

U.S. and Oklahoma Economic Outlook

Association of Financial Planning of Central Oklahoma

October 15, 2026

Megan Williams

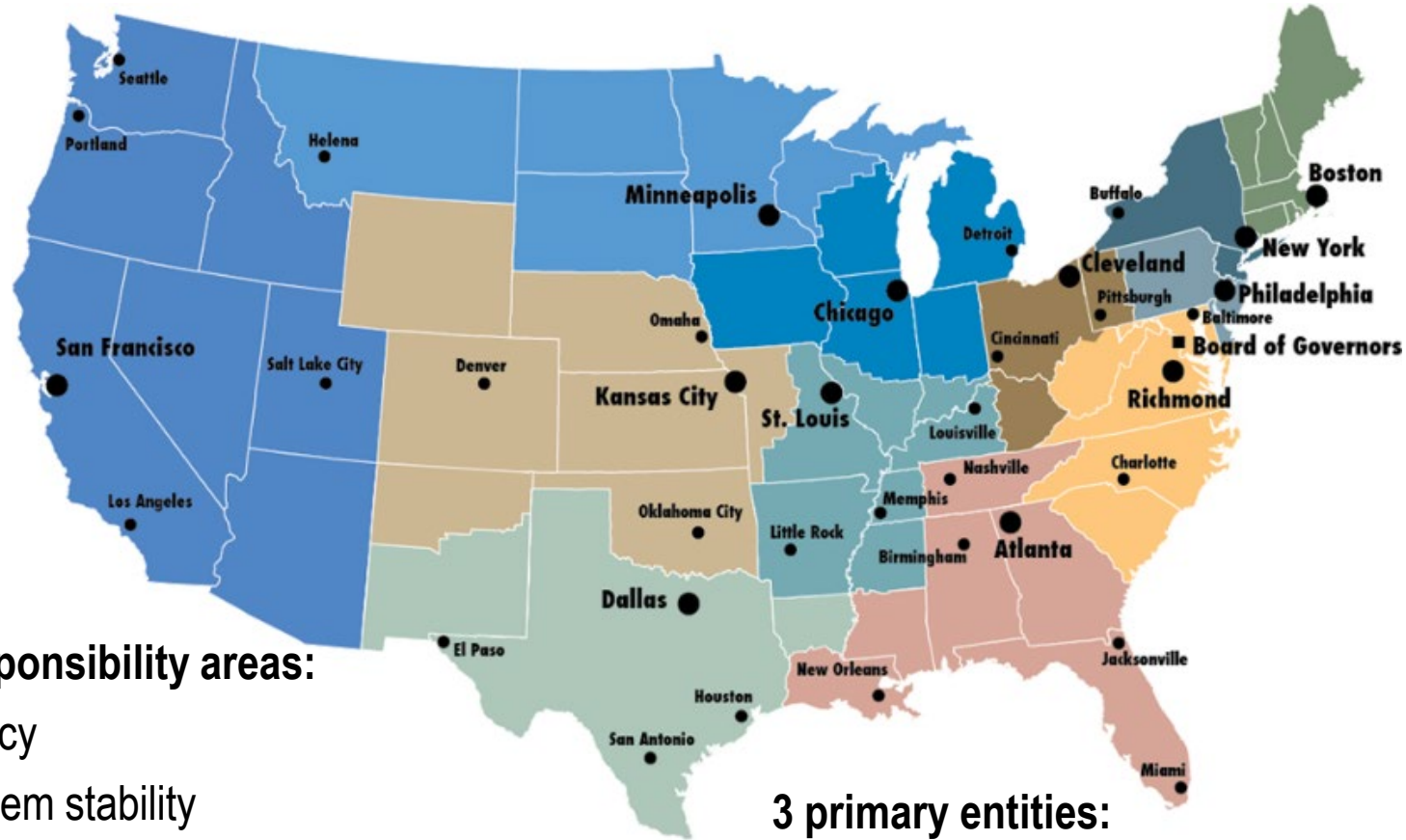
Associate Economist & Senior Manager

*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

www.kansascityfed.org/oklahomacity

- **Functions and purposes ~ 50 staff**

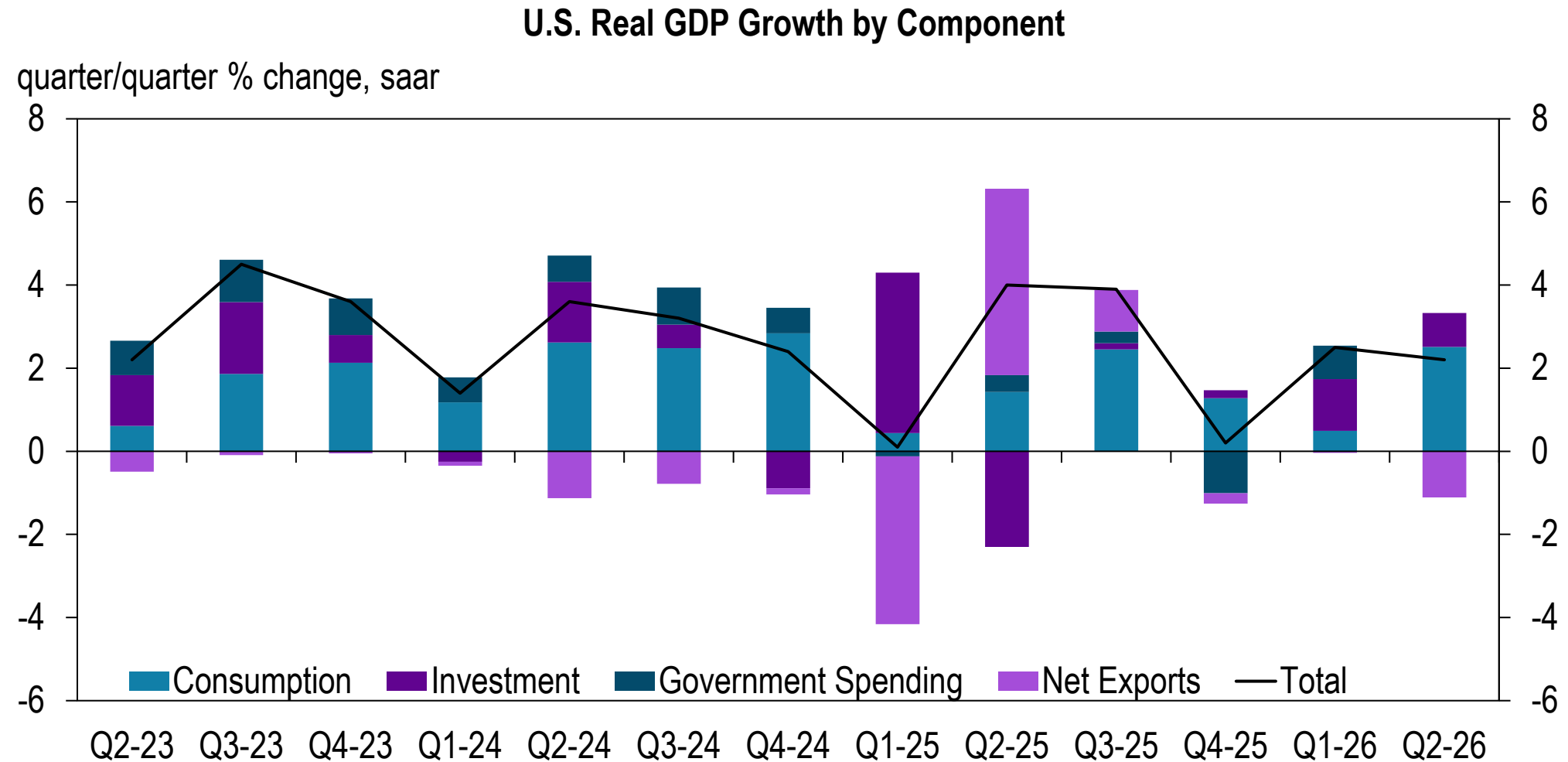
- Research on U.S. and Oklahoma economies; energy sector and business survey focus
- Examinations of Oklahoma financial institutions (~50 banks, ~160 holding cos.)
- Risk analysis and IT development for bank exams; exam assistance for other Fed offices
- Community development and economic education programming for low/moderate income groups and students

- **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

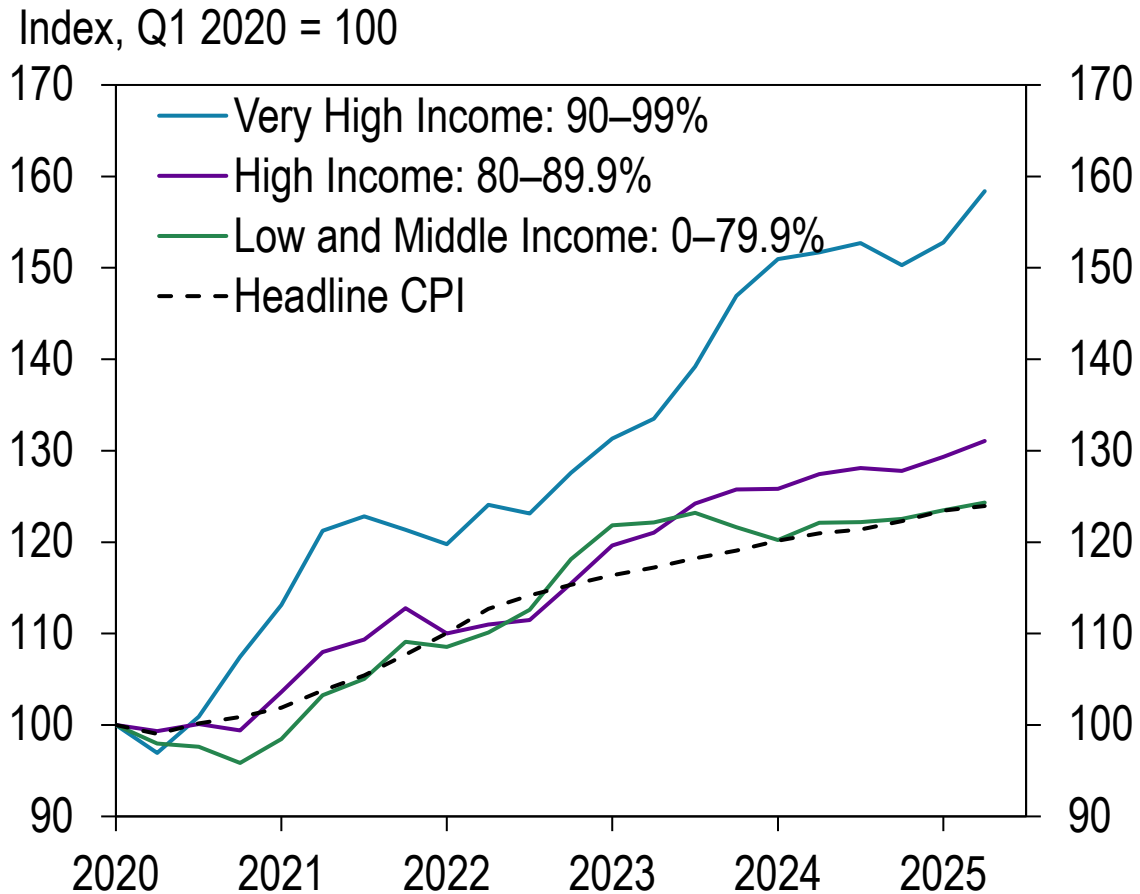


U.S. GDP growth cooled to 2.2% in Q2, as business investment eased, but consumption remains strong

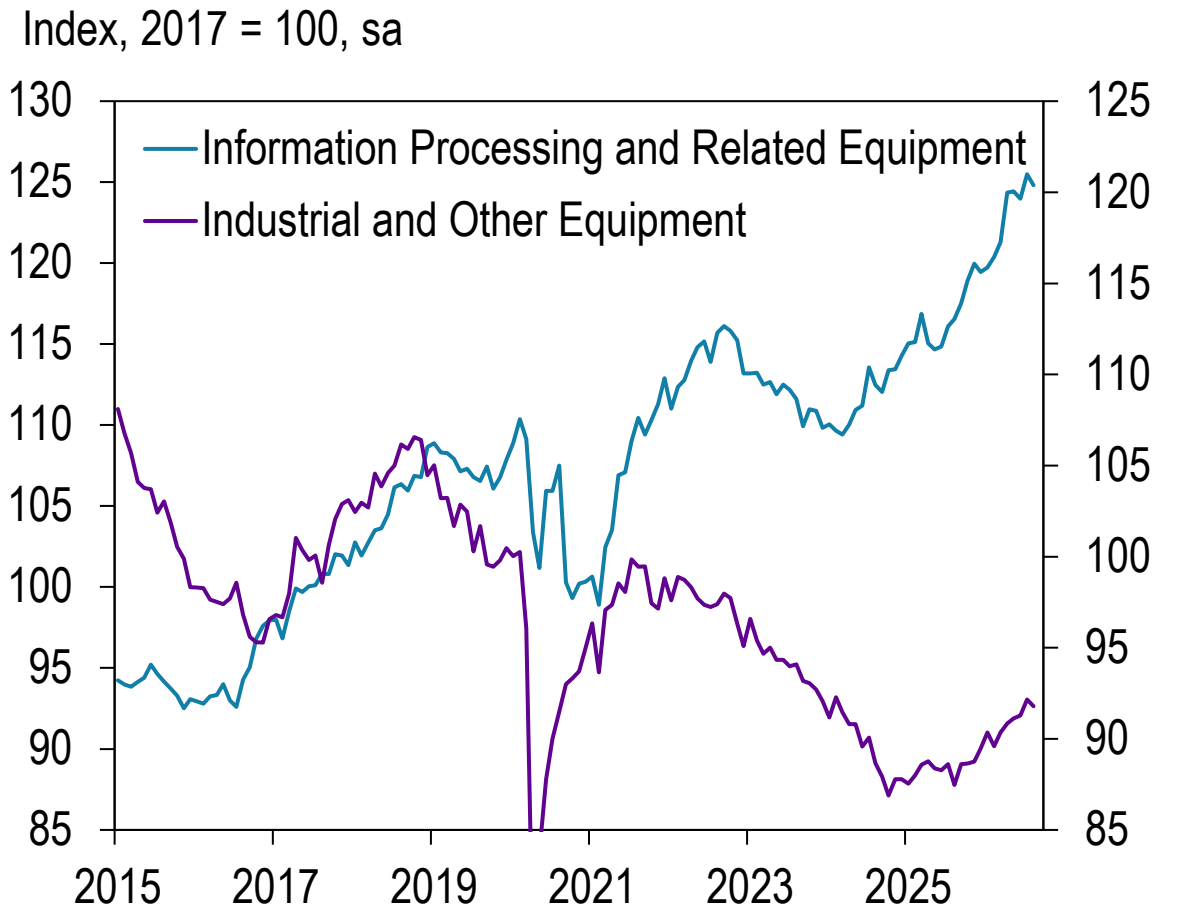


Current economic growth is supported by consumer spending from high earners and investment in tech-related sectors

U.S. Consumer Spending by Income

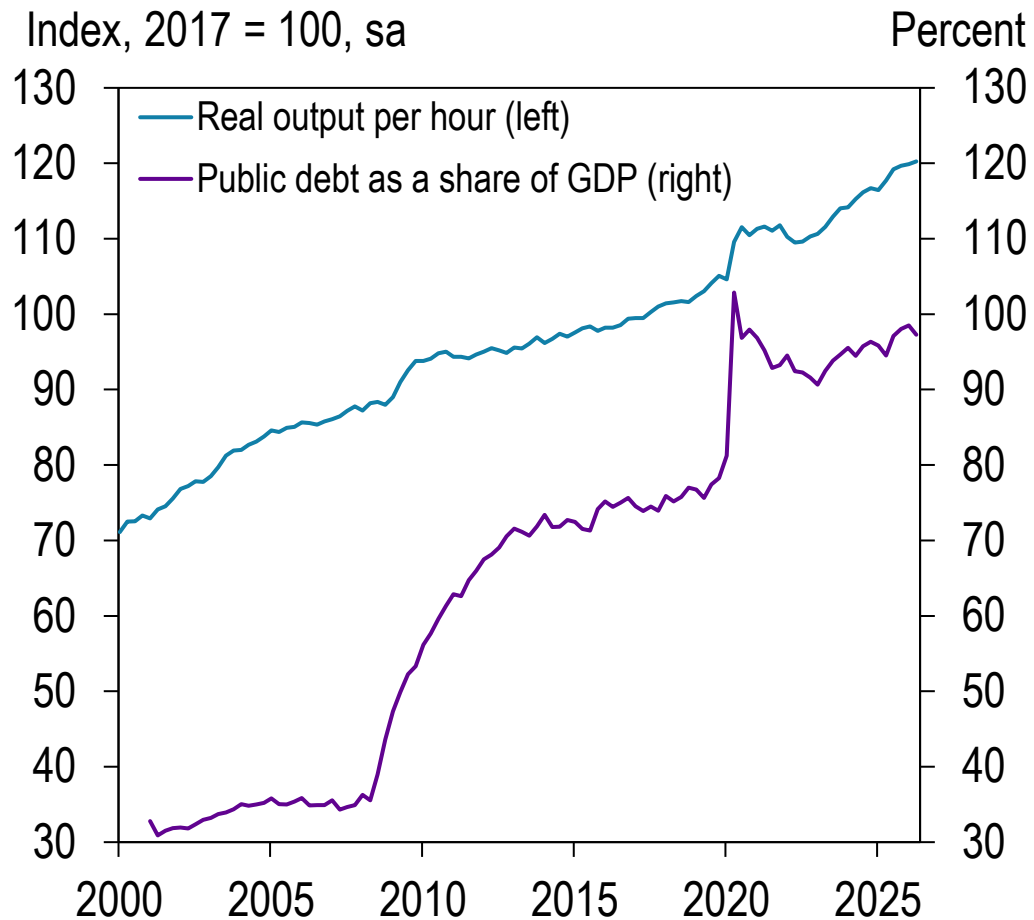


U.S. Industrial Production

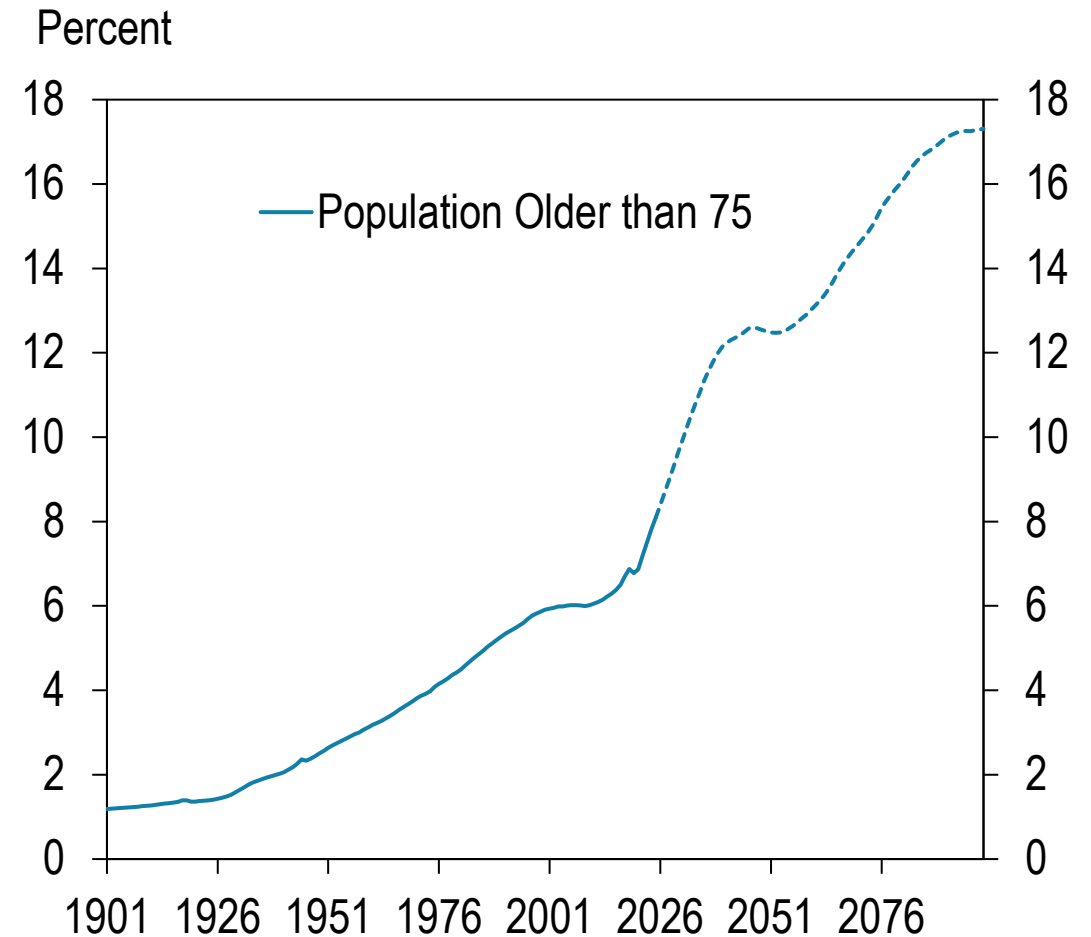


Long-term, productivity and government debt could push interest rates higher, but demographic trends could push them lower

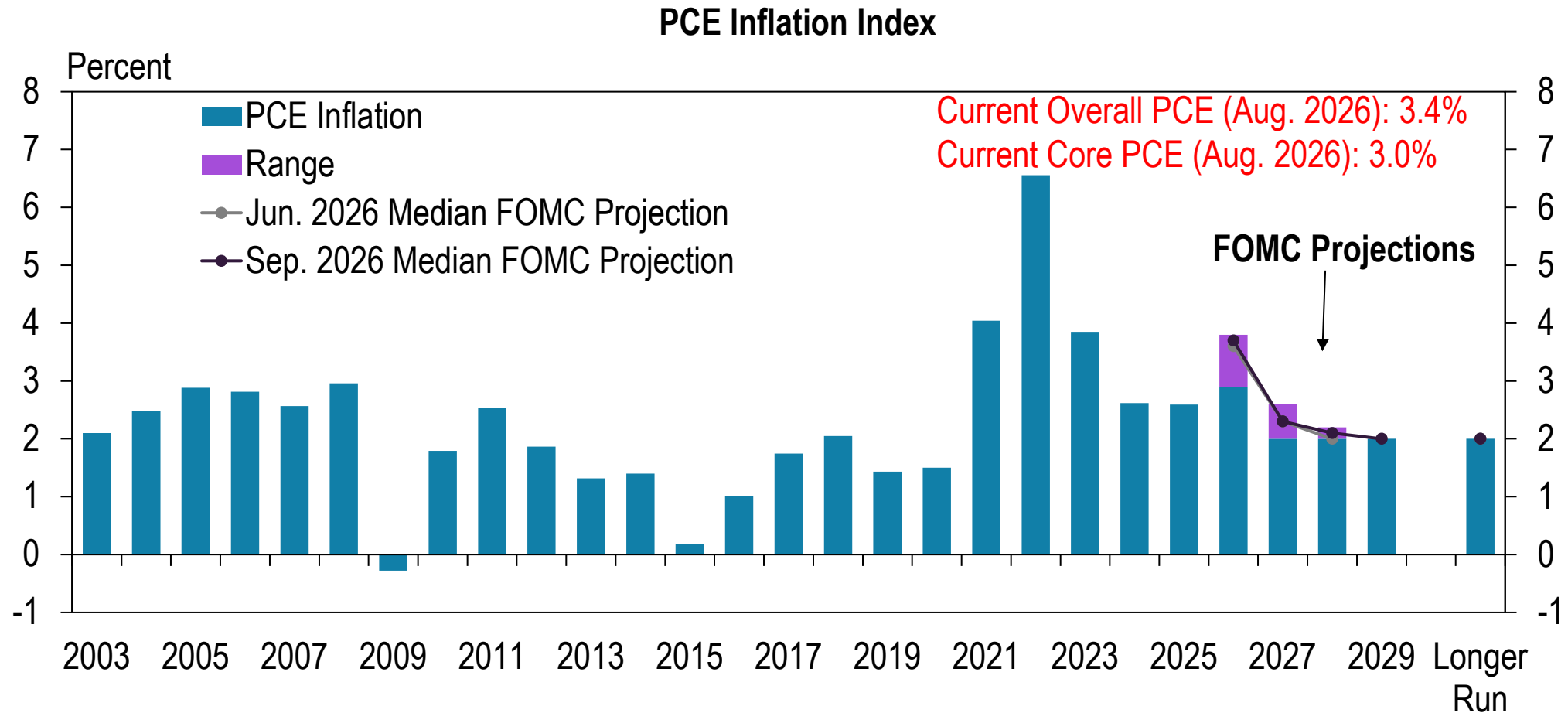
U.S. Productivity and Debt



Share of Population Older than 75



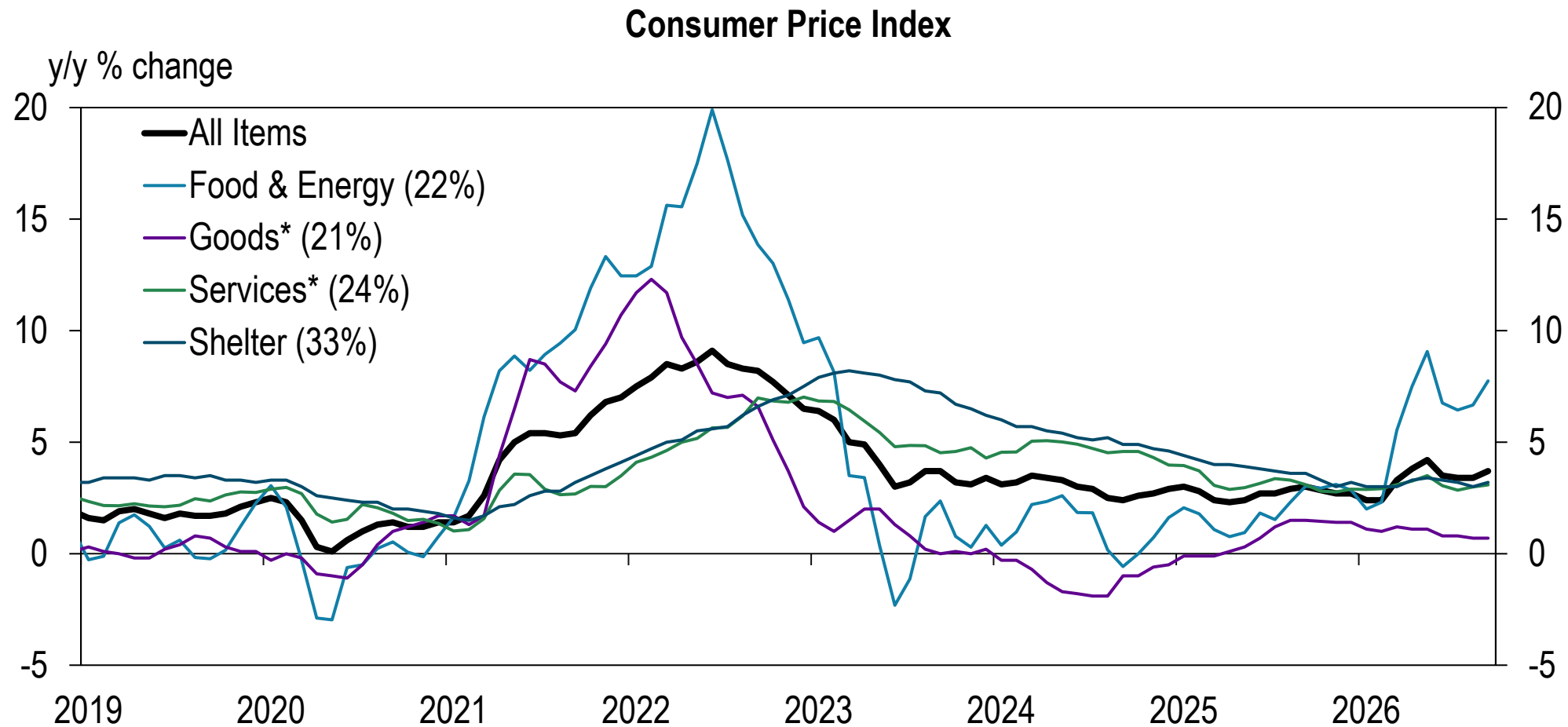
Inflation is expected to remain elevated this year amid high energy prices and broader inflationary pressures



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

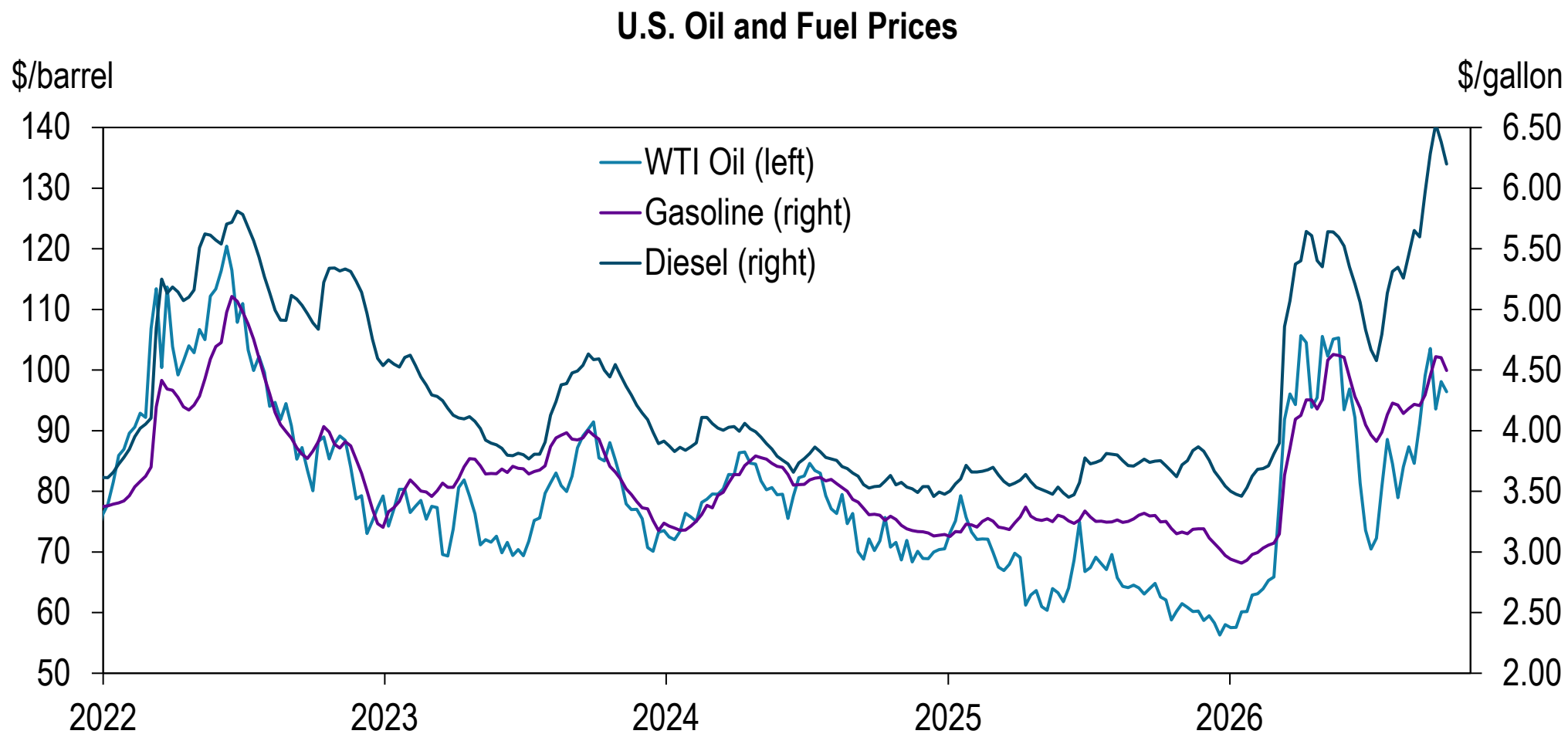
Sources: Bureau of Economic Analysis, FOMC

CPI accelerated to 3.7% in September, as energy prices increased and services and shelter ticked up



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

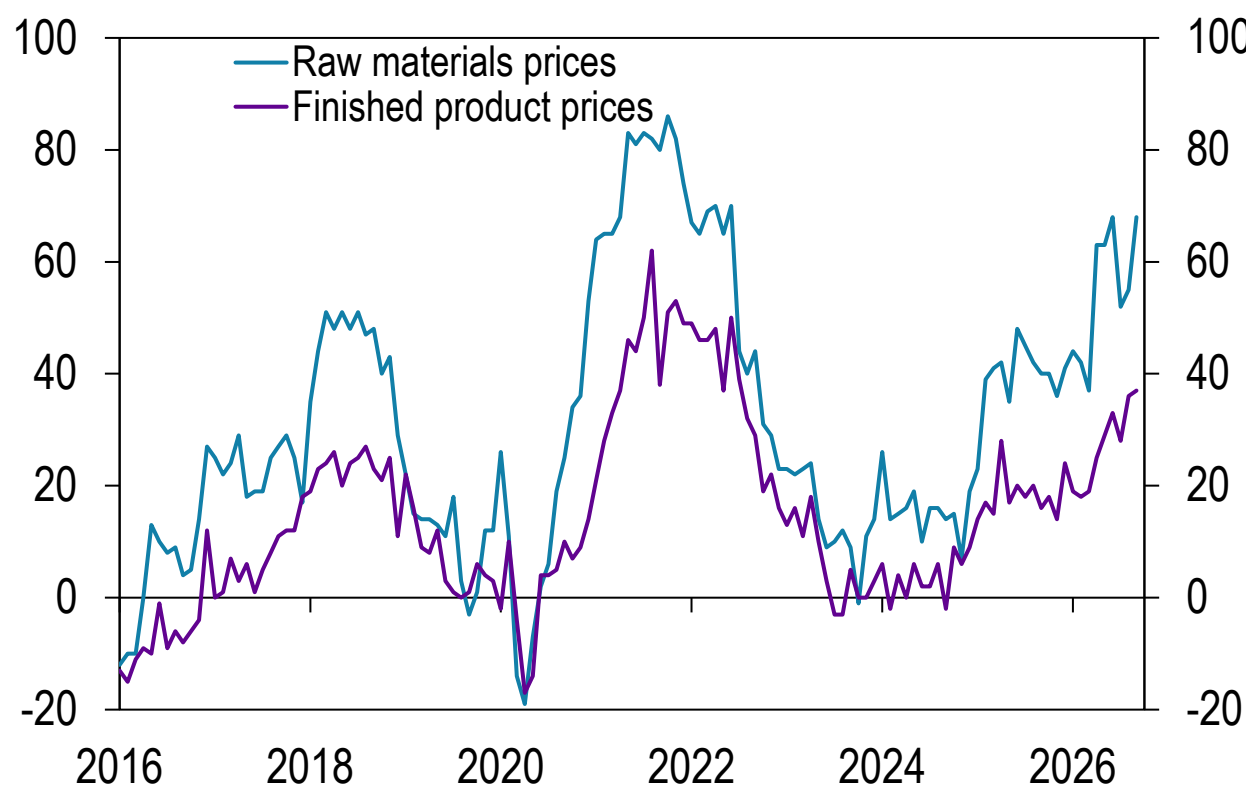
Fuel prices present upside risk to inflation



Manufacturing and services firms are experiencing cost pressures, and some are raising prices accordingly

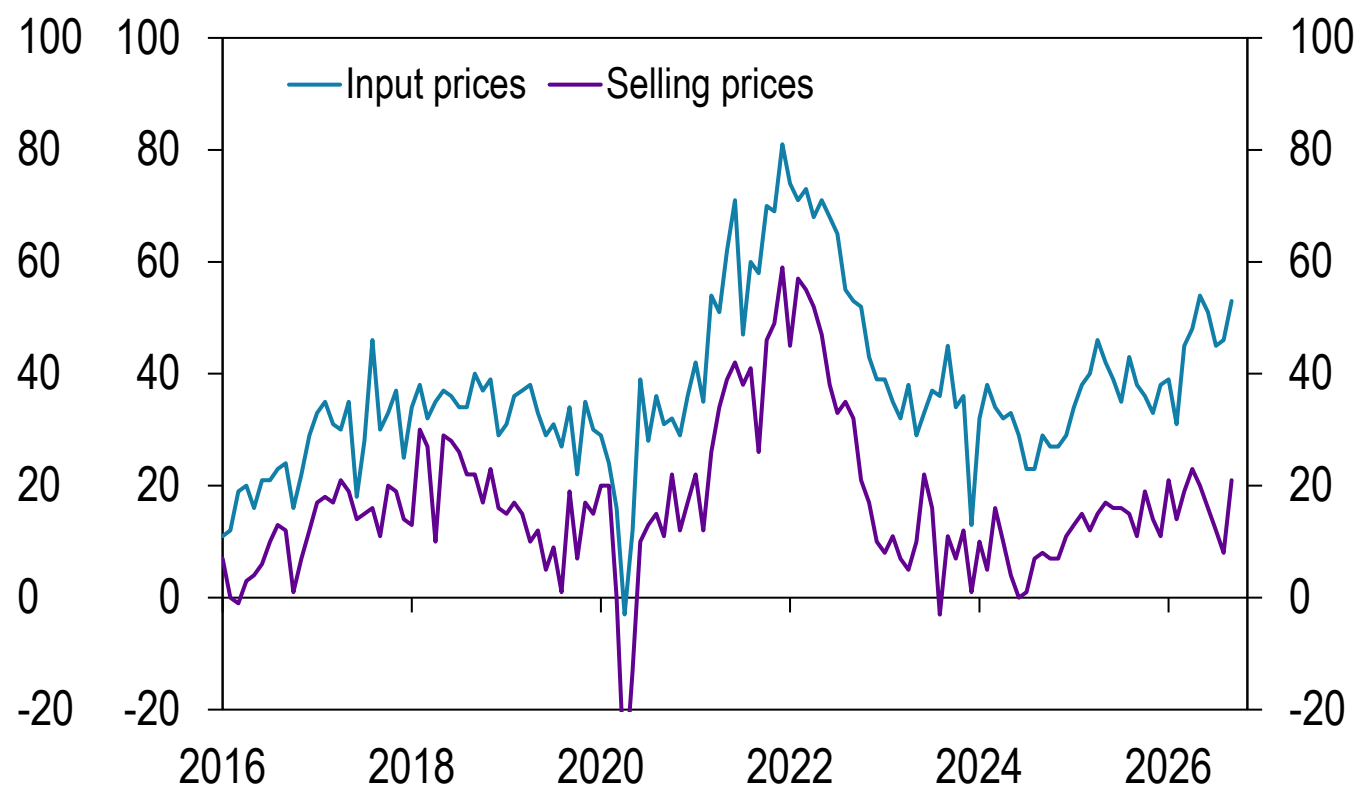
Manufacturing Surveys Price Indexes

month/month diffusion index, sa



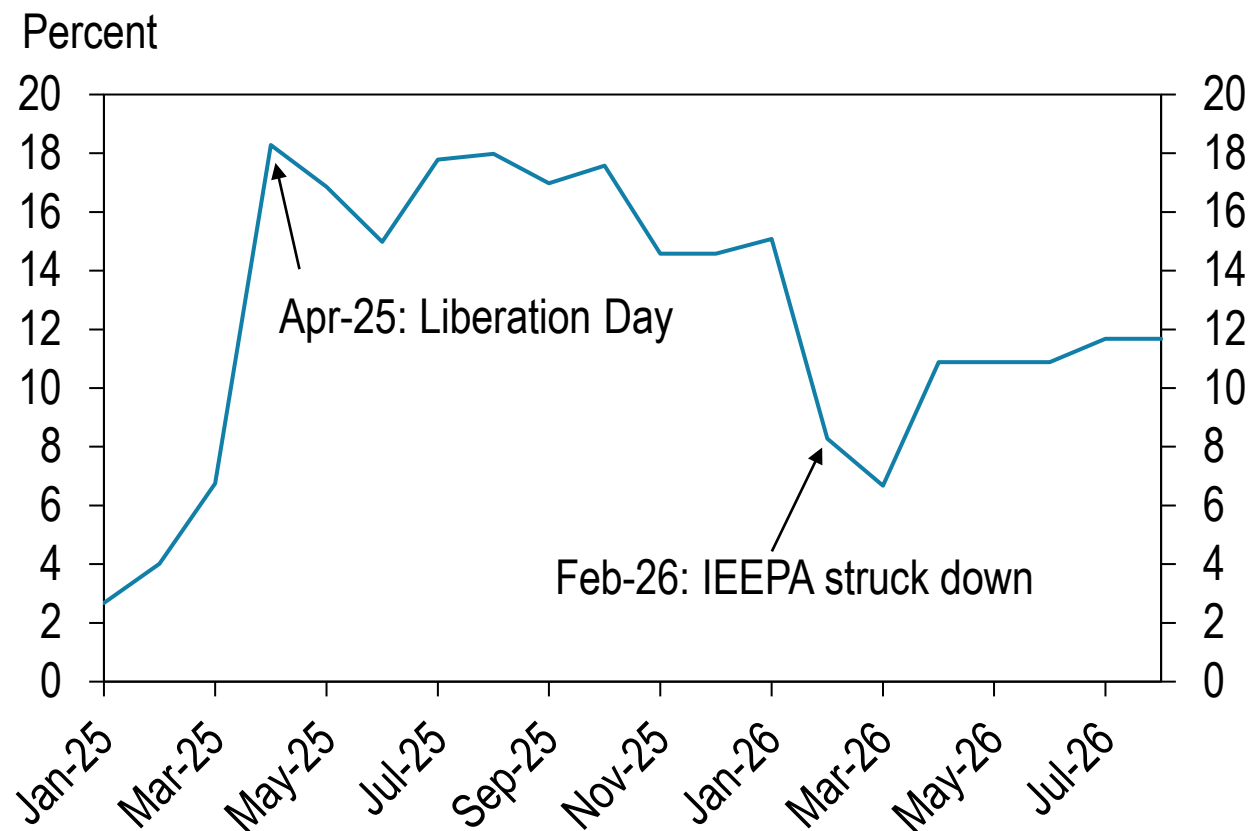
Services Surveys Price Indexes

month/month diffusion index, sa

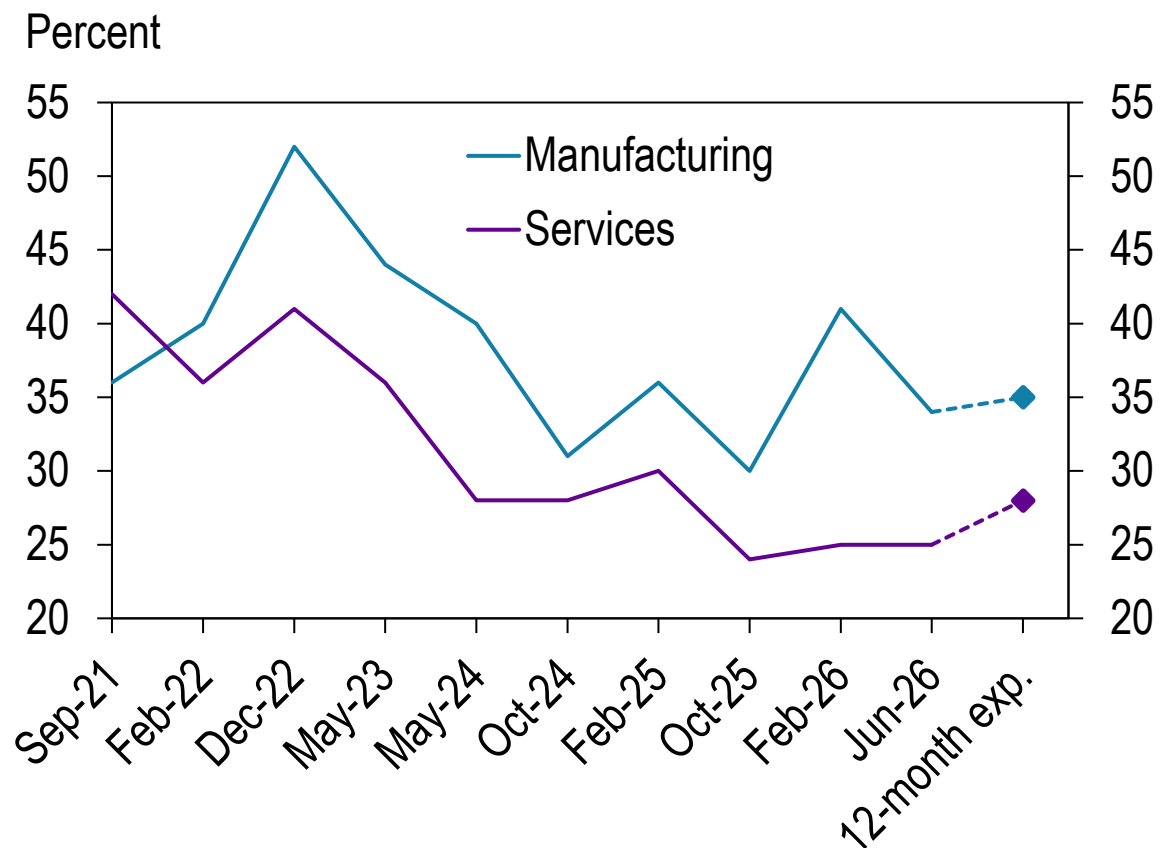


Tariffs remain elevated, but passthrough to the consumer is not expected to increase substantially

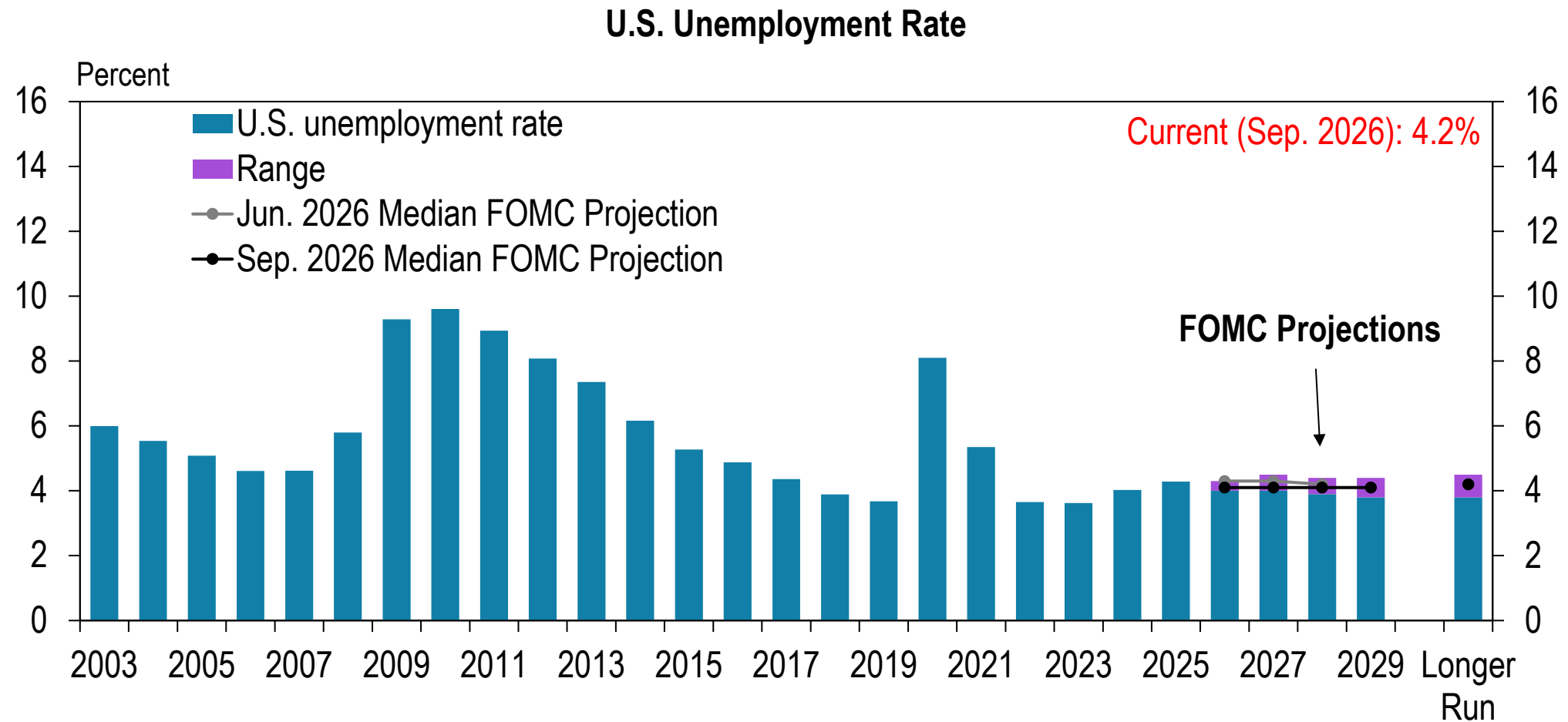
U.S. Effective Tariff Rate



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



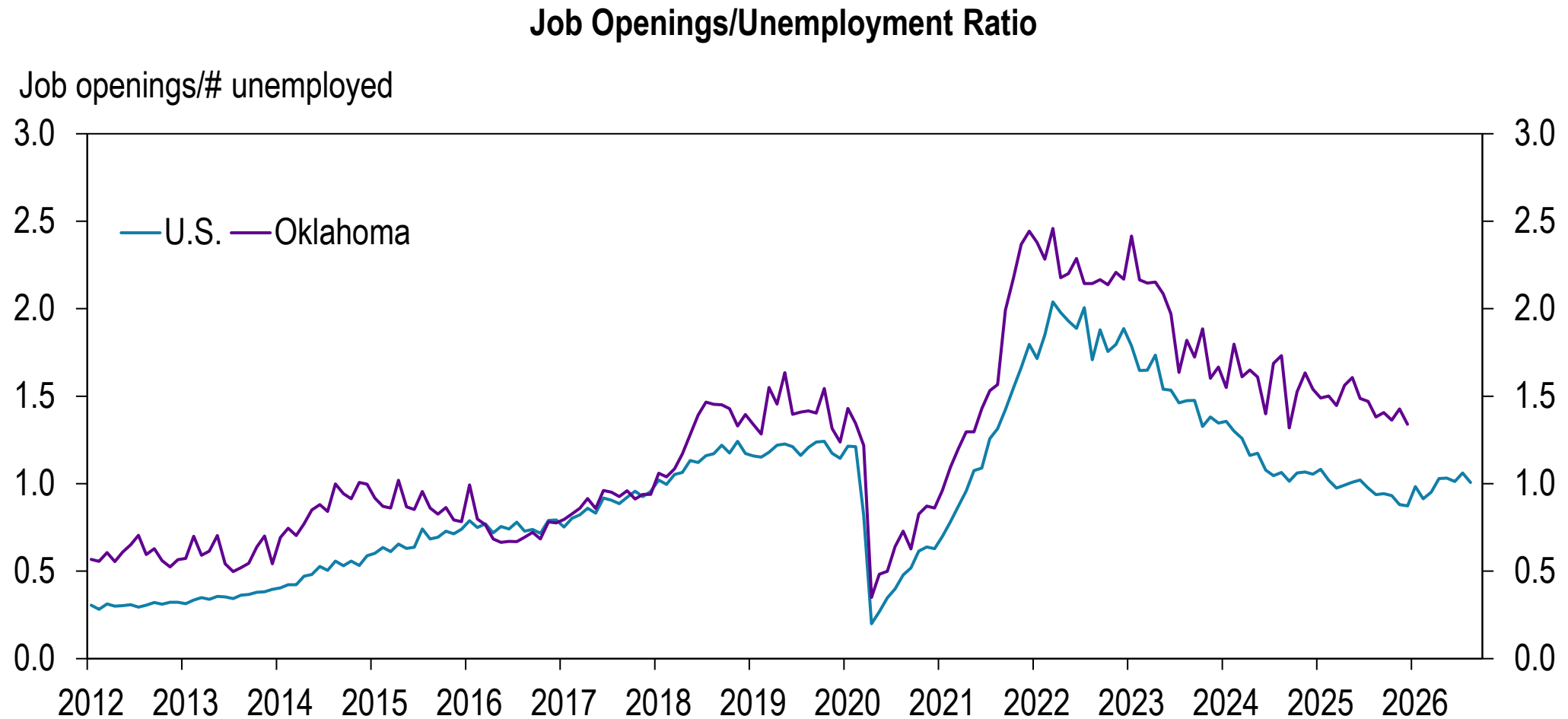
U.S. unemployment is at its long-run average and is projected to remain low moving forward



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

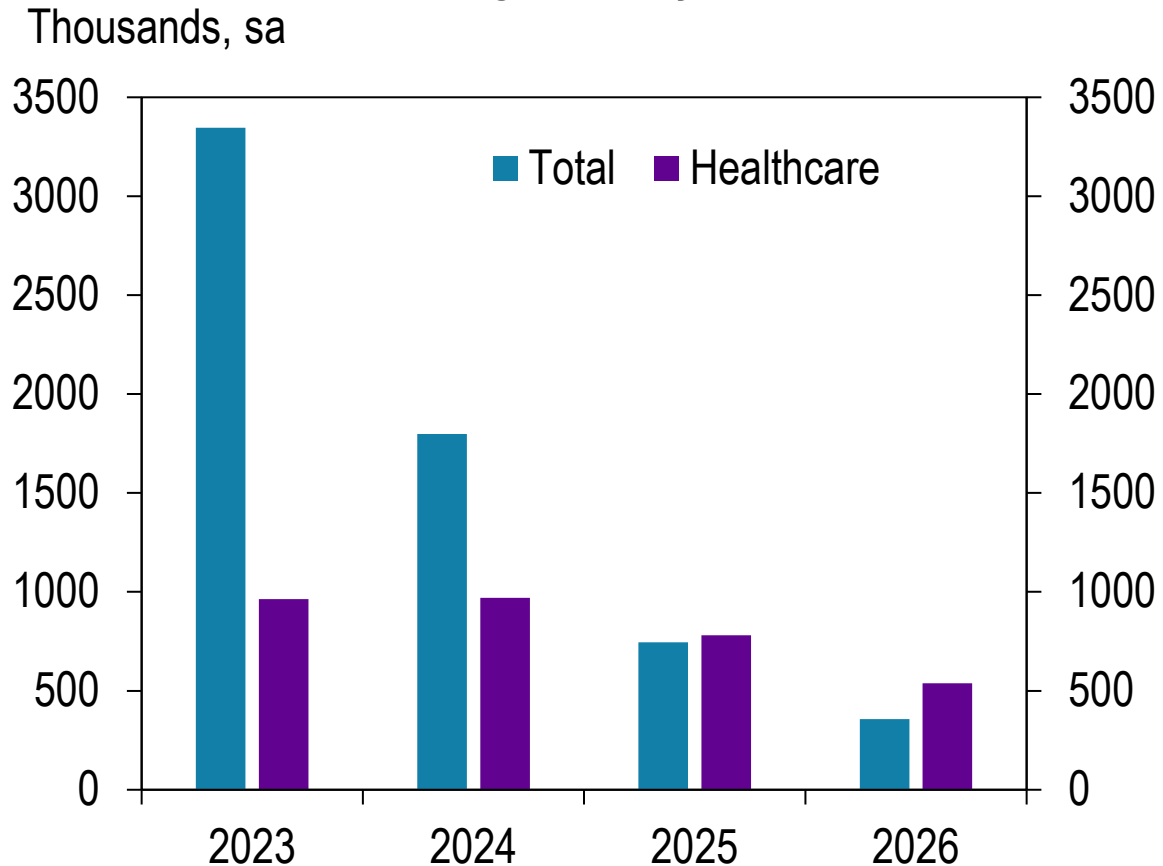
Sources: U.S. Bureau of Labor Statistics, FOMC

The U.S. labor market remains balanced

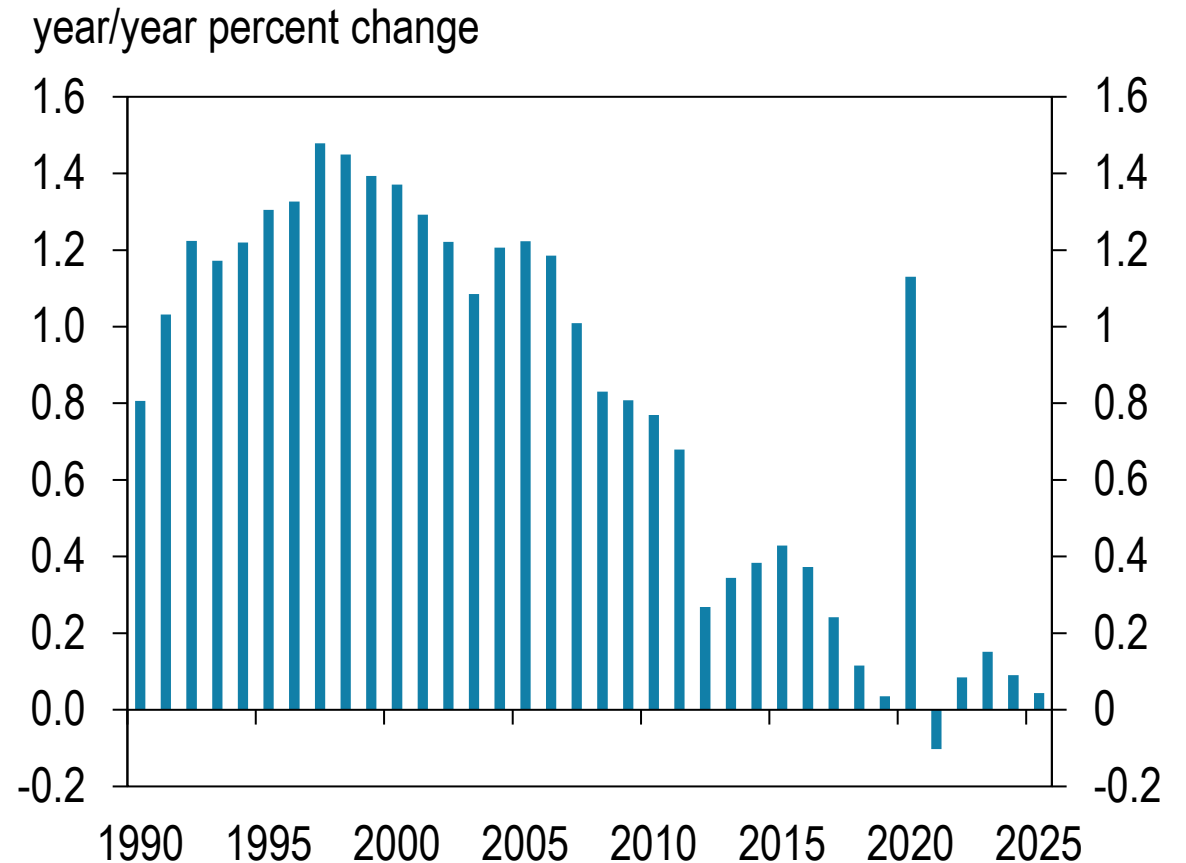


U.S. job gains have slowed in recent months and are largely concentrated in healthcare, partially due to reduced labor supply

U.S. Average Monthly Job Gains

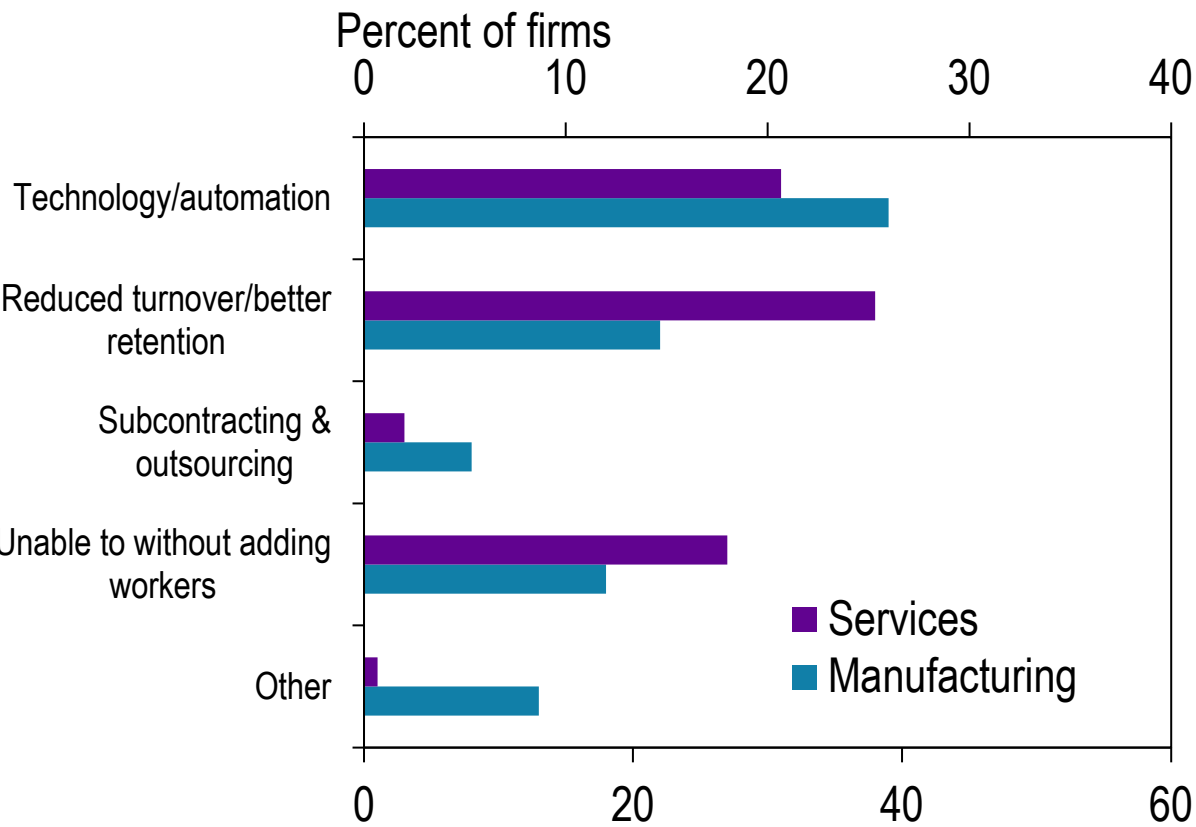


U.S. Working-Age Population Growth

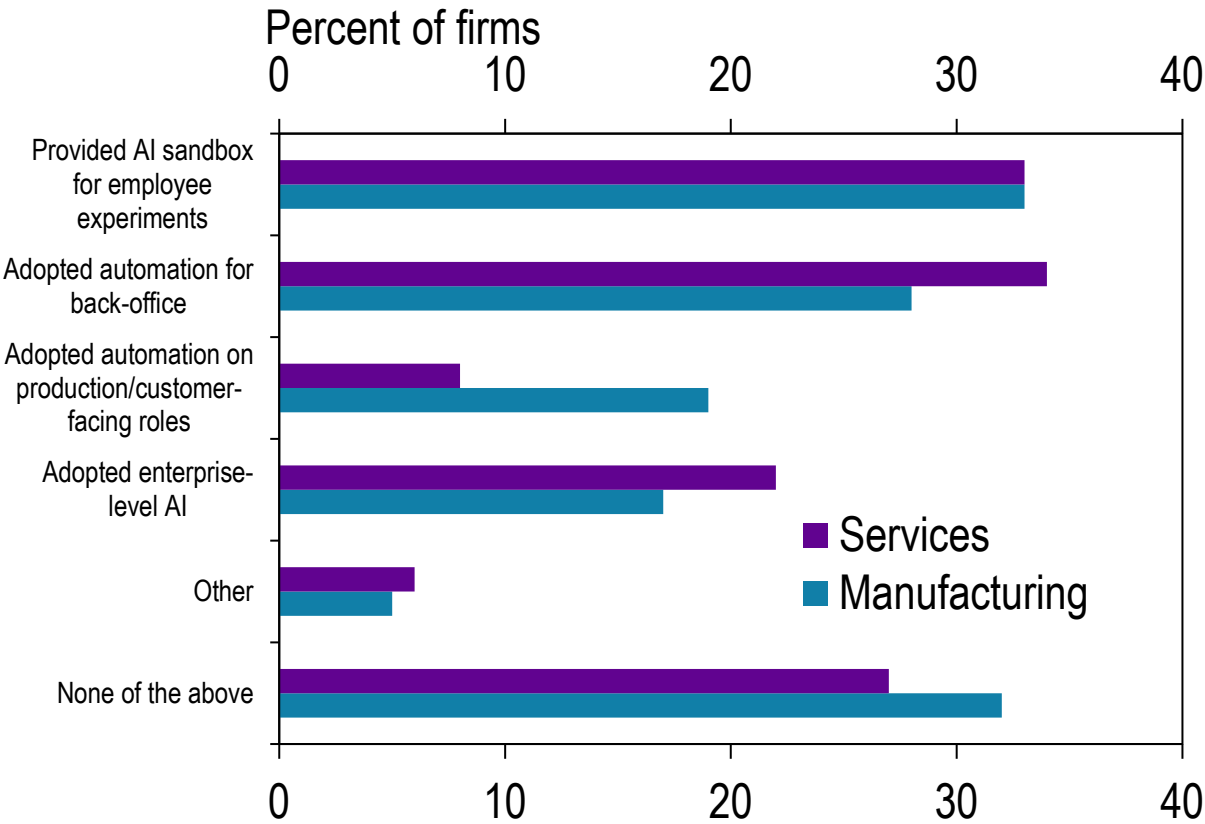


Technology and better retention has allowed some firms to do more with the same or fewer workers

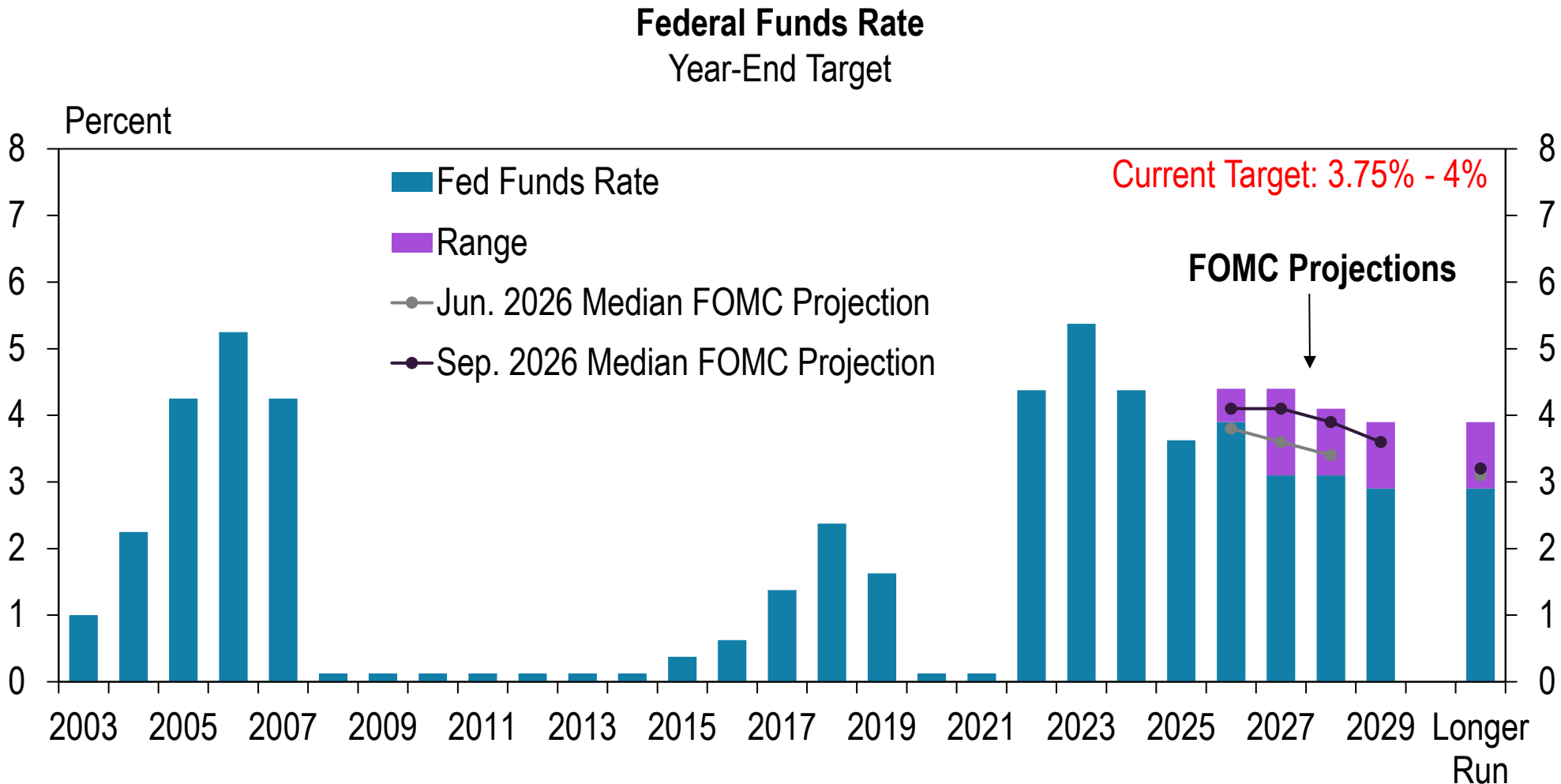
August 2026: What is the primary factor enabling you to increase production without adding workers?



August 2026: Companies' Use of Technology



The Fed raised the Federal Funds rate by 25 bps in September, and the latest projections are shown

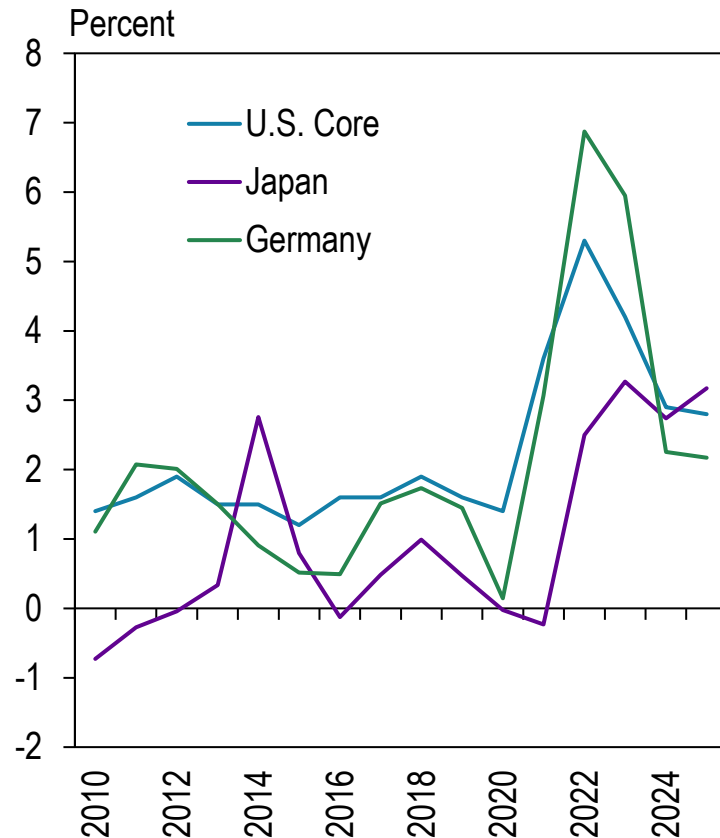


Note: Data and FOMC projections are for year-end.

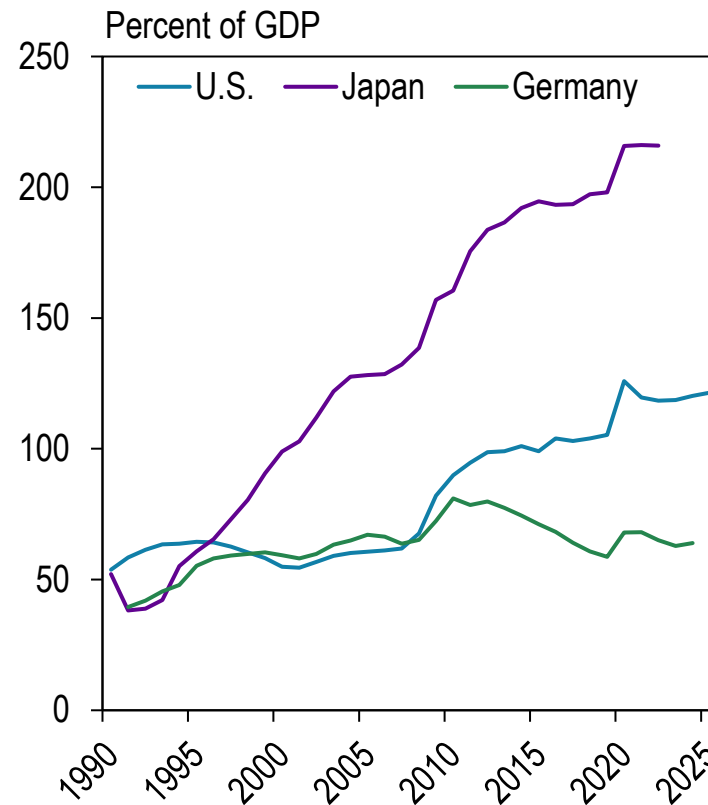
Sources: Bureau of Economic Analysis, FOMC

Interest rates have increased alongside “sticky” inflation and higher government debt.

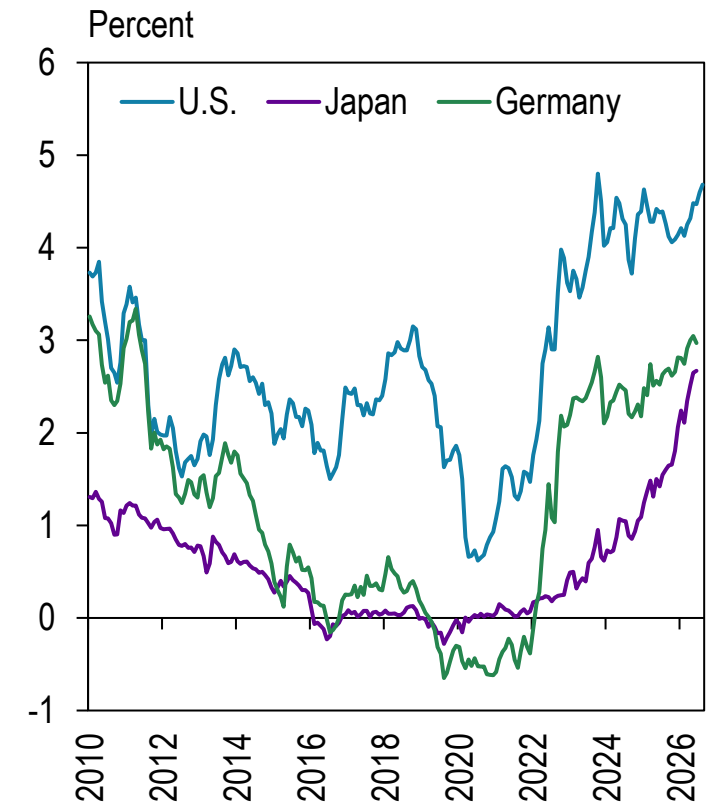
Inflation



Government Debt

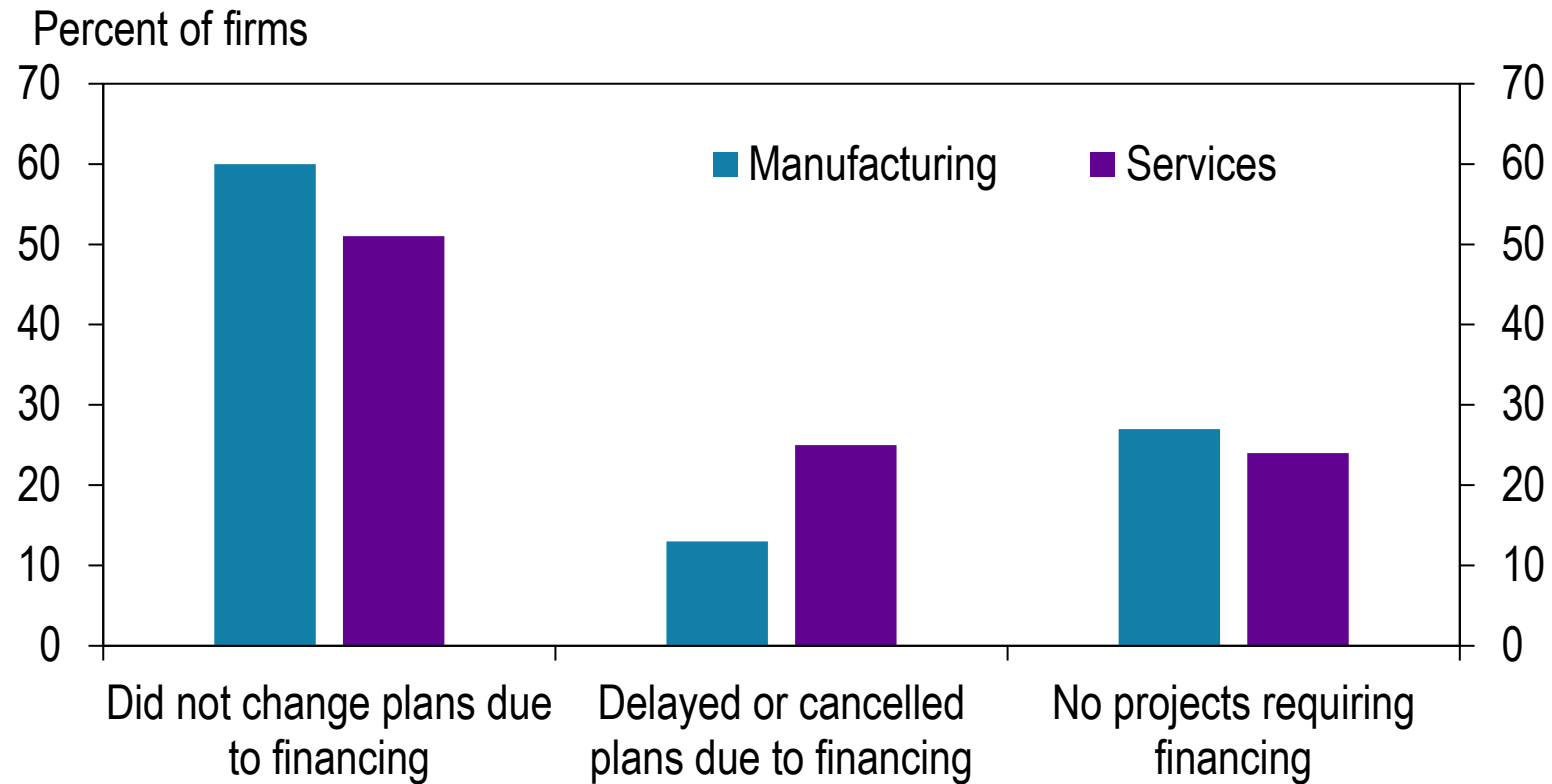


Yield on 10-Year Government Bonds

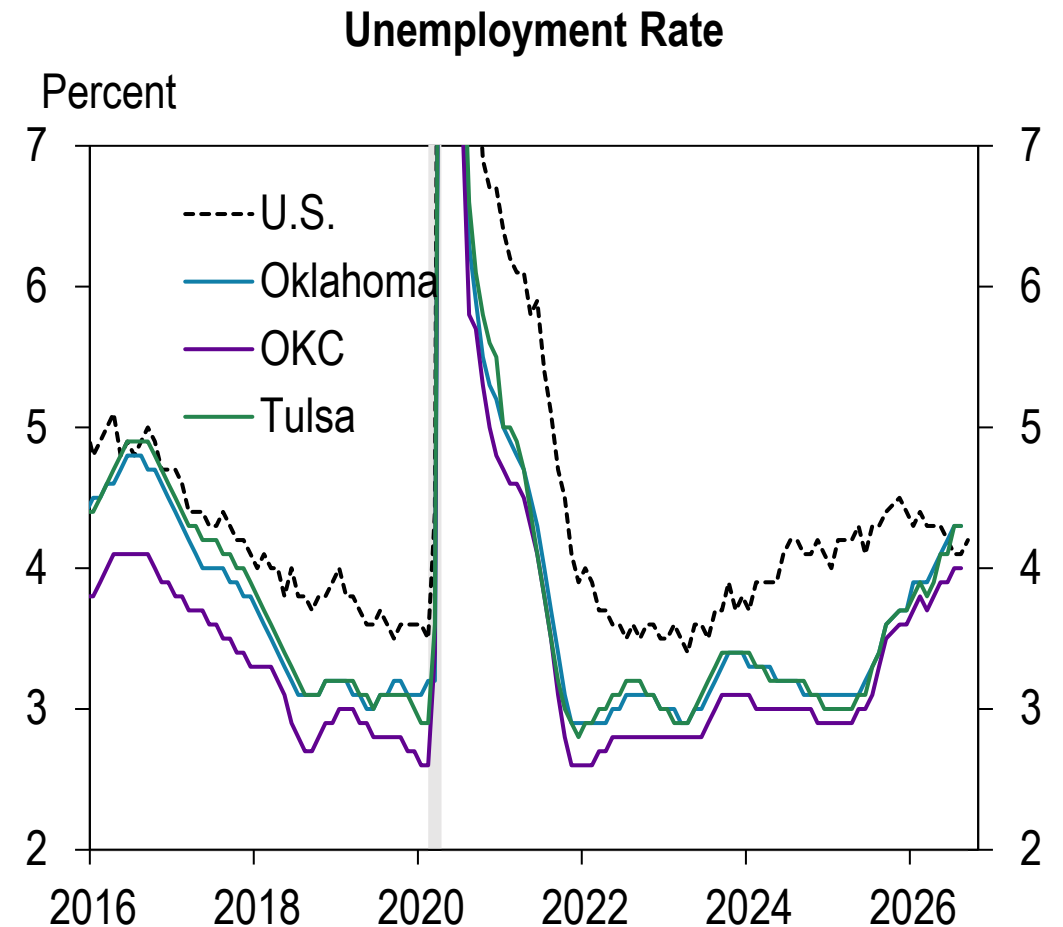
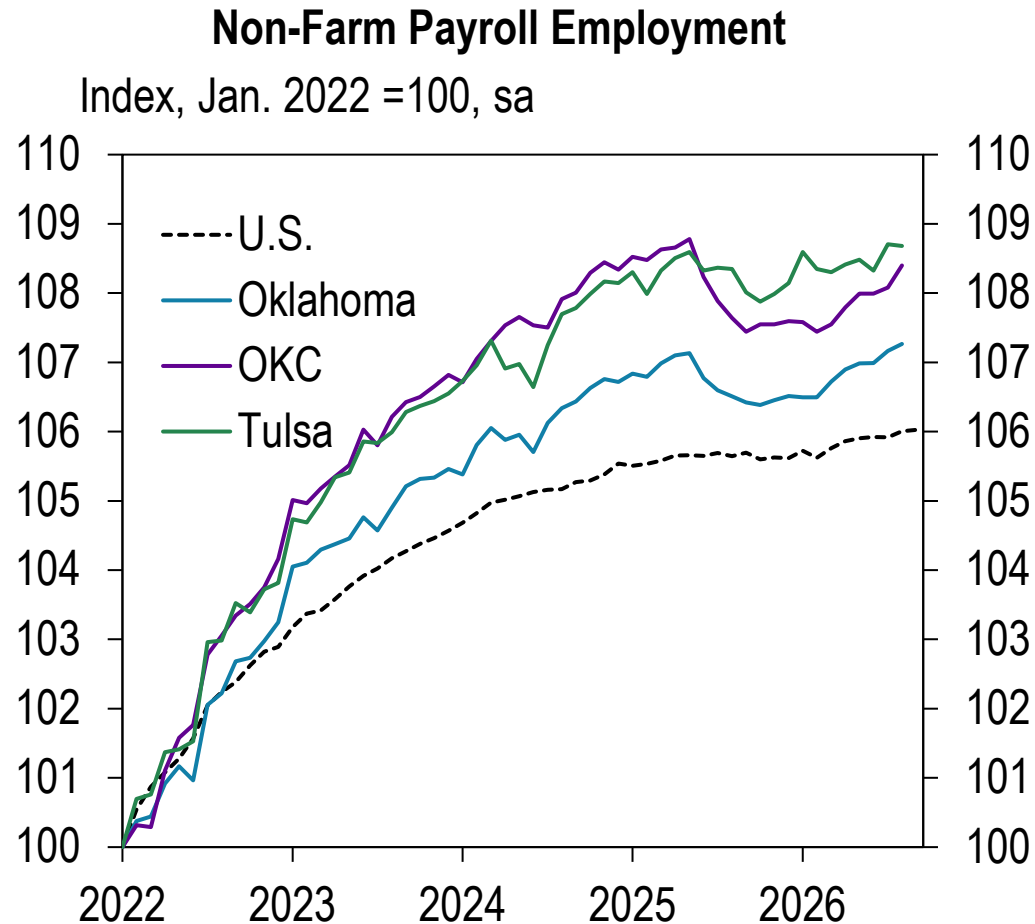


Over half of Tenth District firms report their projects are not restricted by interest rates

August 2026: Since the beginning of the year, has the cost of interest caused an adjustment to projects that have typically used financing?

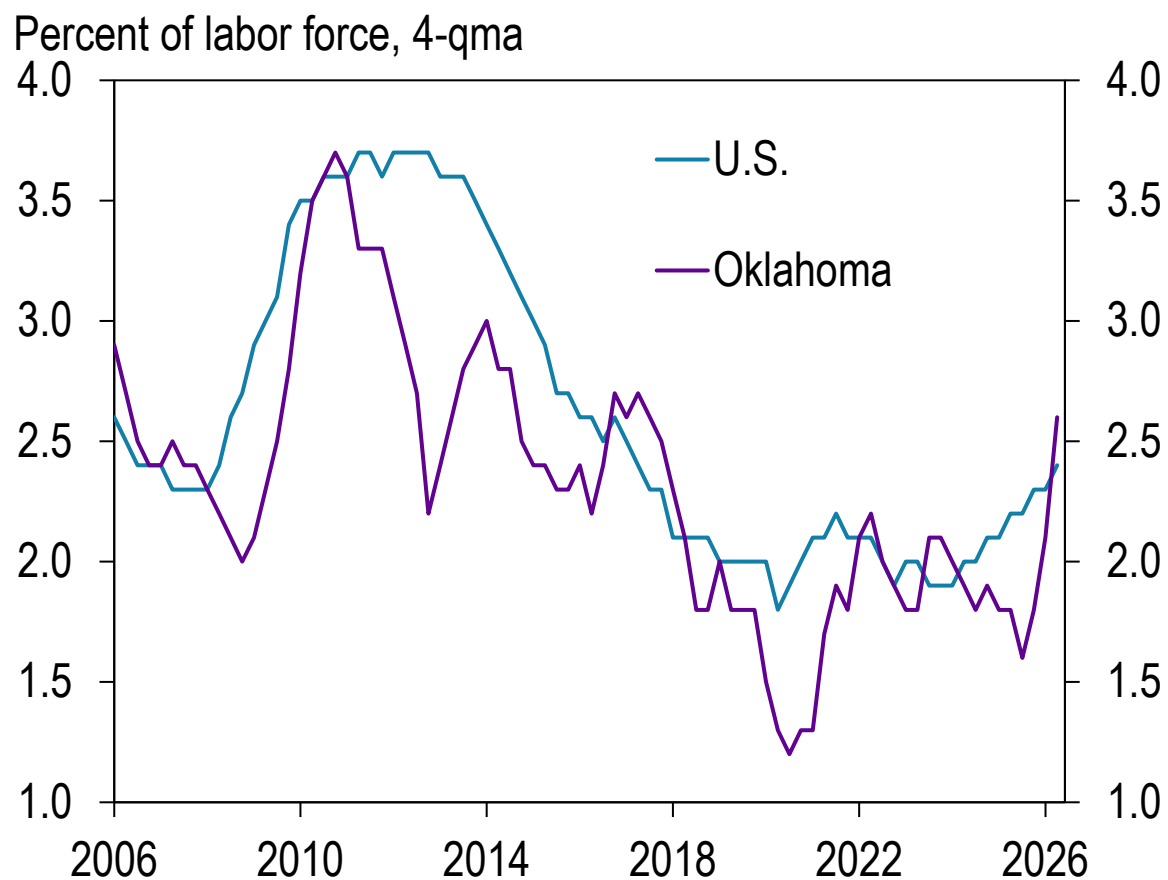


Oklahoma has recovered job losses from 2020, but unemployment has surpassed the U.S. average



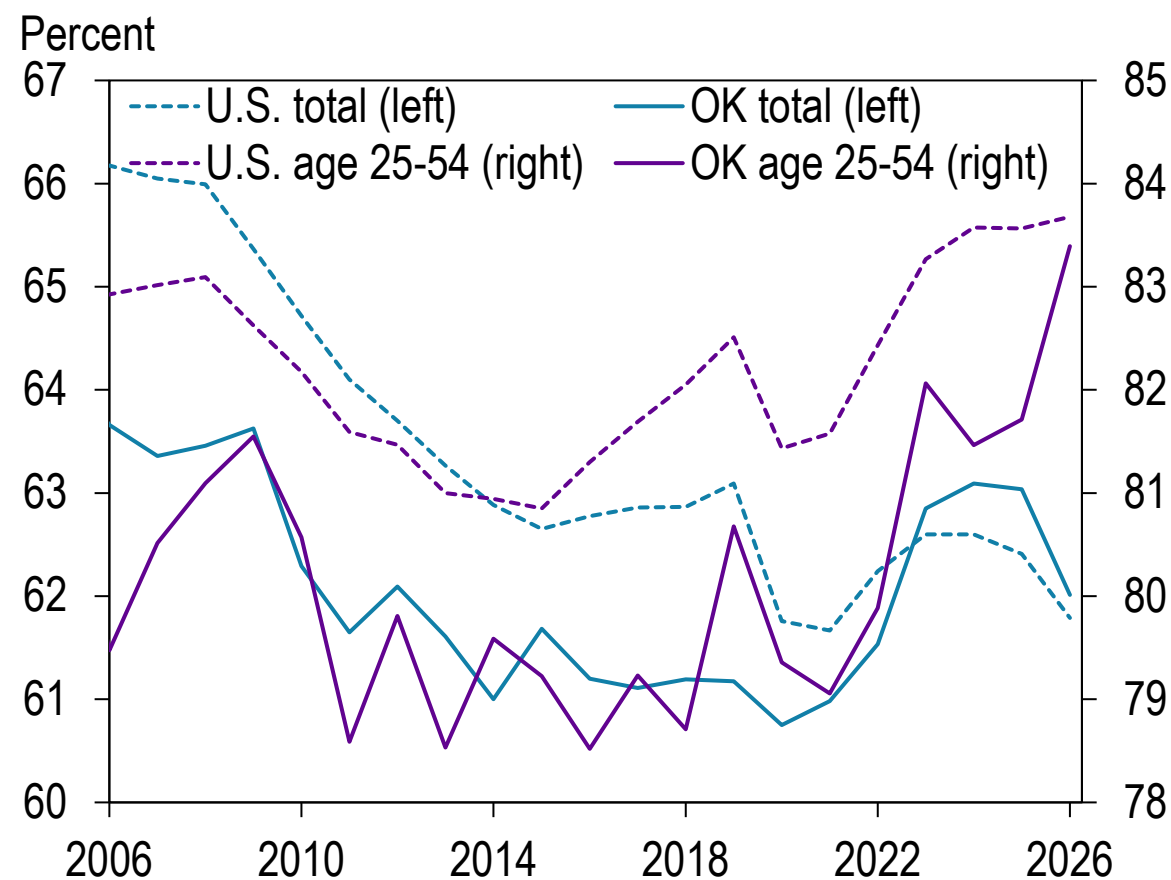
Unemployment gains are driven by new entrants into the labor force

Unemployment from Labor Force Entrants



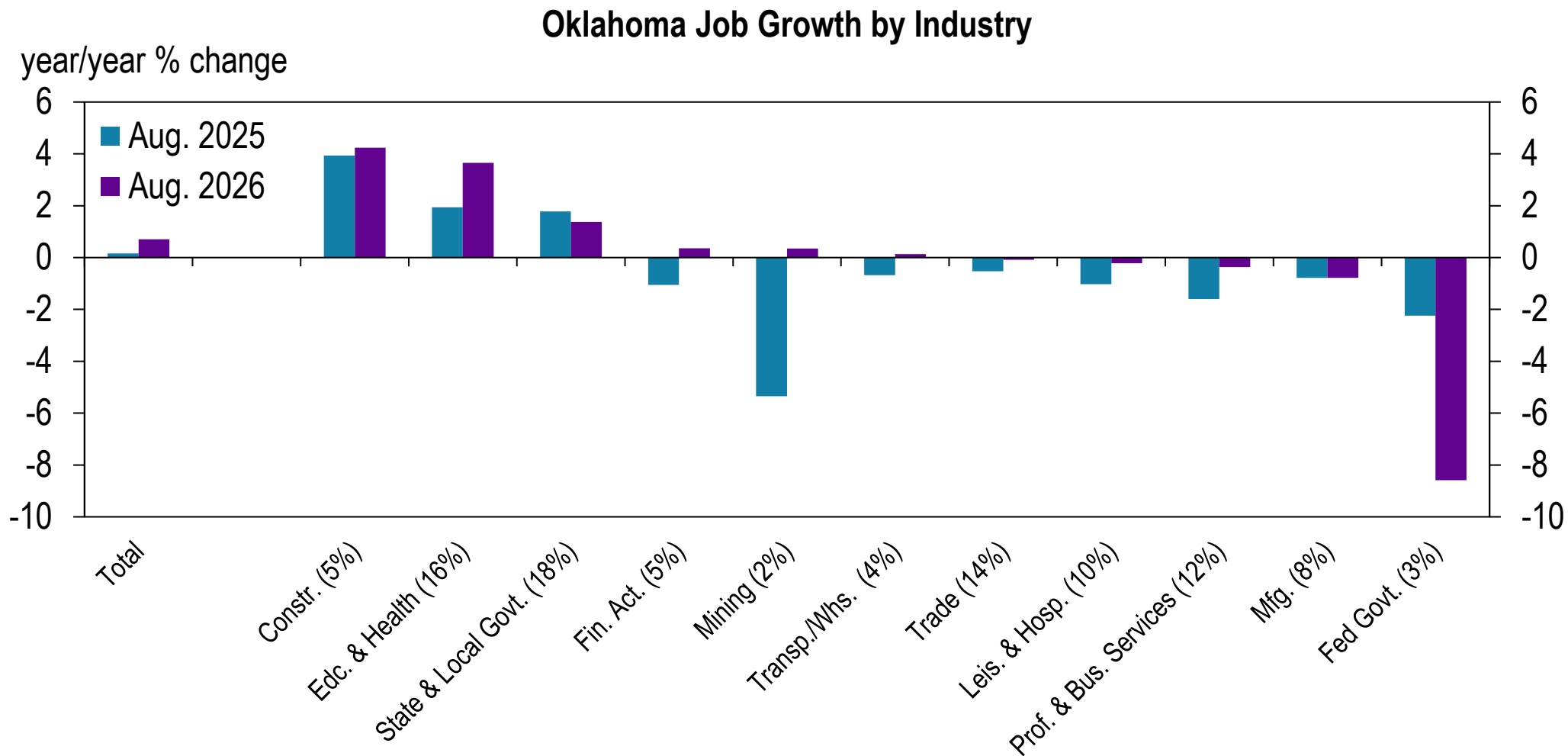
Note: Left chart is calculated by proxy of the difference between U3 and U2 unemployment rates.

Labor Force Participation by Age



Sources: U.S. Bureau of Labor Statistics/Haver Analytics, staff calculations

Oklahoma job growth picked up in construction, healthcare, warehousing, and mining, while declining in manufacturing and professional services

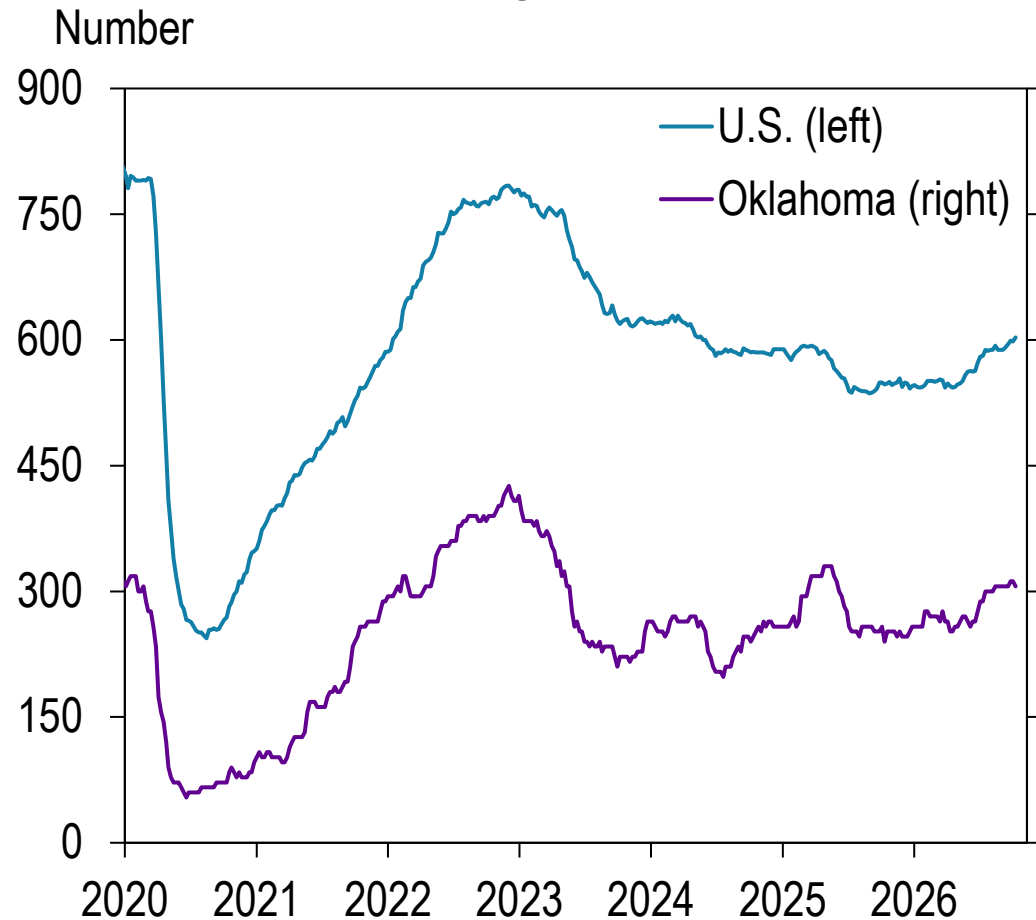


Sources: U.S. Bureau of Labor Statistics/Haver Analytics

Note: Parentheticals show the 2-year average share of Oklahoma's total employment.

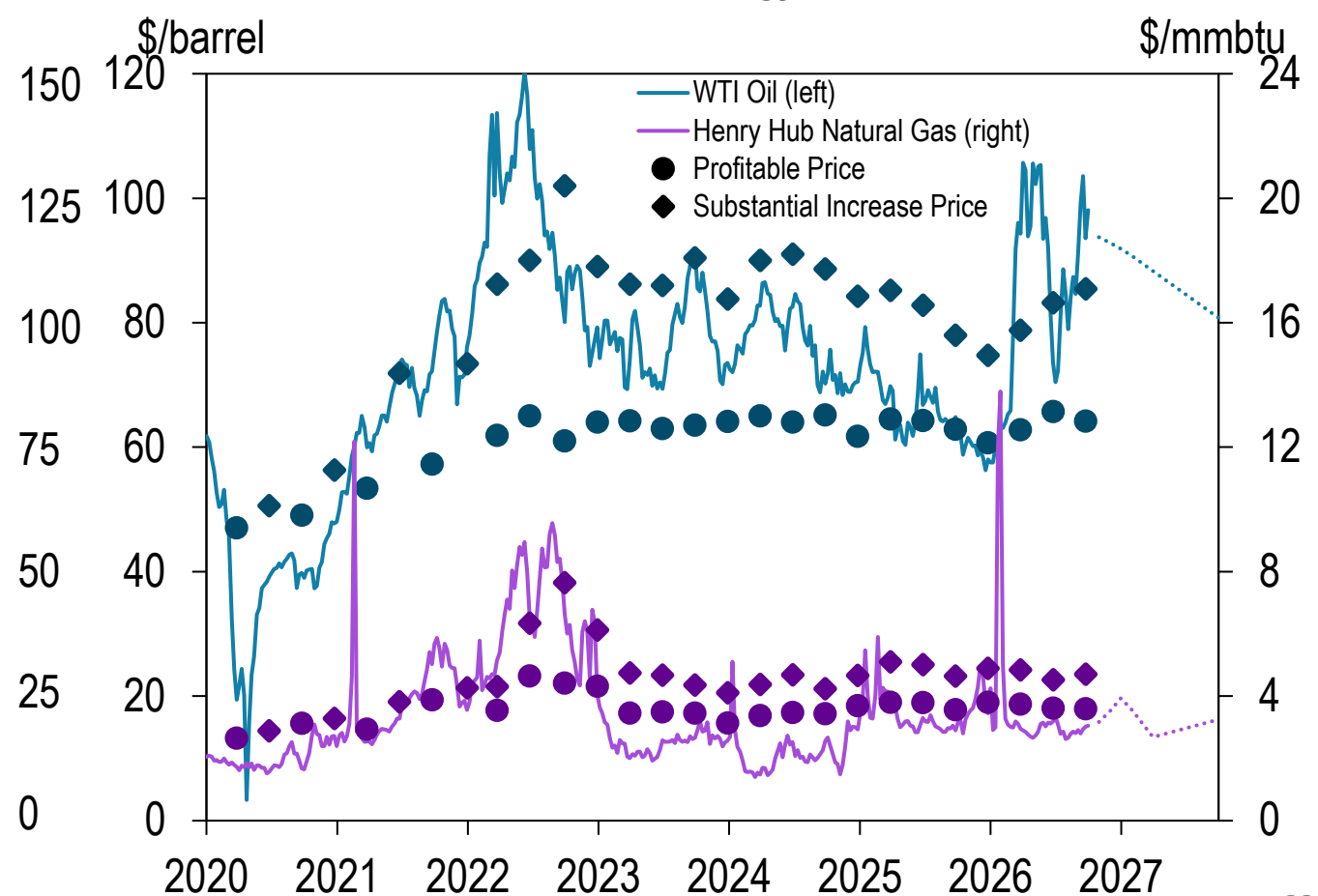
Rig counts have increased recently as oil prices surpass levels needed to increase drilling, and are expected to remain above breakevens

Rig Counts



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

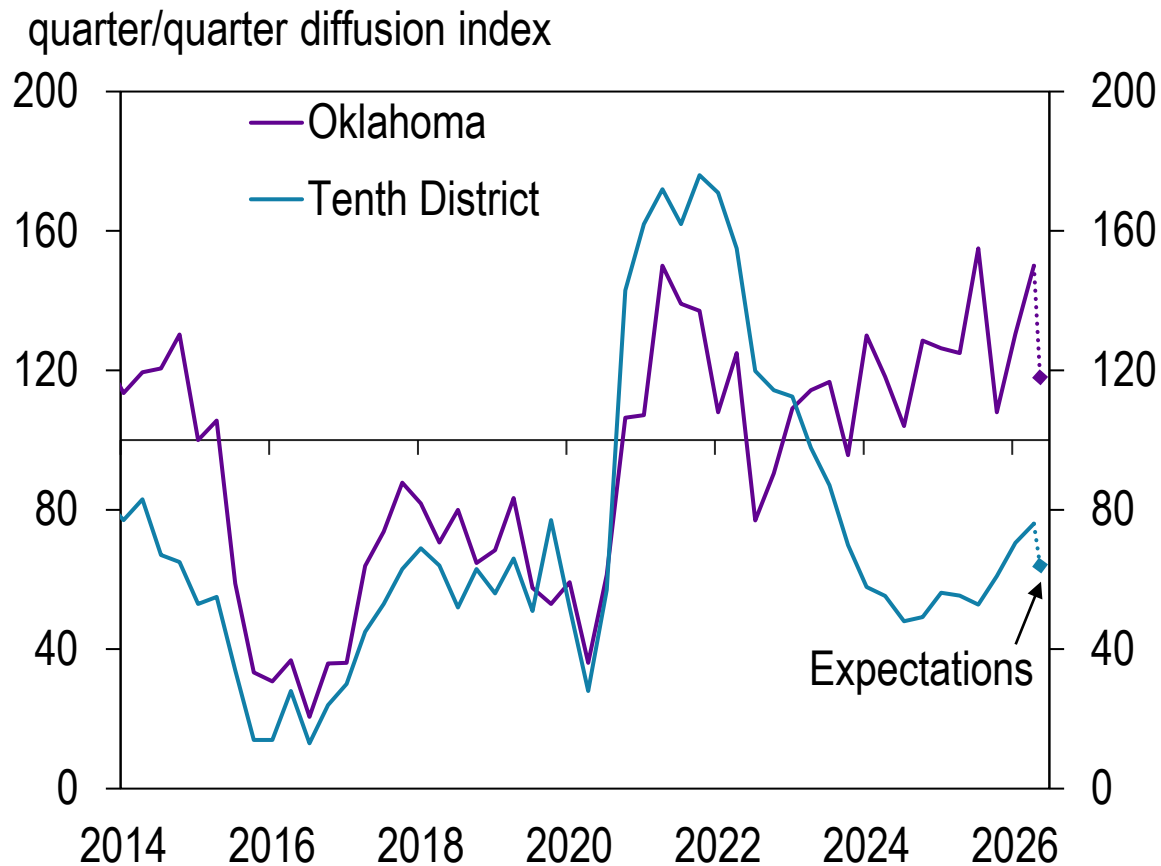
U.S. Energy Prices



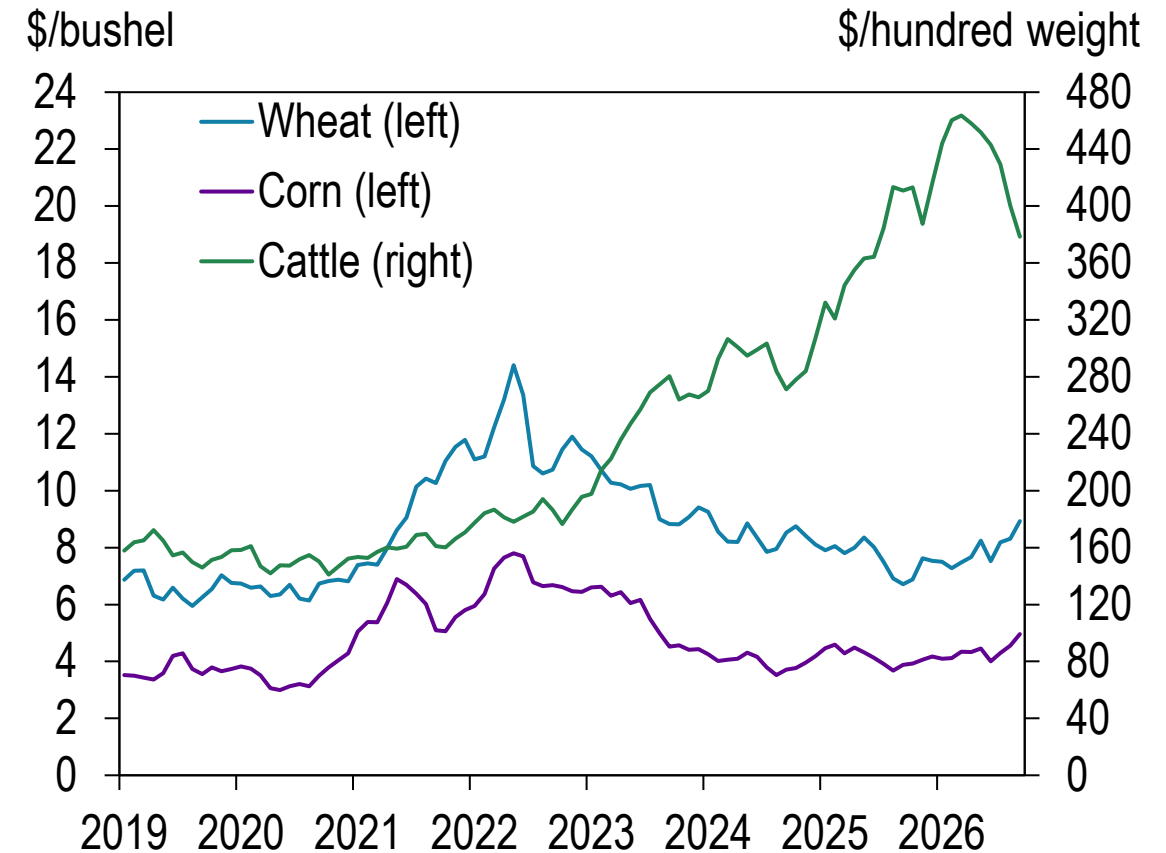
Note: Dotted lines show CME futures prices as of October 12.

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

Farm Income



Agricultural Commodity Prices



Questions?

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