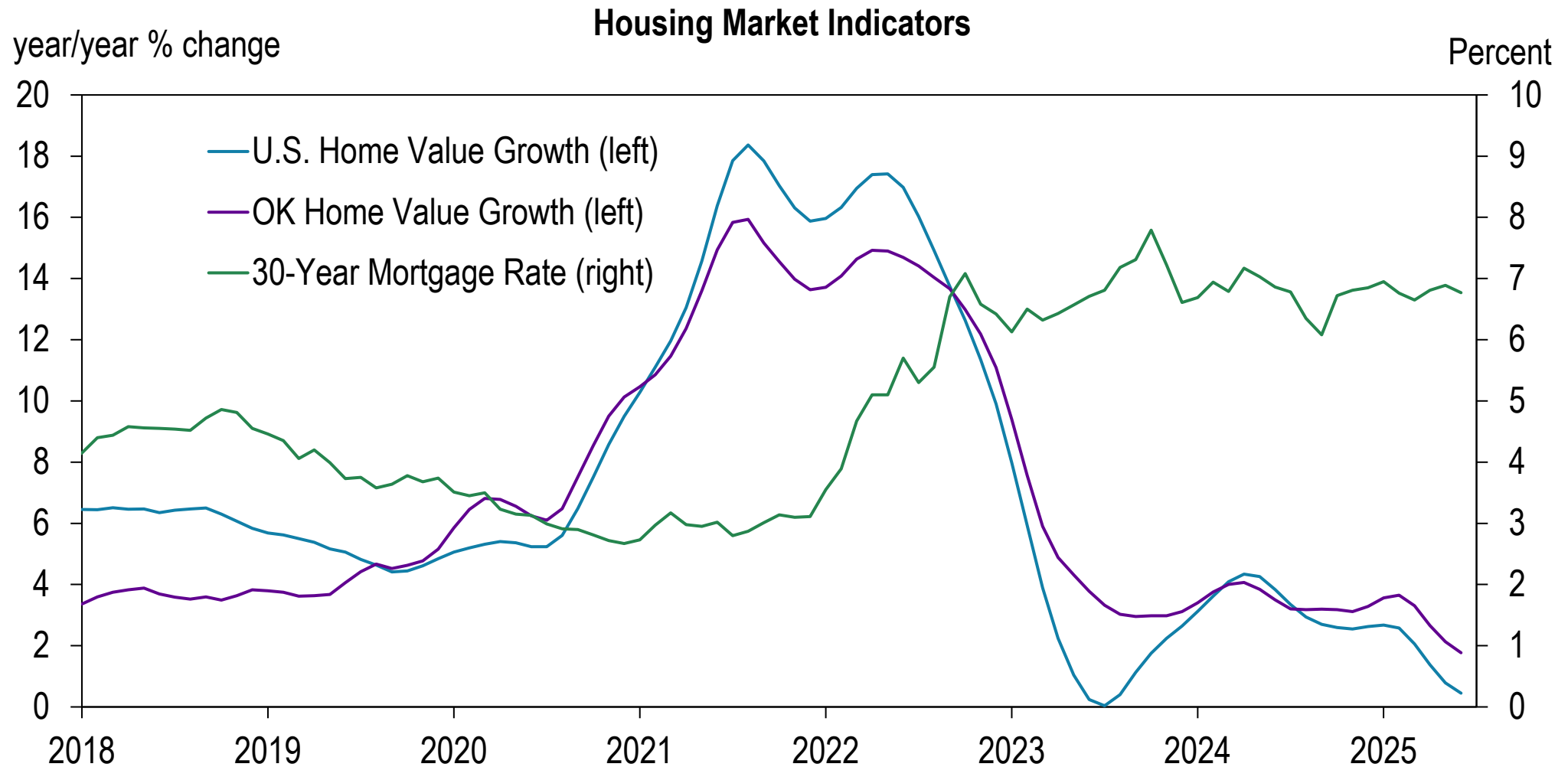
Jobs in Oklahoma have grown, but gains are leveling off, and unemployment remains very low



Oklahoma's job growth slightly outperformed the nation's over the past year, driven by construction, business services, and retail



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

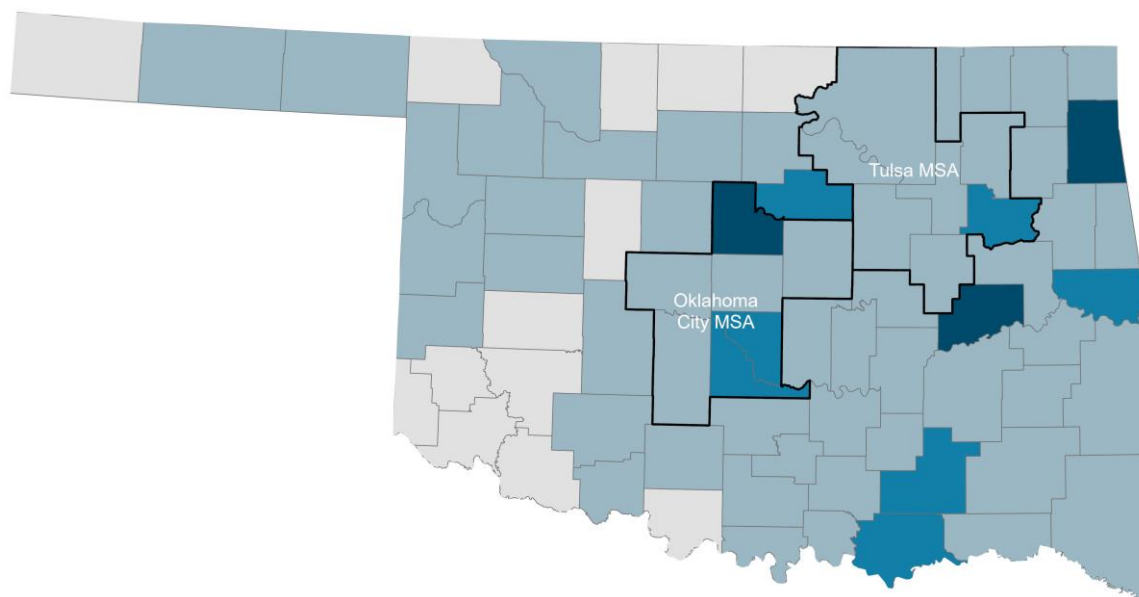


Sources: Freddie Mac, Zillow/Haver Analytics

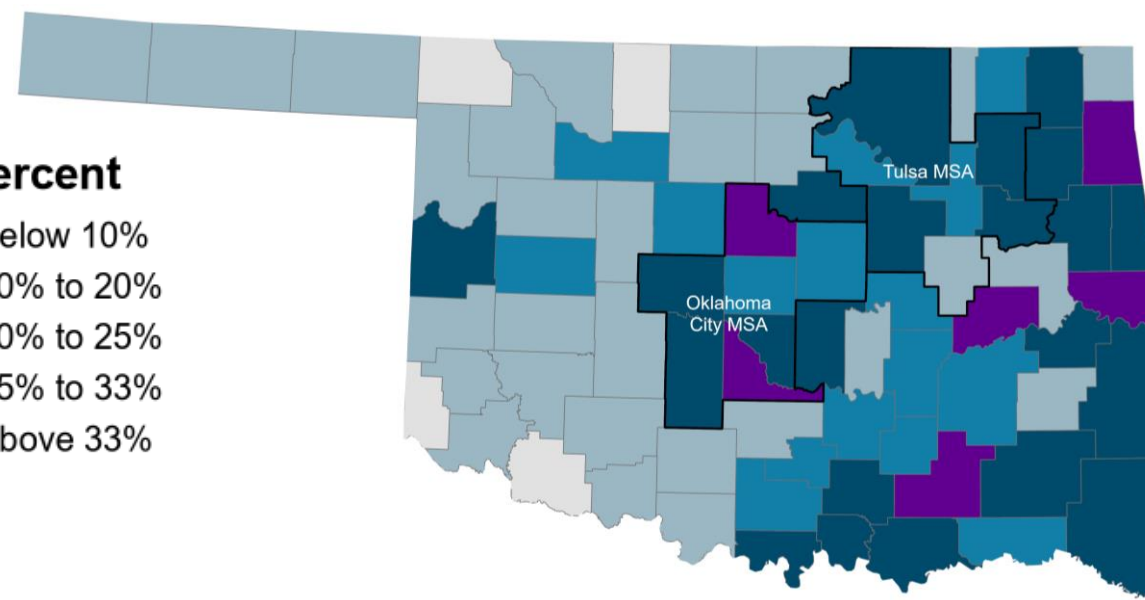
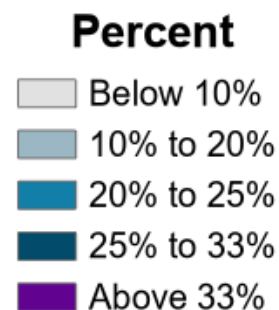
Homeownership for first-time buyers became less affordable across Oklahoma in recent years

First-Time Homeownership Costs as a Share of Household Income

2018-2019



2024

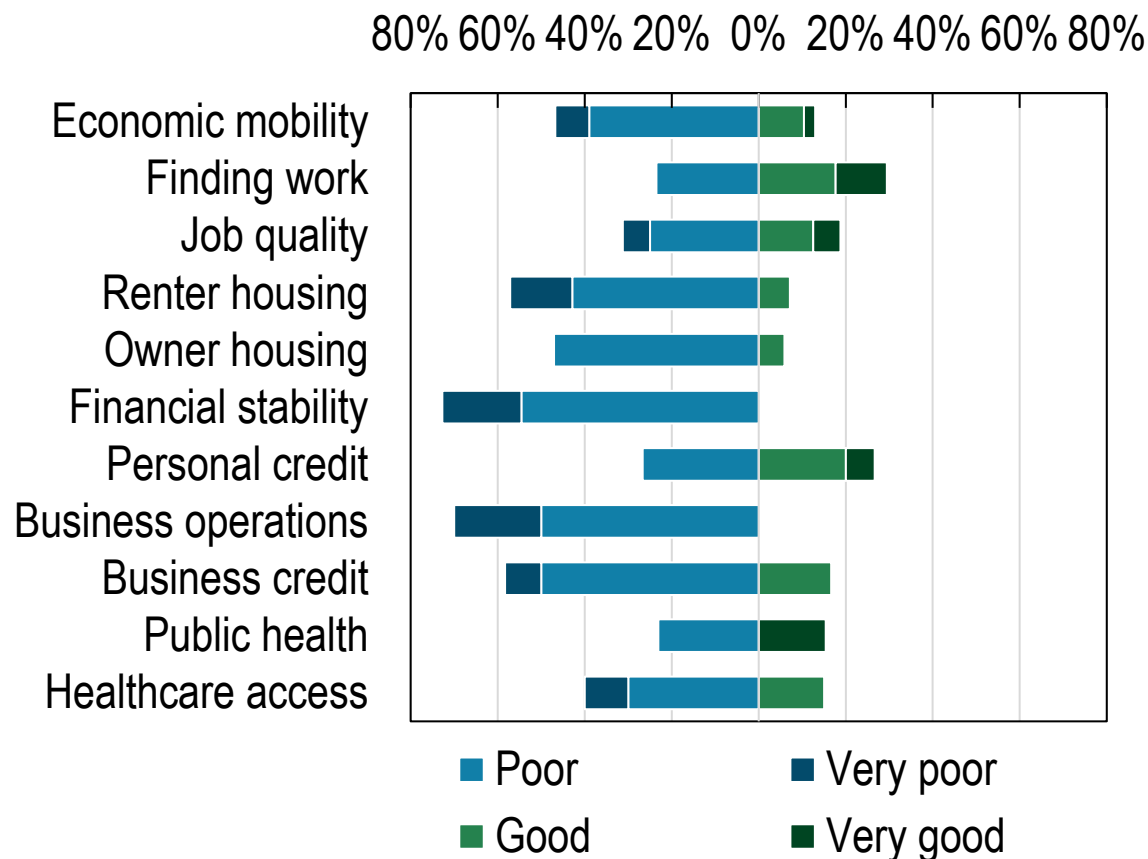


Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

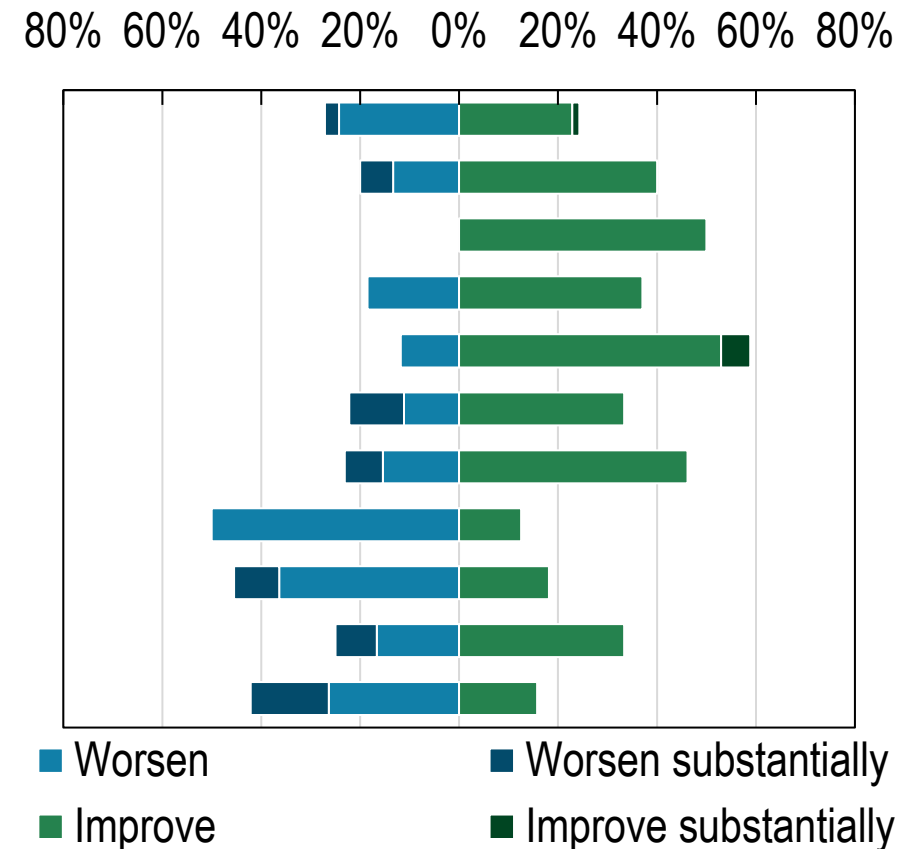
Overall conditions have been poor for LMI communities, but are expected to improve in the next six months

U.S. Low- and Moderate-Income Community Conditions, December 2024

Current



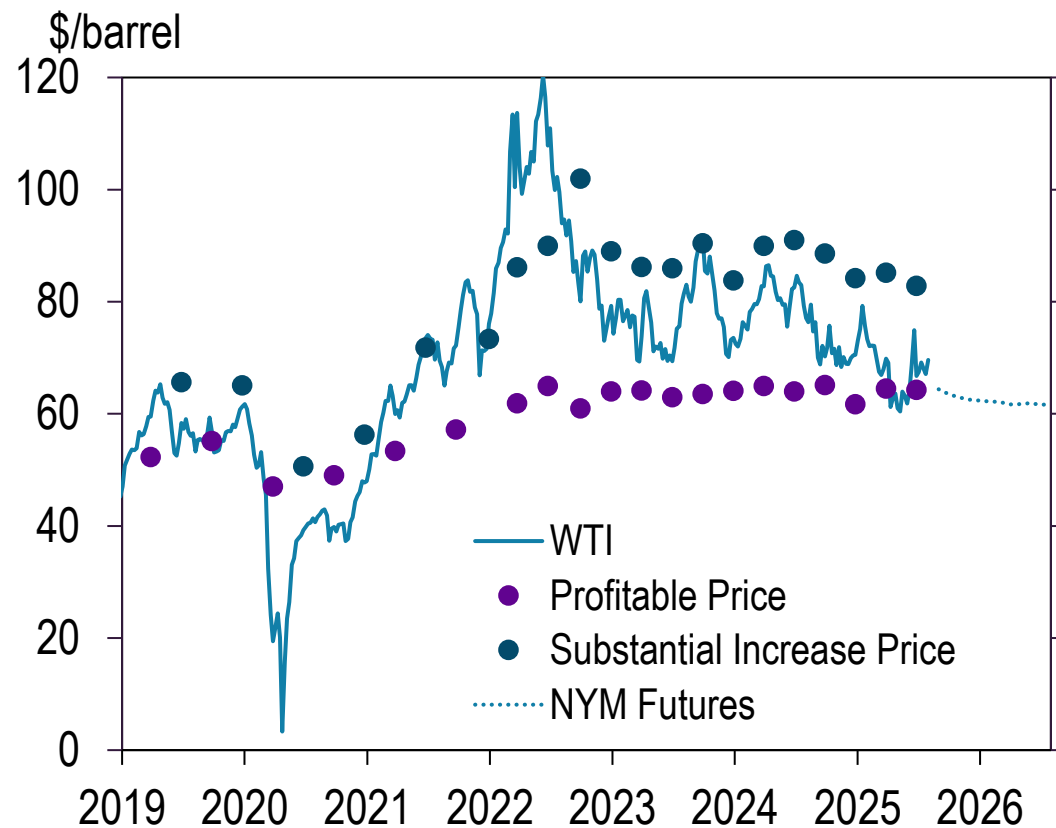
Next 6 Months



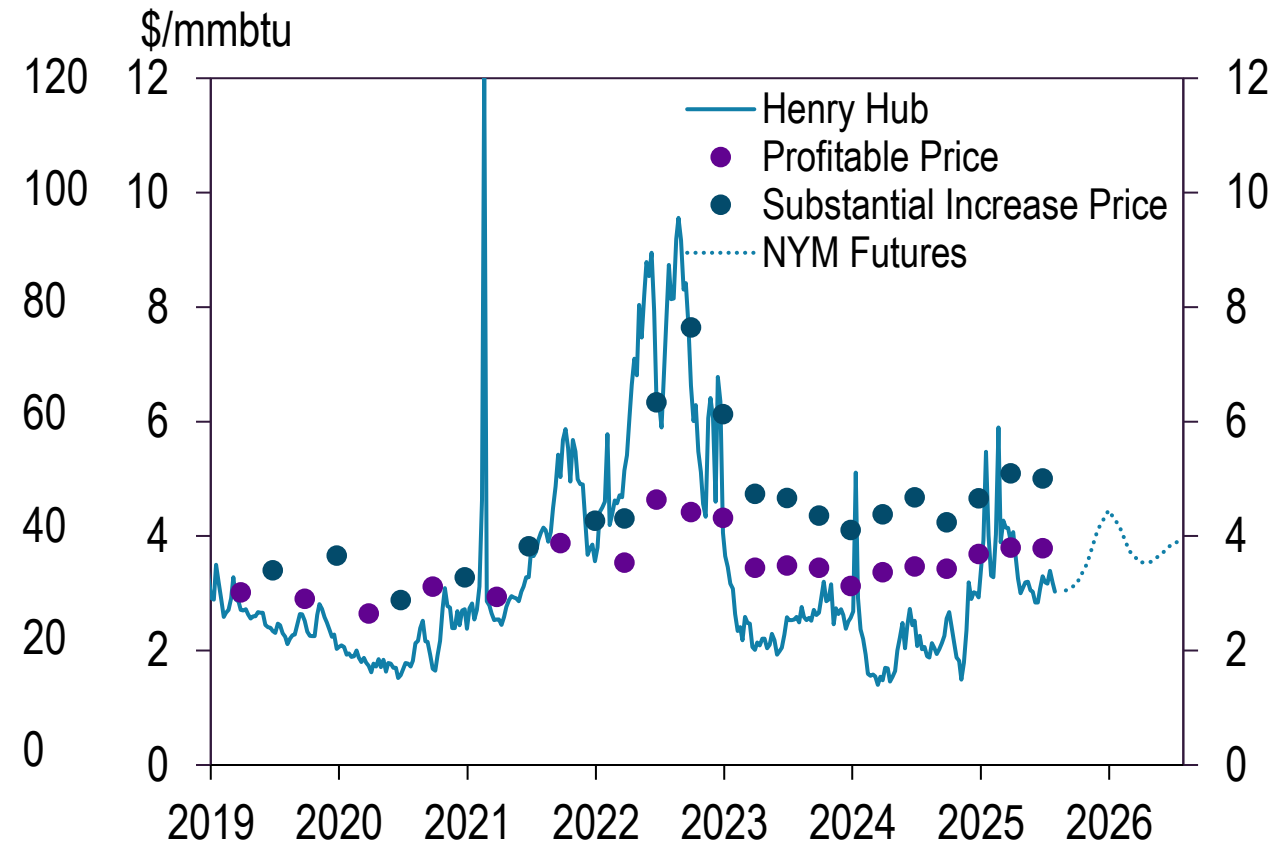
Source: FRS Community Conditions Survey

Natural gas prices have fallen back below profitable levels in recent weeks but are expected to rise, while oil prices have rebounded somewhat

U.S. Oil Prices

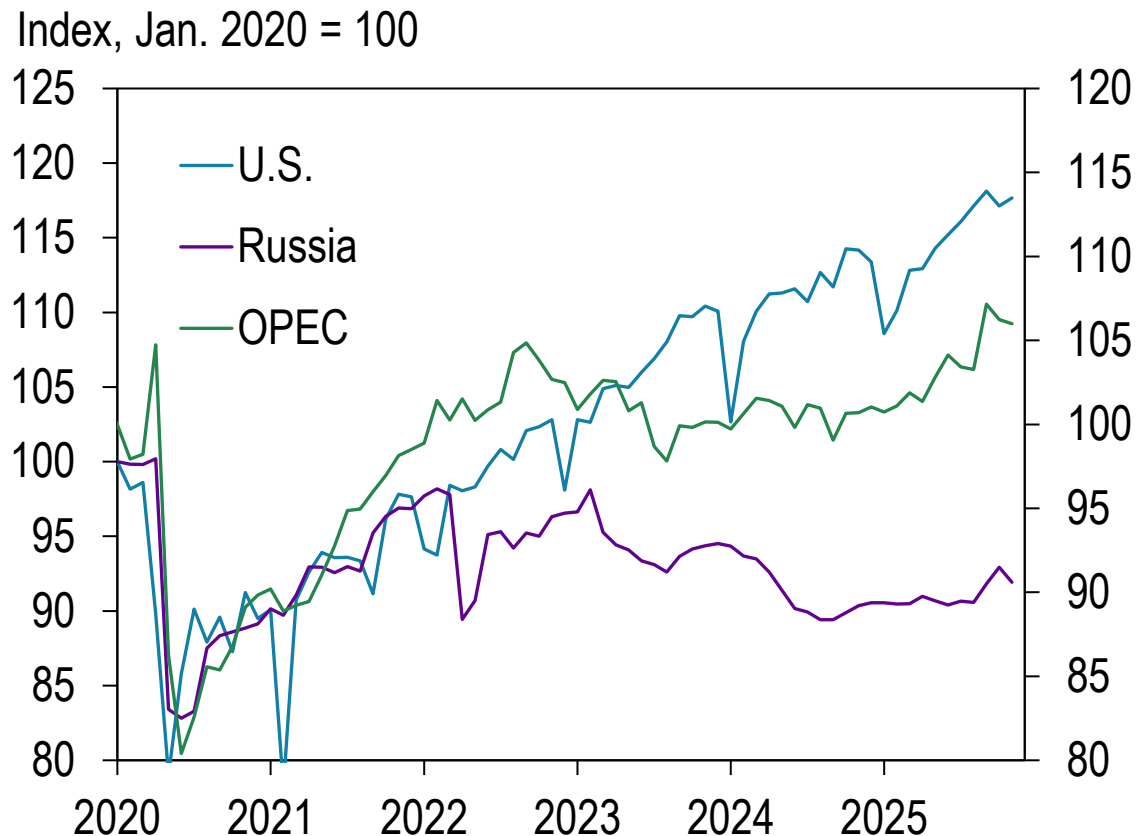


U.S. Natural Gas Prices

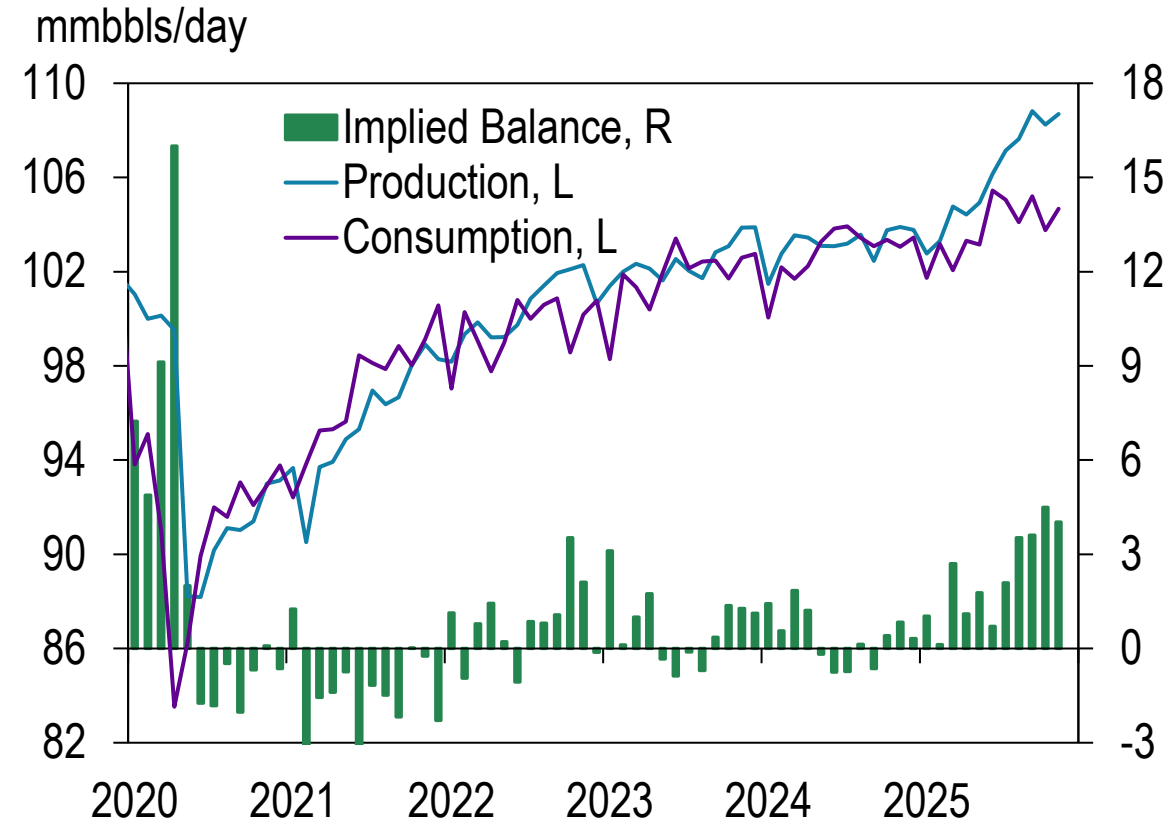


OPEC supply increases along with weaker global oil consumption have lowered prices

Crude Oil Production

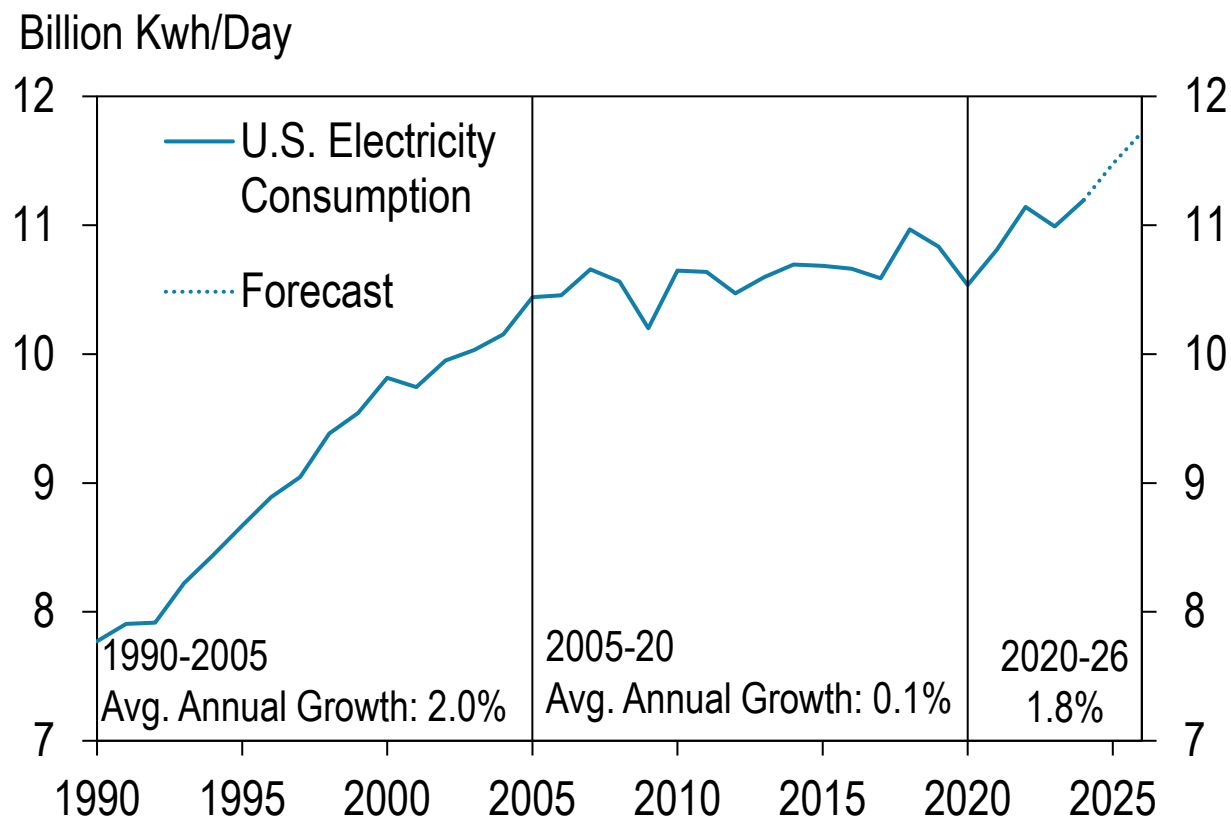


Monthly Global Petroleum Balance

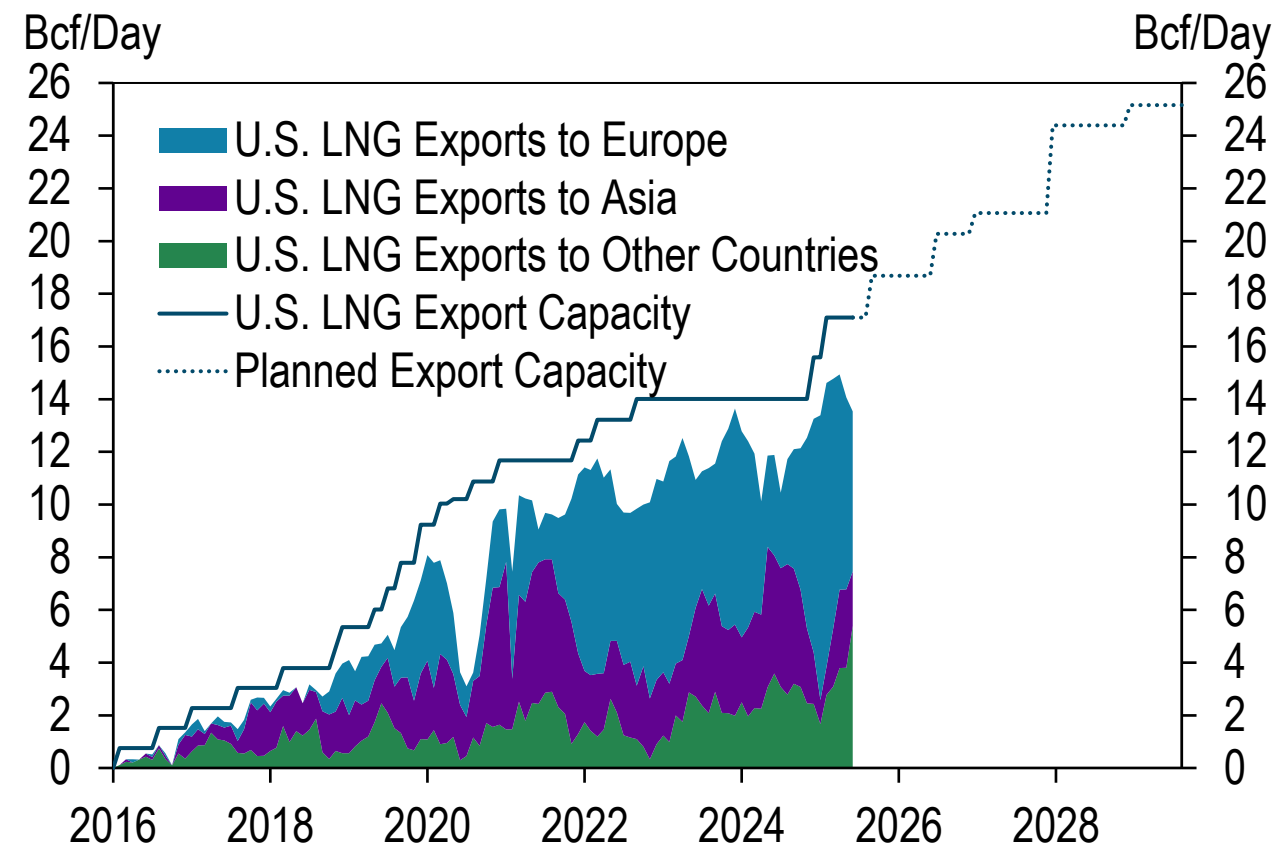


U.S. natural gas can supply rising electricity demand domestically and abroad, boosting the outlook for prices

U.S. Electricity Consumption

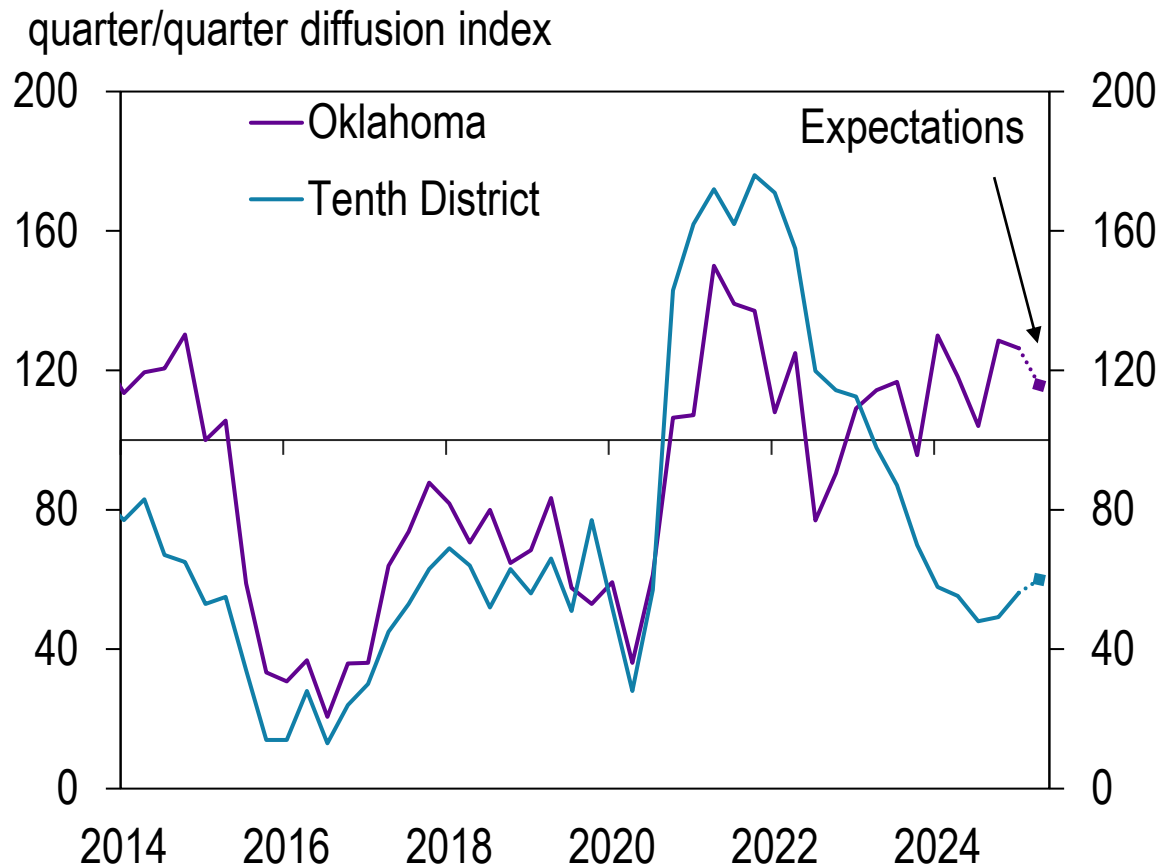


U.S. Liquefied Natural Gas Exports

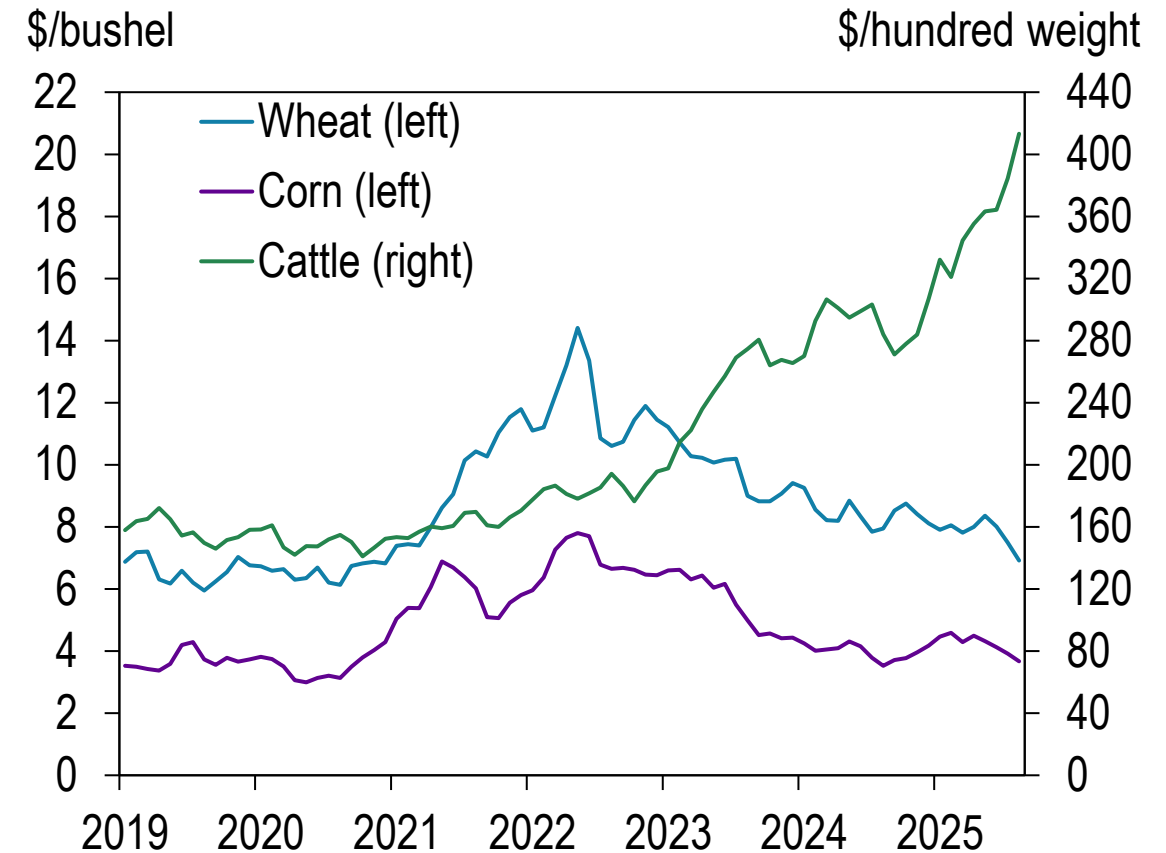


Oklahoma farm income grew in 2025 while it declined in other District states, partially due to higher cattle prices

Farm Income

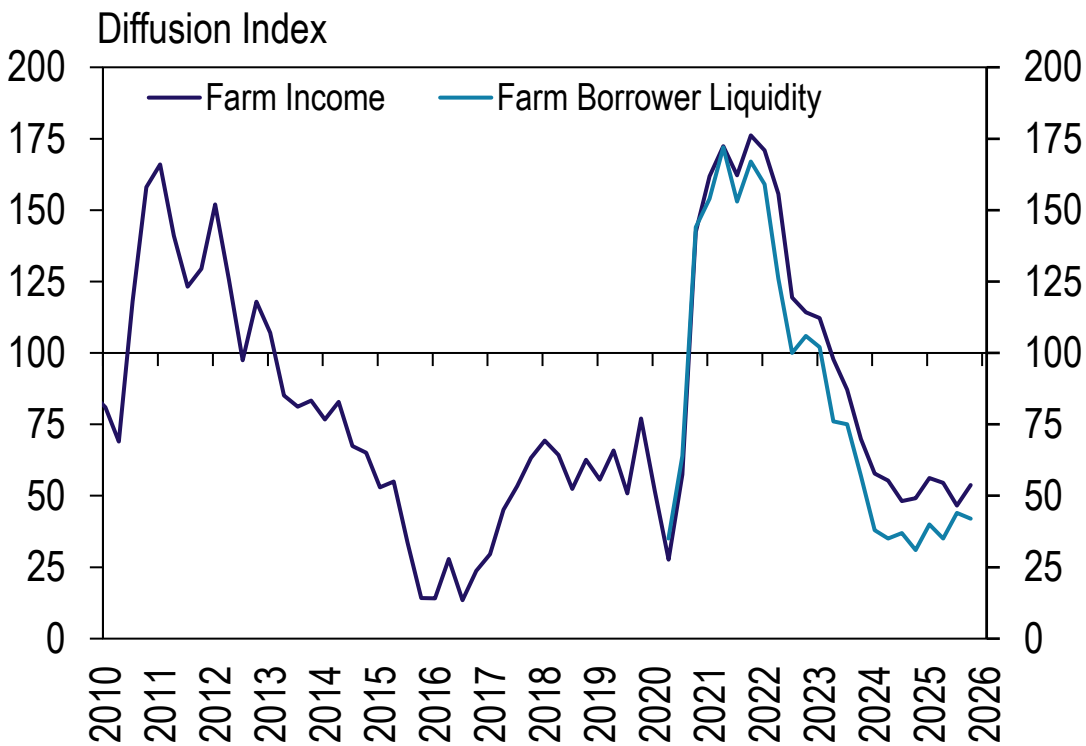


Agricultural Commodity Prices

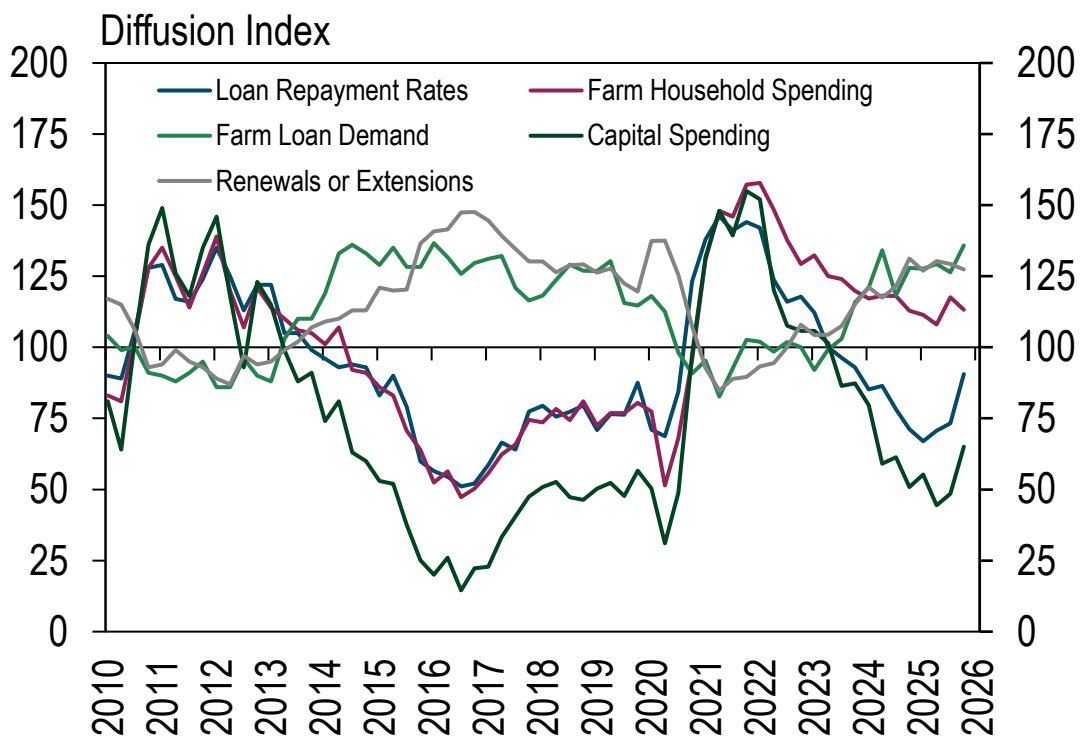


Lower crop prices and farm income have weighed on farm finances and agricultural credit conditions

Farm Income and Liquidity



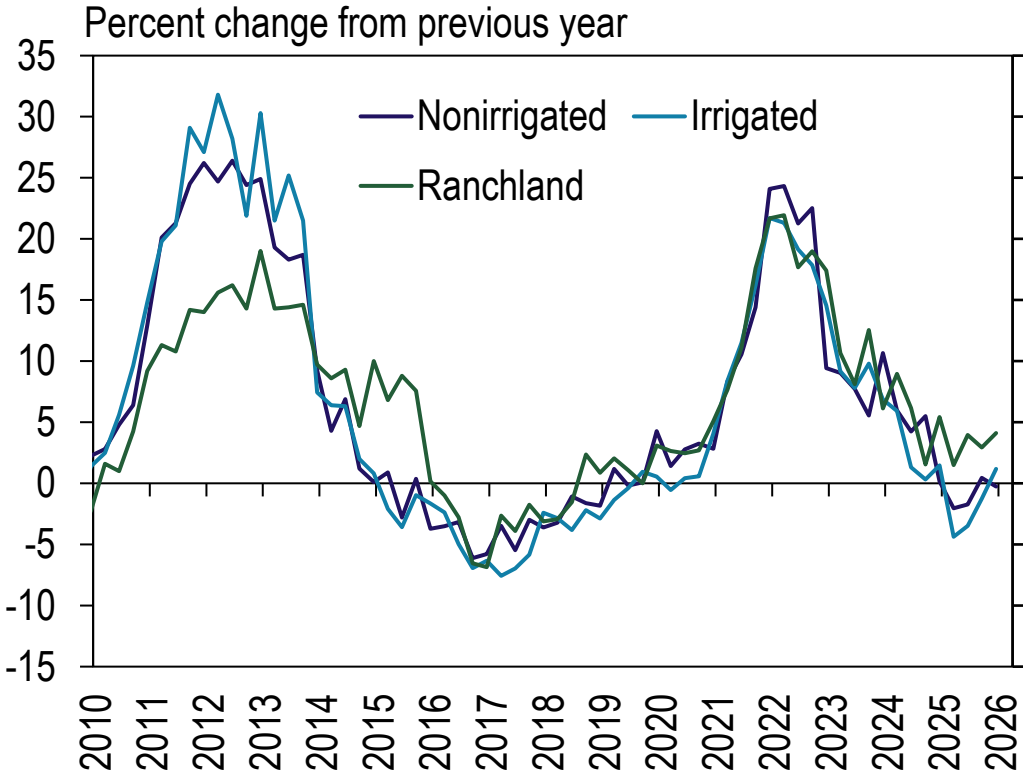
Select Credit Conditions



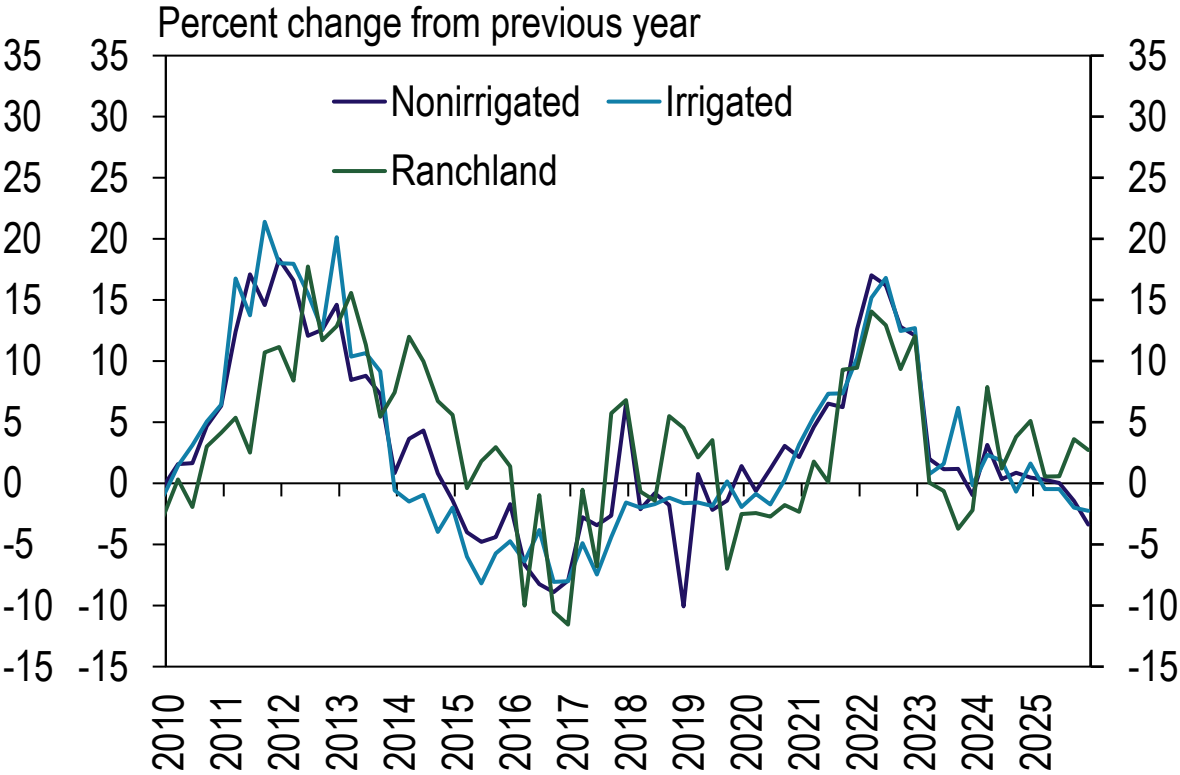
Source: Federal Reserve Bank of Kansas City Survey of Agricultural Credit Conditions

Farmland values have held relatively steady, particularly values and cash rents for ranchland

Farmland Values



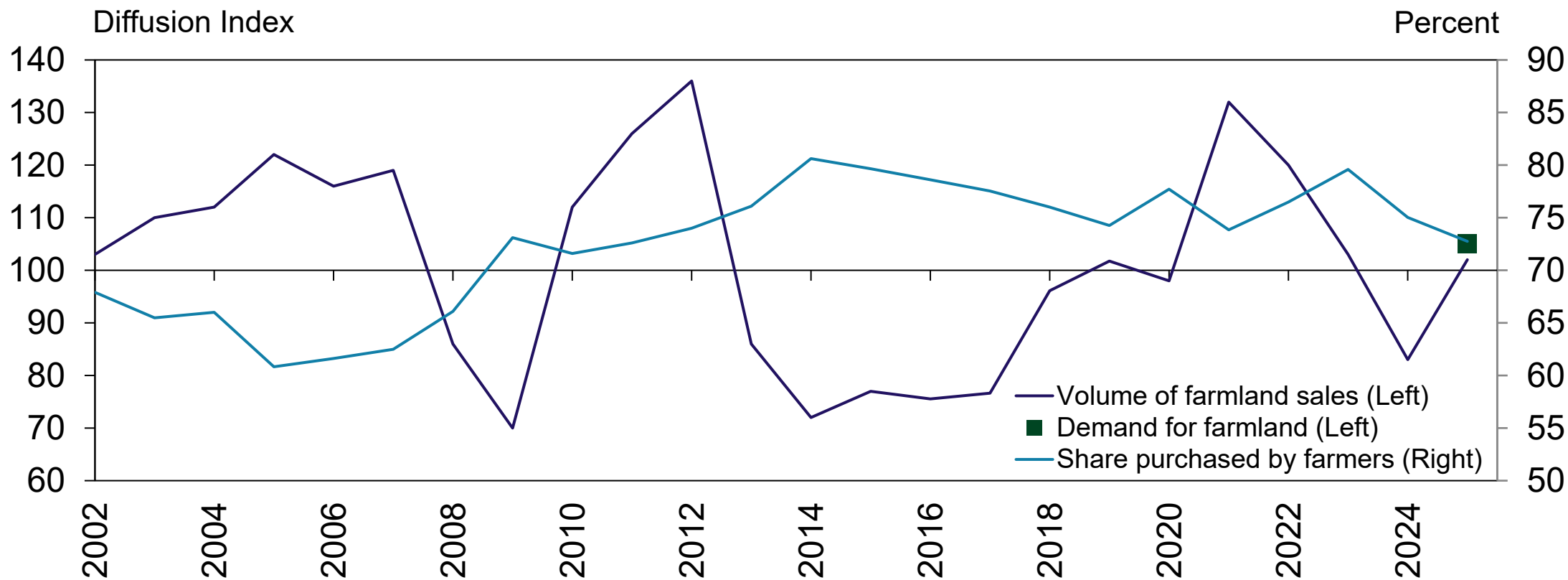
Cash Rents



Source: Federal Reserve Bank of Kansas City Survey of Agricultural Credit Conditions

Farmland sales ticked up in 2025, but demand indicators fell slightly

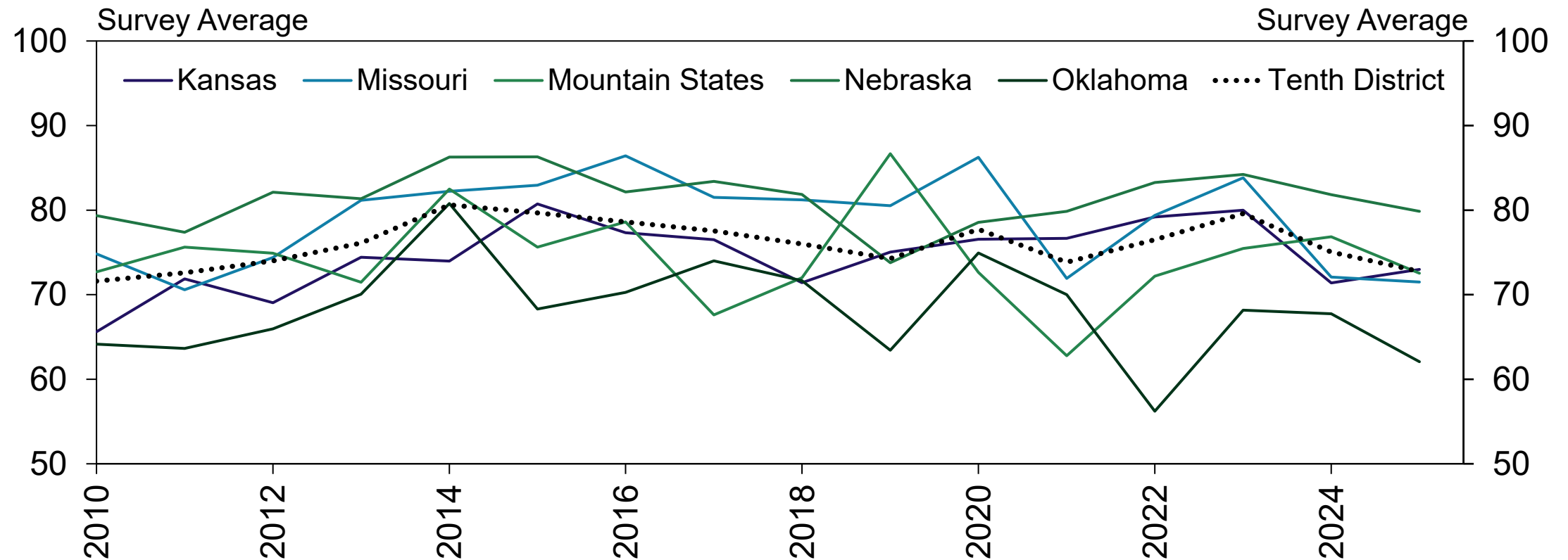
Indicators for the Supply and Demand for Farmland



Note: Respondents were asked the following questions: How does the volume of farmland sales this year compare to last year in your area (increased, decreased, or remained the same)? Of the farmland sold this year, what share was purchased by farmers? How does demand for farmland this year compare to last year in your area?
Source: Federal Reserve Bank of Kansas City Survey of Agricultural Credit Conditions

In Oklahoma, demand from non-farm land uses has increased

Share of Farmland Purchased by Farmers



Note: Respondents were asked the following question: Of the farmland sold this year, what share was purchased by farmers?
Source: Federal Reserve Bank of Kansas City Survey of Agricultural Credit Conditions

Questions?

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