U.S. and Oklahoma Economic Outlook

Forvis Mazars-Oklahoma Bankers Association Executive Banking Symposium

November 12, 2026

Cortney Cowley

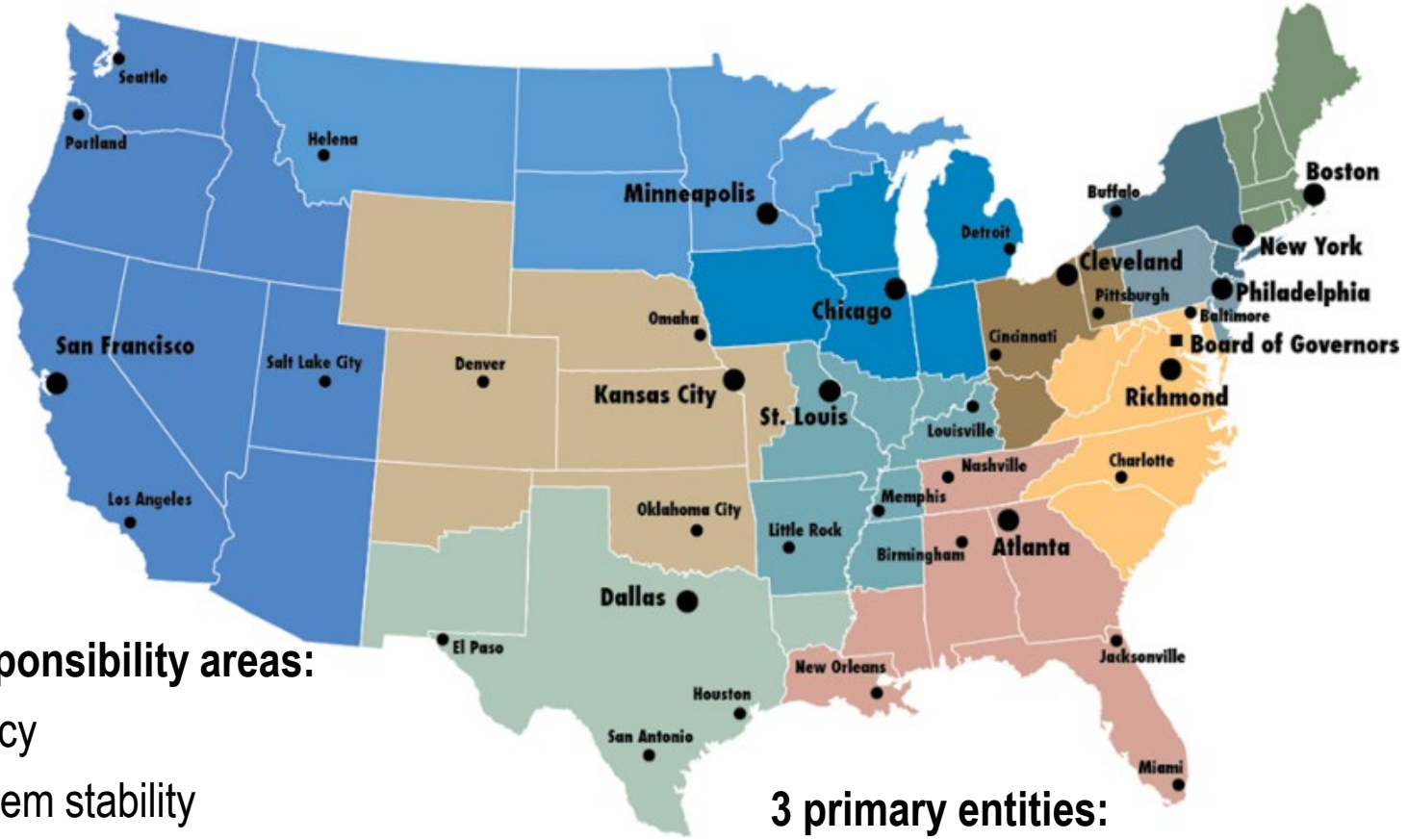
Oklahoma City Branch Executive, Economist, and AVP

*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.

FEDERAL RESERVE BANK OF KANSAS CITY

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

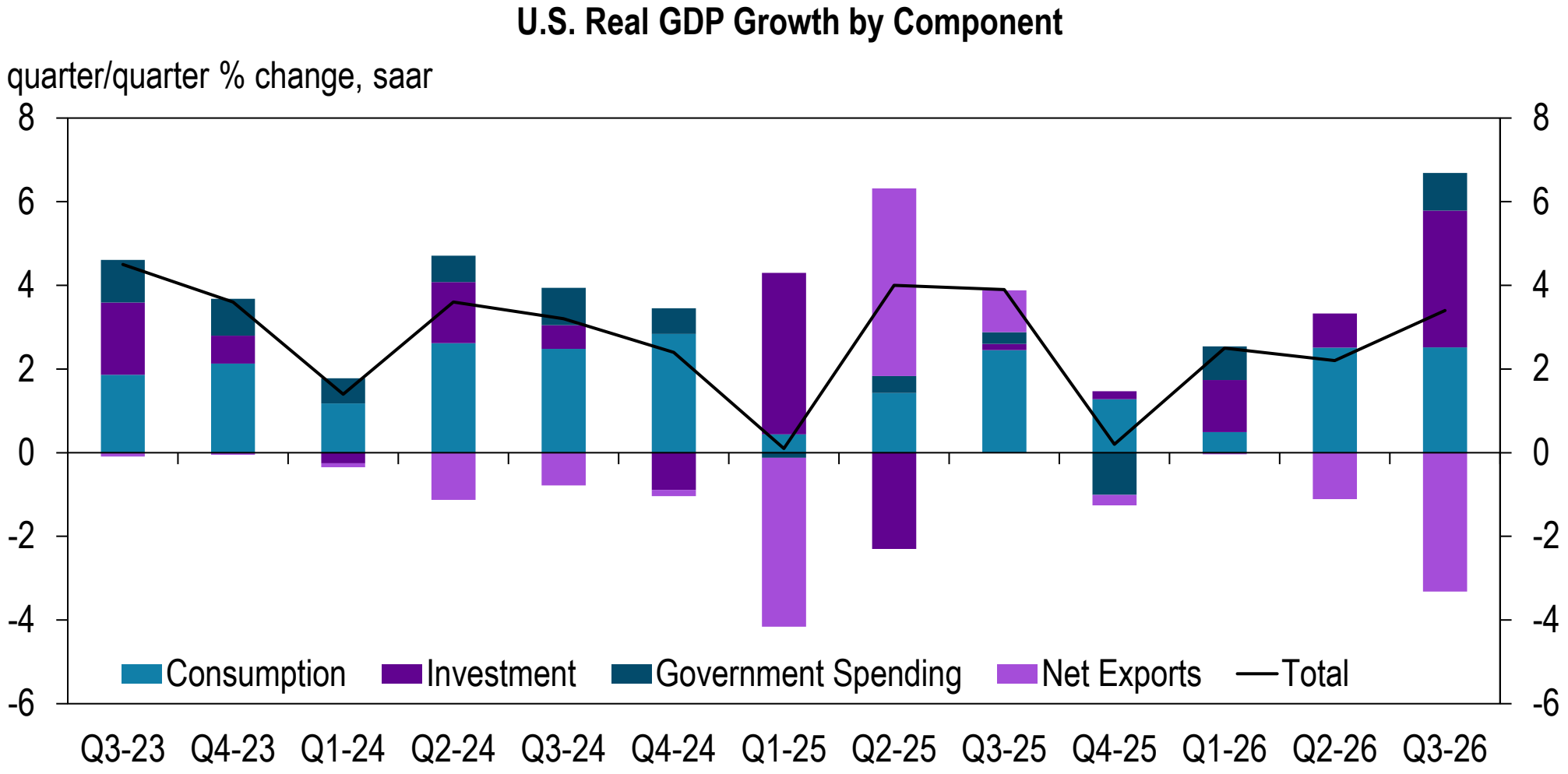
www.kansascityfed.org/oklahomacity

- **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



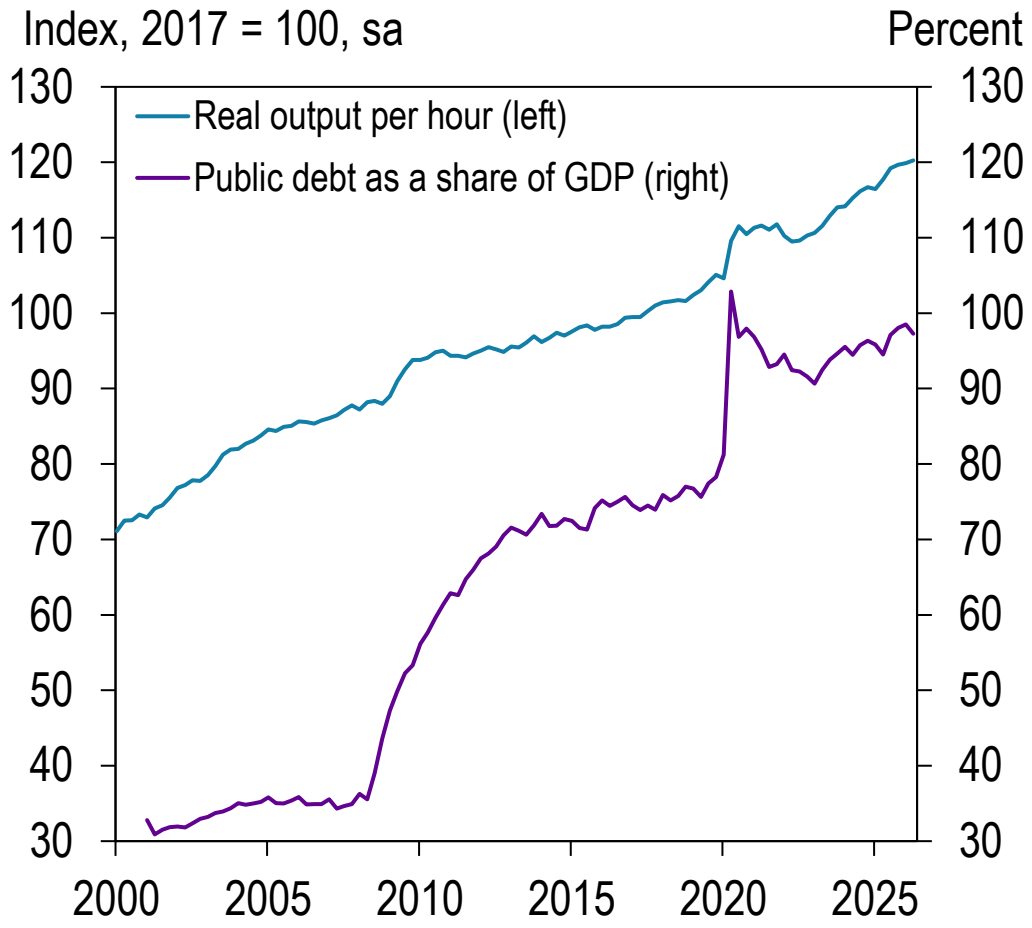
U.S. GDP growth accelerated to 3.3% in Q3 as business investment soared



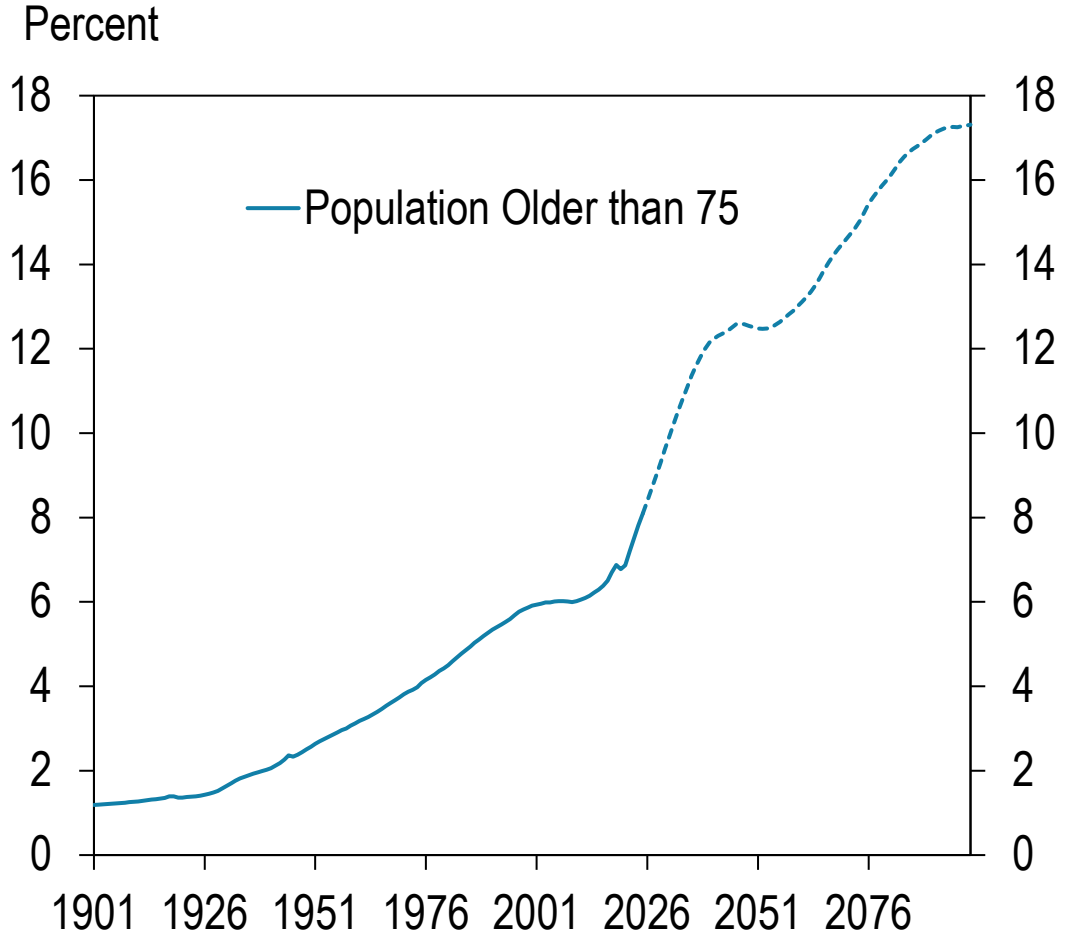
Sources: BEA/Haver Analytics

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

U.S. Productivity and Debt

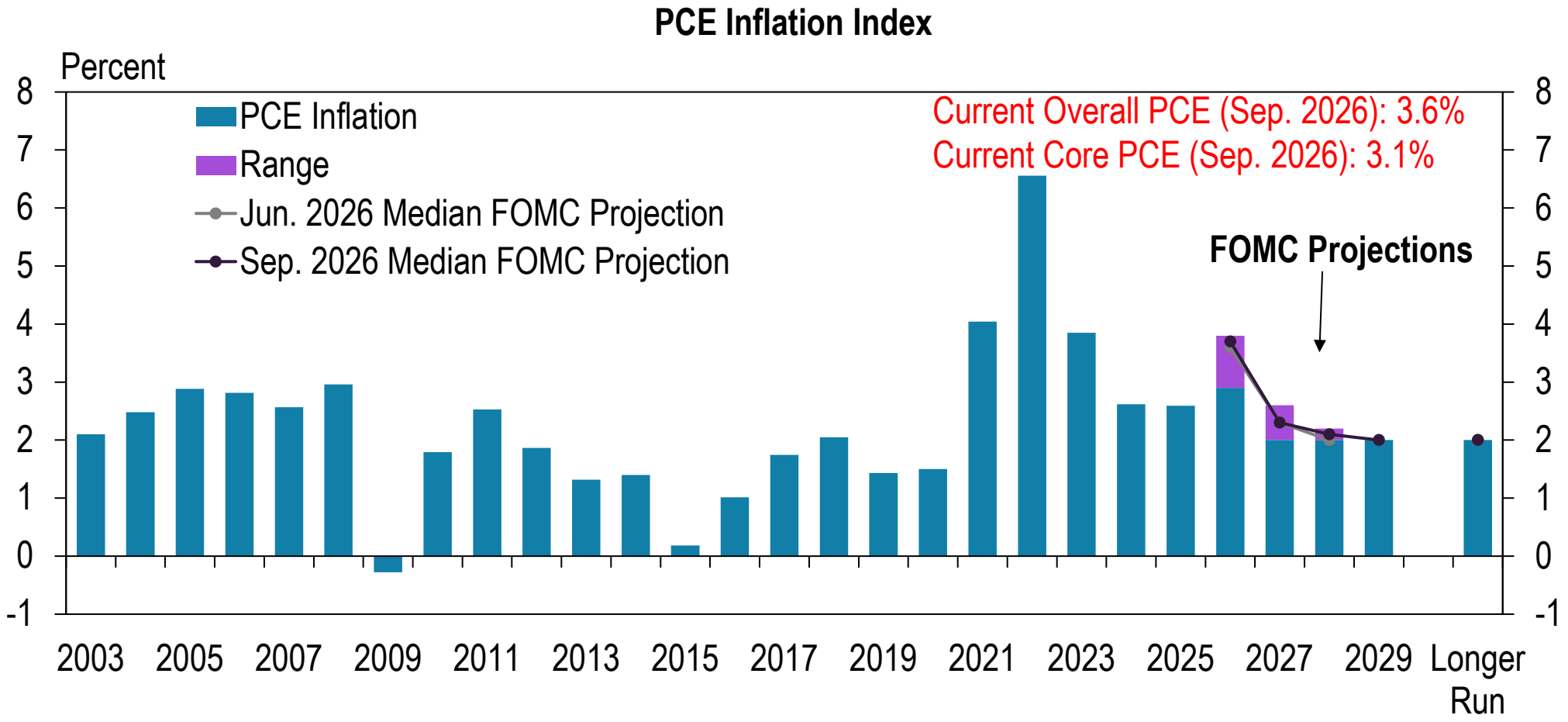


Share of Population Older than 75



Source: U.S. Bureau of Labor Statistics, Federal Reserve Board, Census Bureau/Haver Analytics

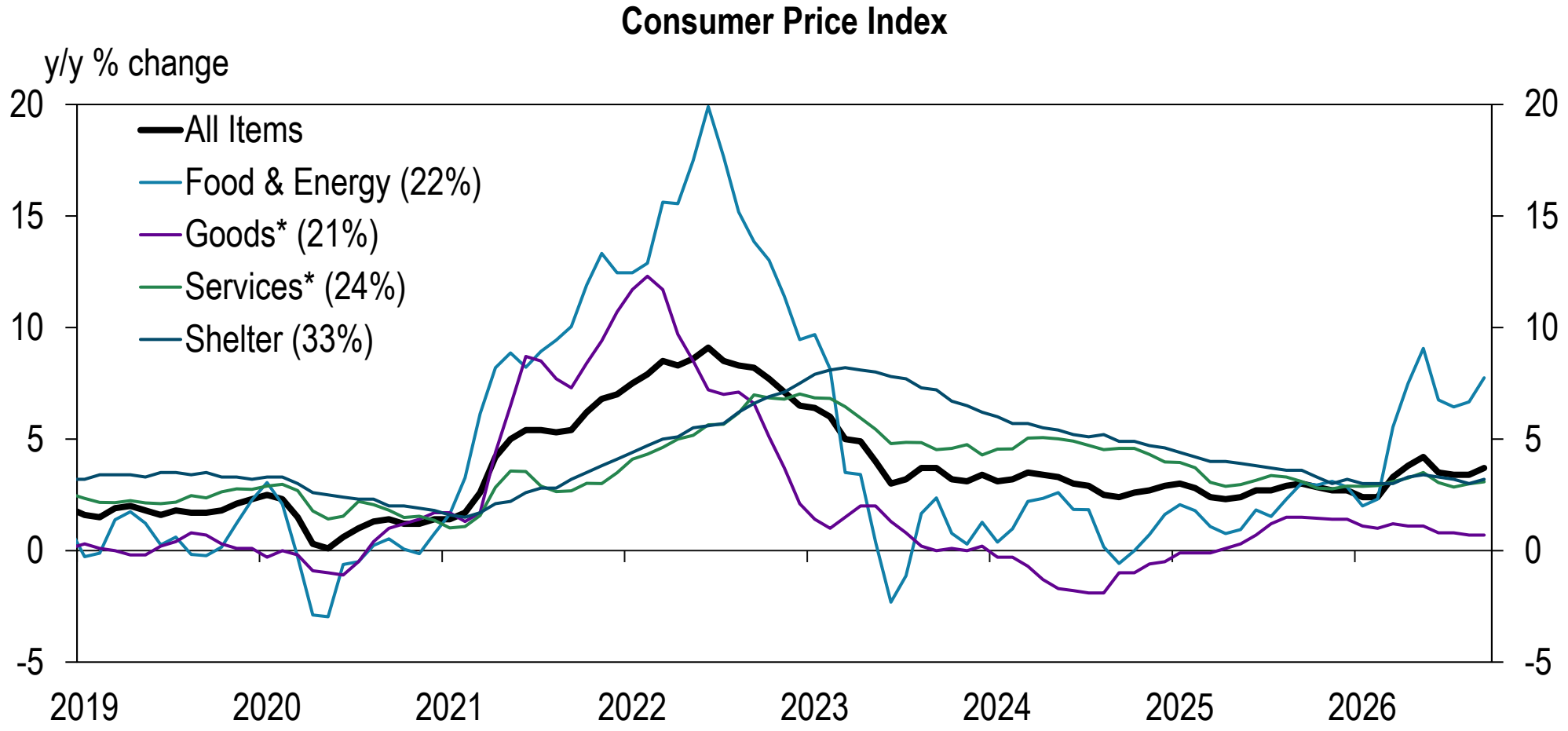
Inflation is expected to remain elevated this year amid high energy prices and broader inflationary pressures



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

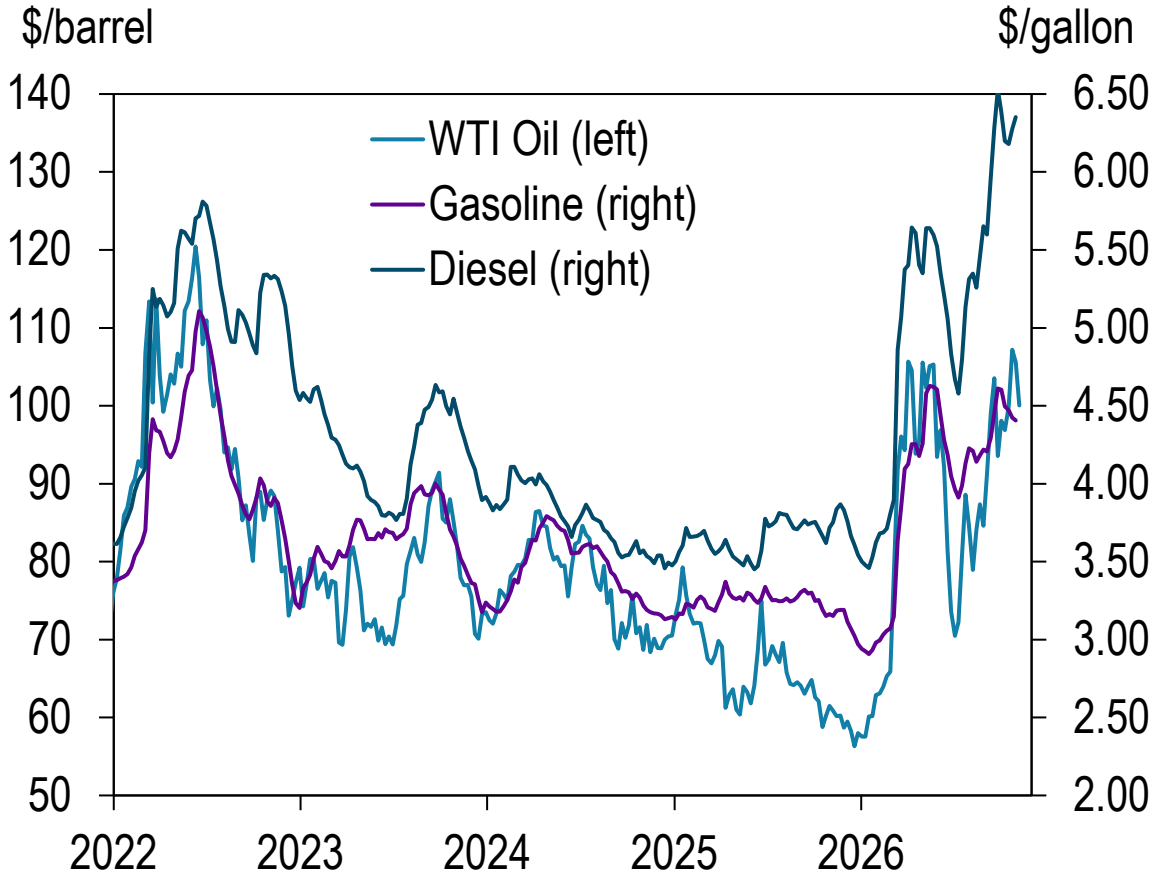


*Goods excluding Food; Services excluding Energy.
Note: Relative Importance as Share of CPI shown in parenthesis.

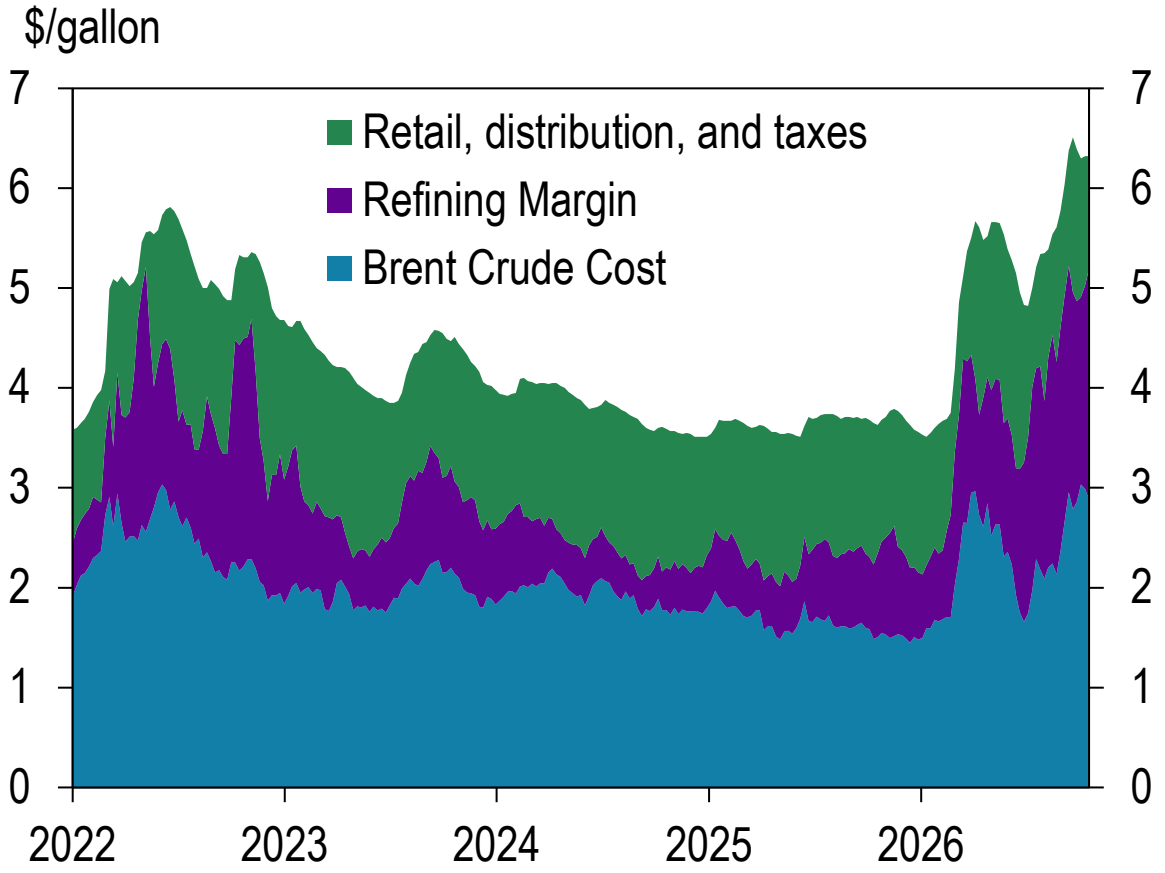
Sources: BLS/Haver Analytics

Energy prices present upside risk to inflation, as oil and refining margins push diesel prices higher

U.S. Oil and Fuel Prices

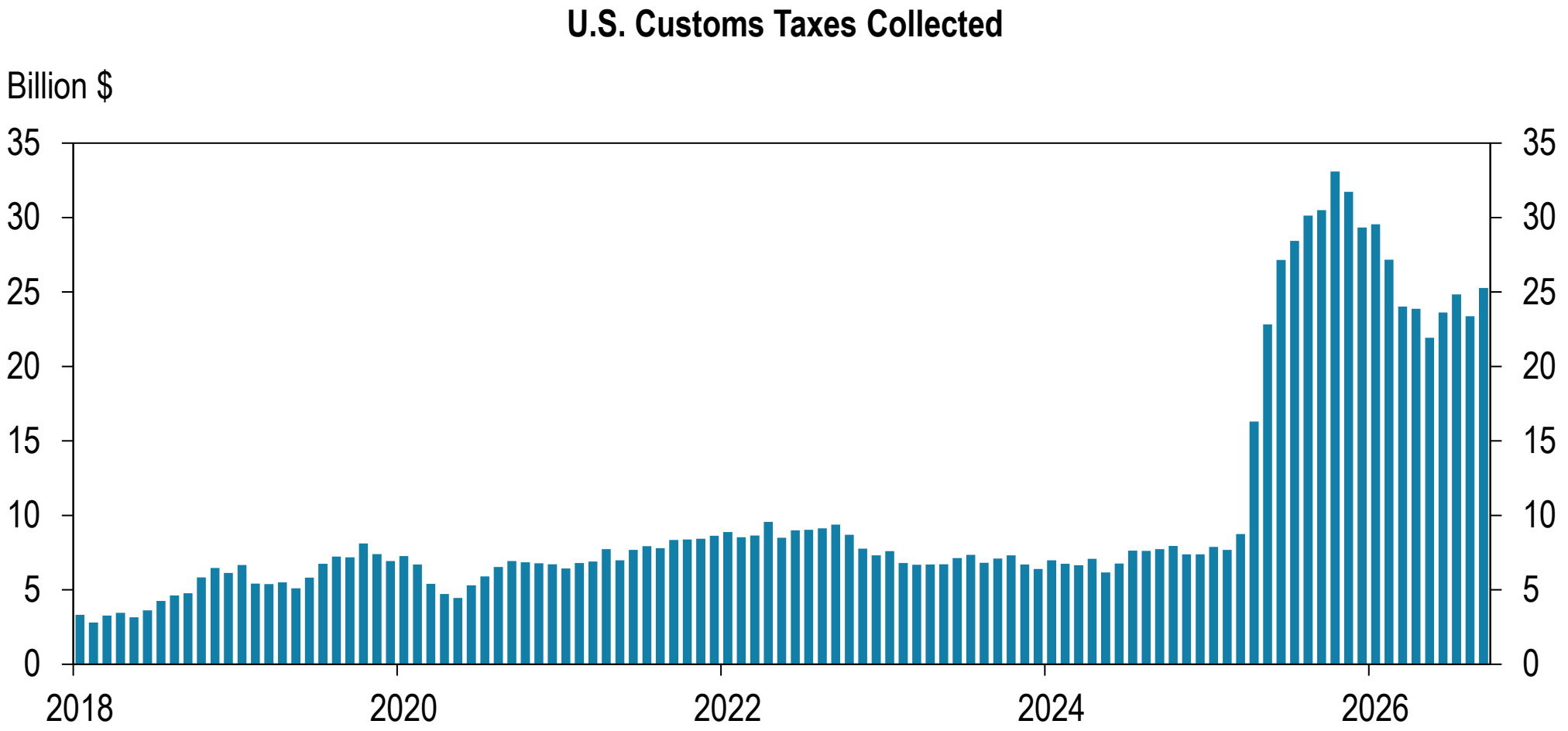


U.S. Diesel Price Contributions



Sources: EIA/Haver Analytics

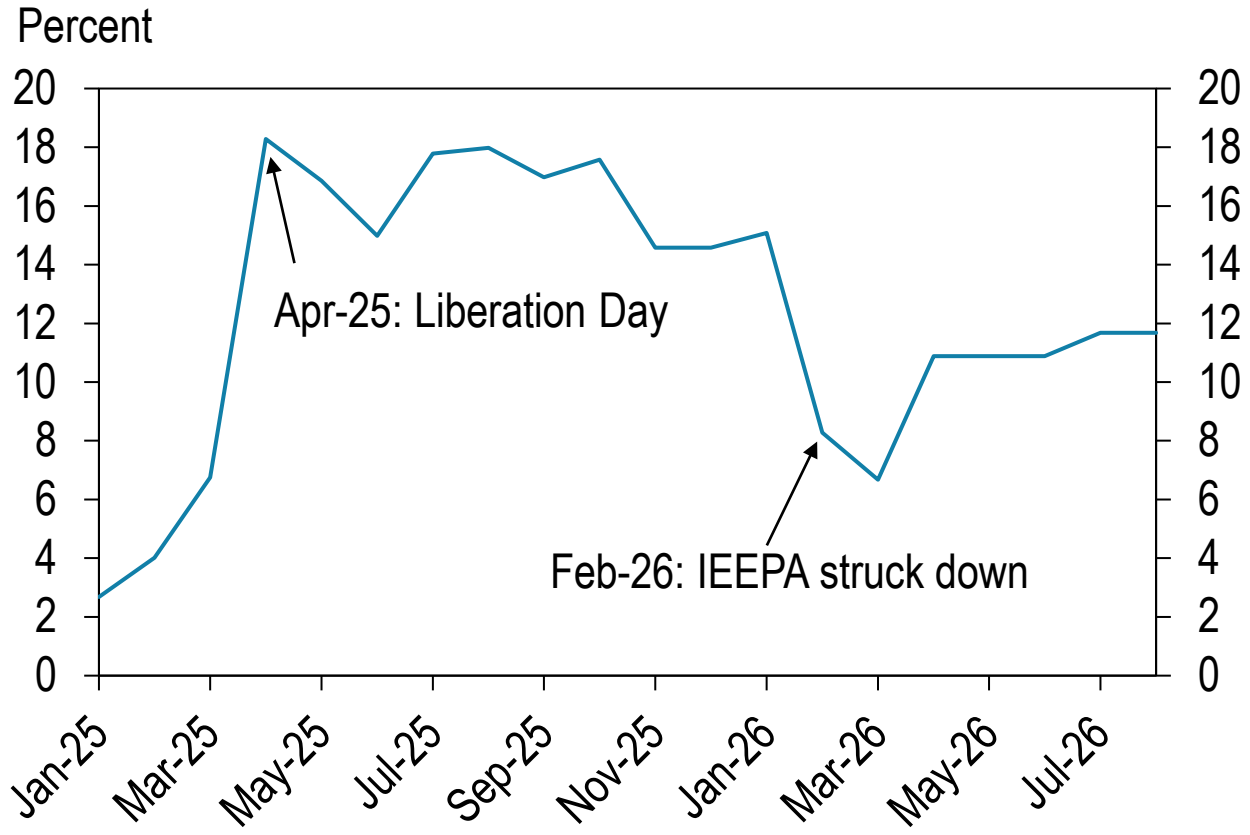
Tariffs remain an ongoing expense for many businesses



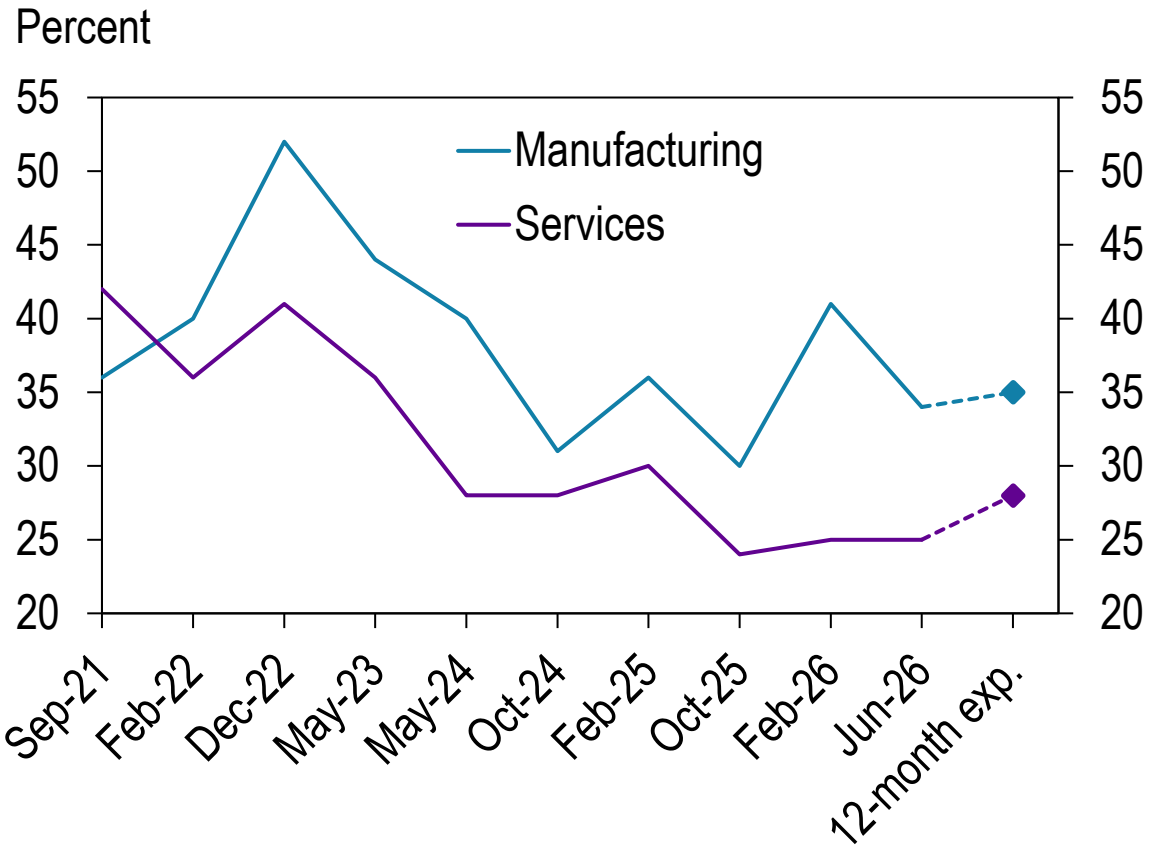
Sources: U.S. Treasury/Haver Analytics

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

U.S. Effective Tariff Rate



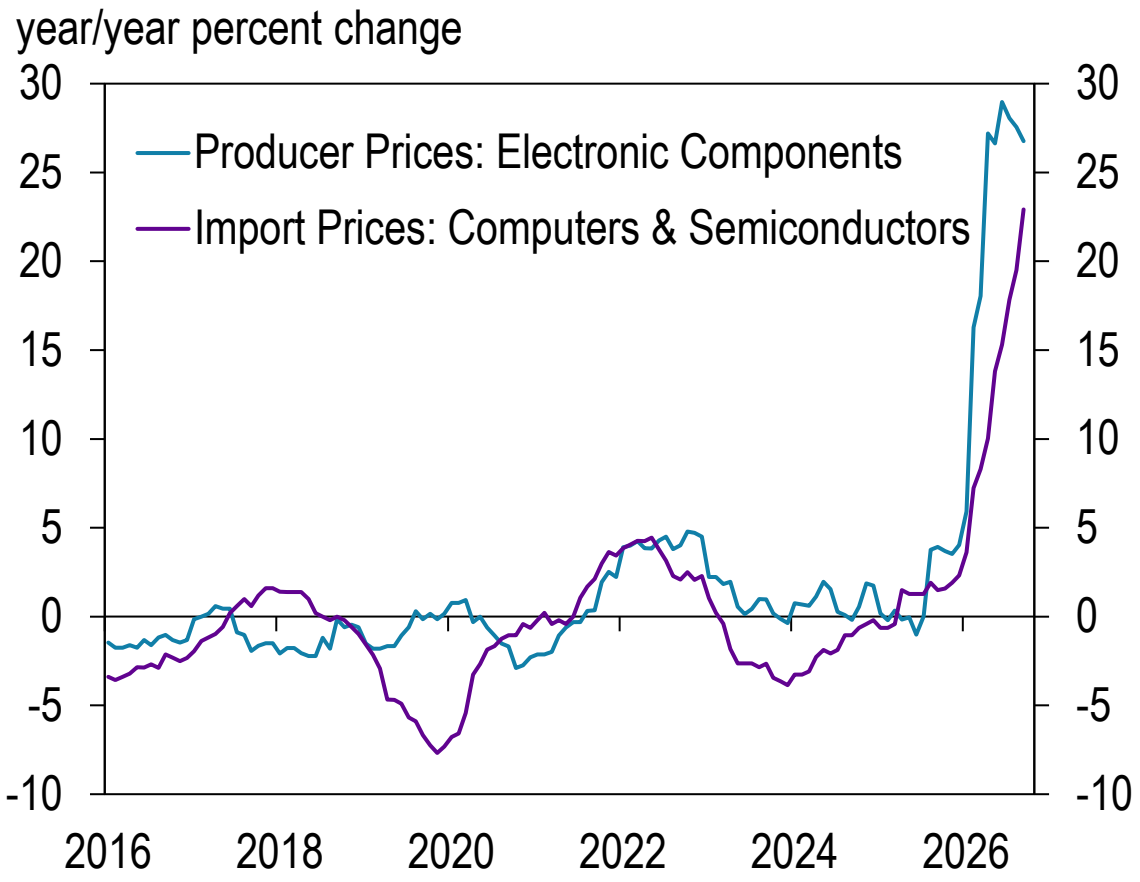
Share of Tenth District Firms Passing Through More than 60% of Cost Increases



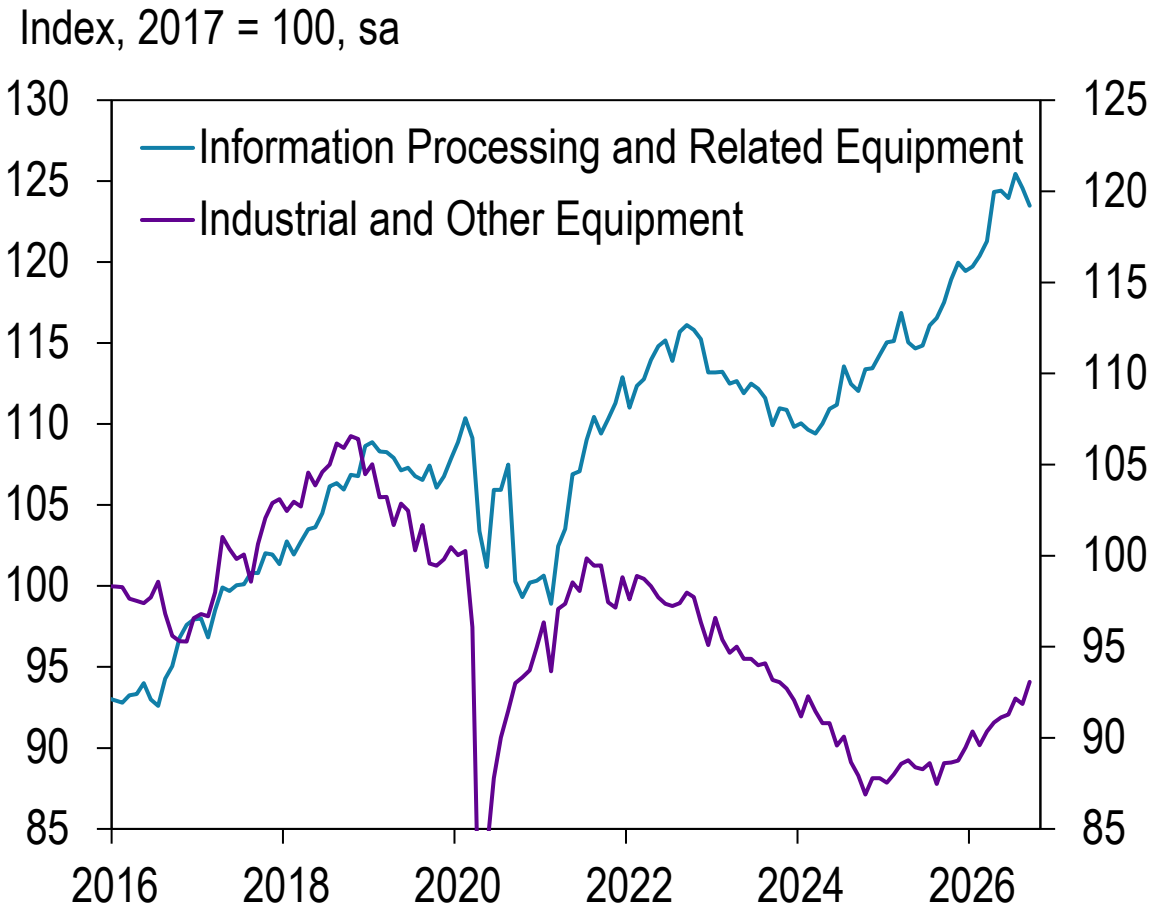
Sources: Budget Lab at Yale, FRBKC

The AI buildout is boosting prices and activity

U.S. Electronics Producer Price Growth

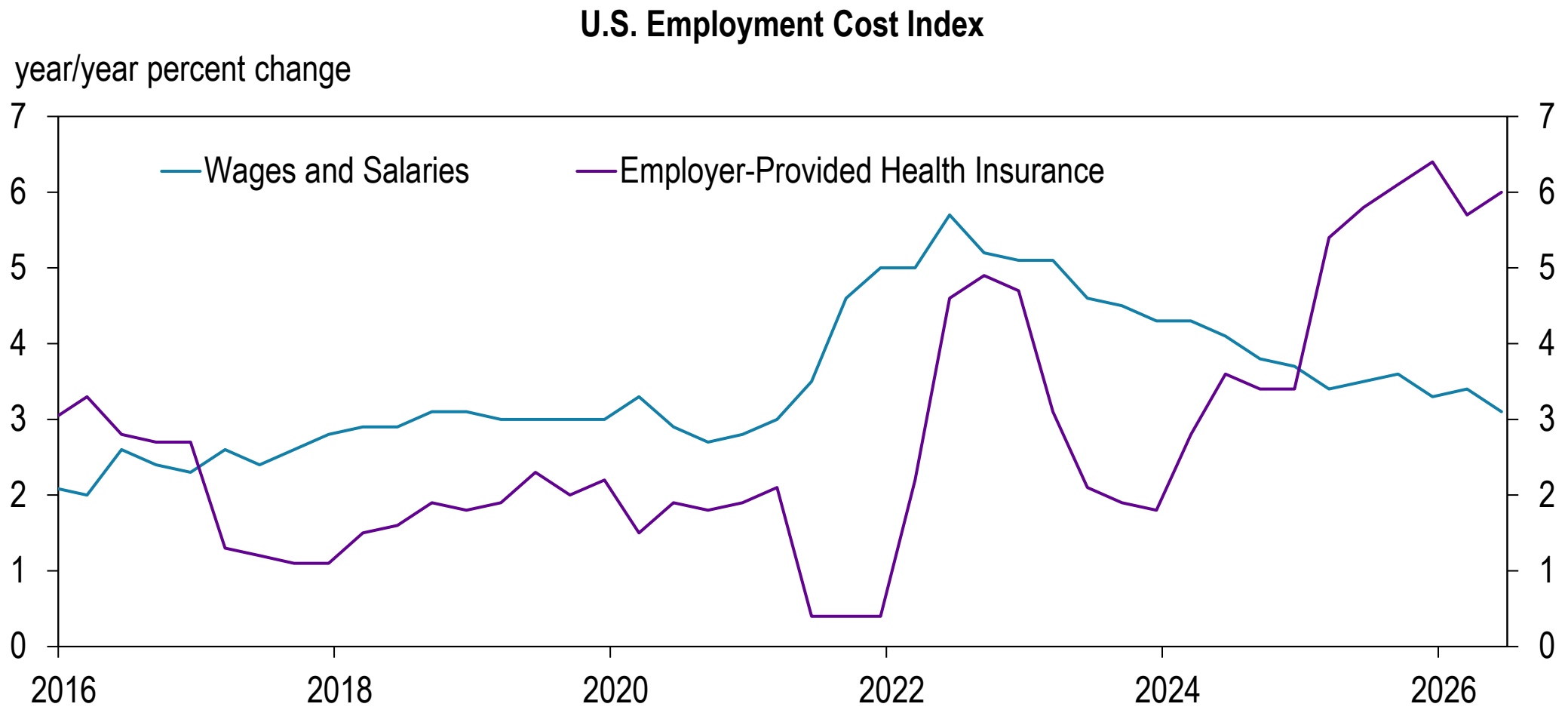


U.S. Industrial Production



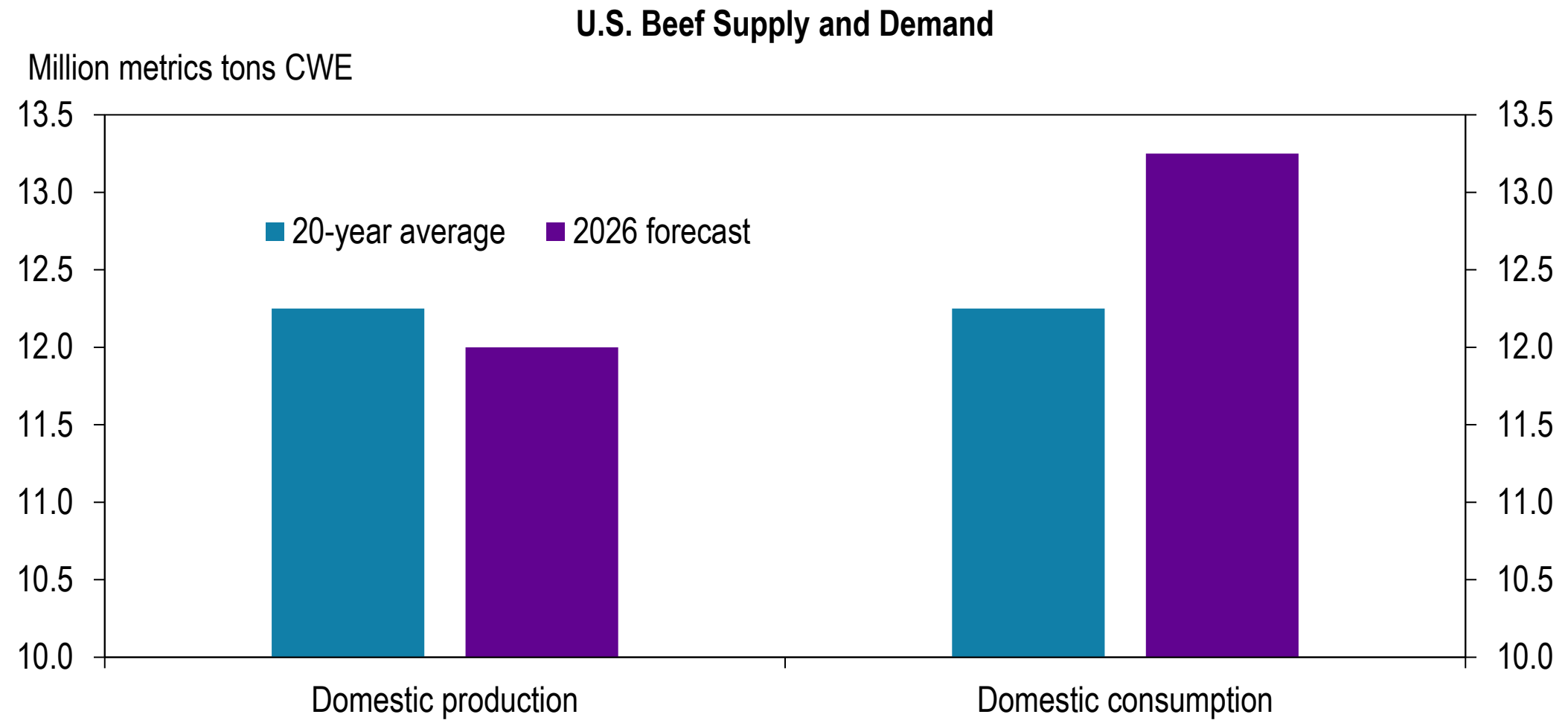
Sources: BLS, Federal Reserve Board/Haver Analytics

Healthcare costs are rising quickly



Sources: U.S. BLS/Haver Analytics

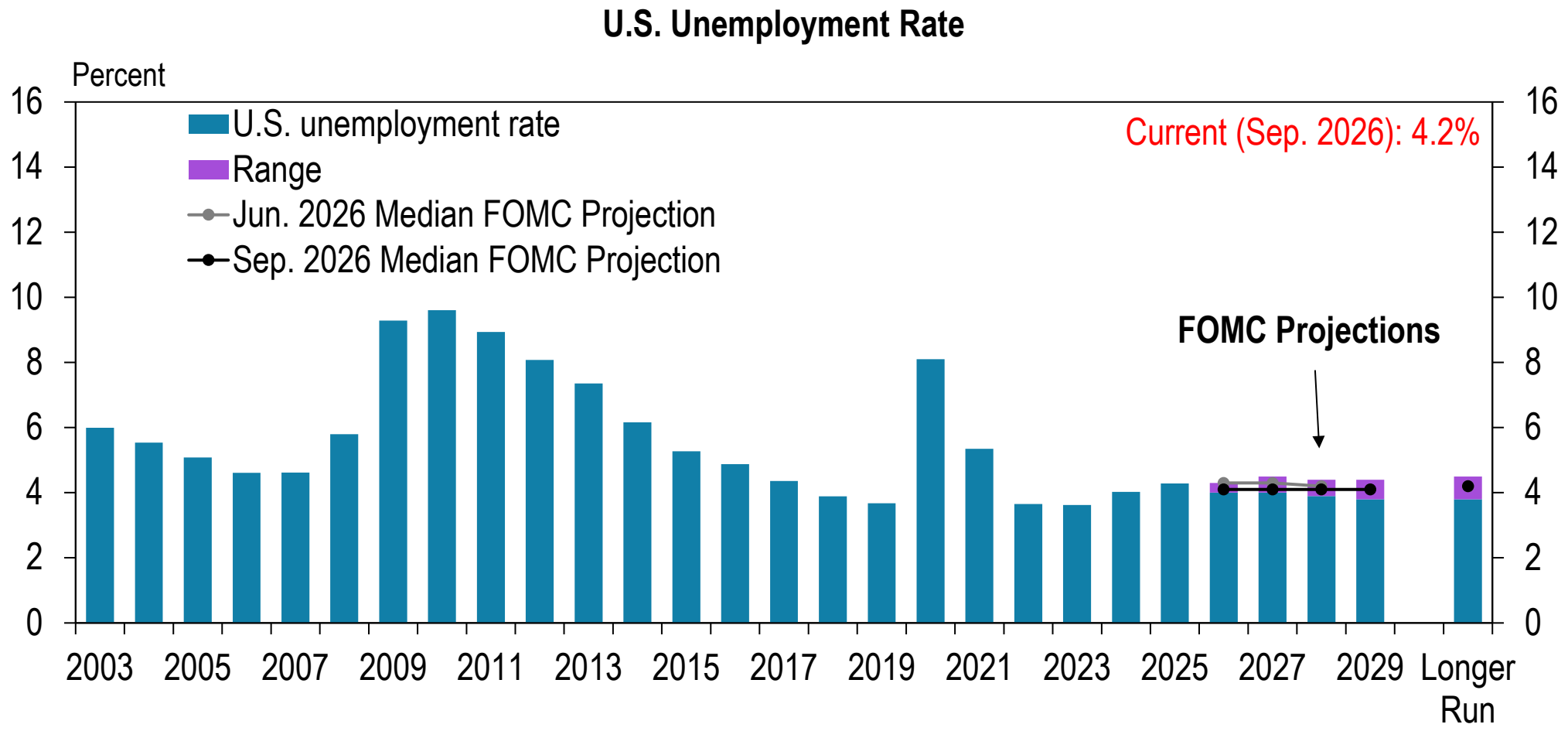
Beef prices face pressure from increases in demand relative to supply.



Note: CWE refers to carcass weight equivalent.

Sources: Scott (2026), USDA, staff calculations

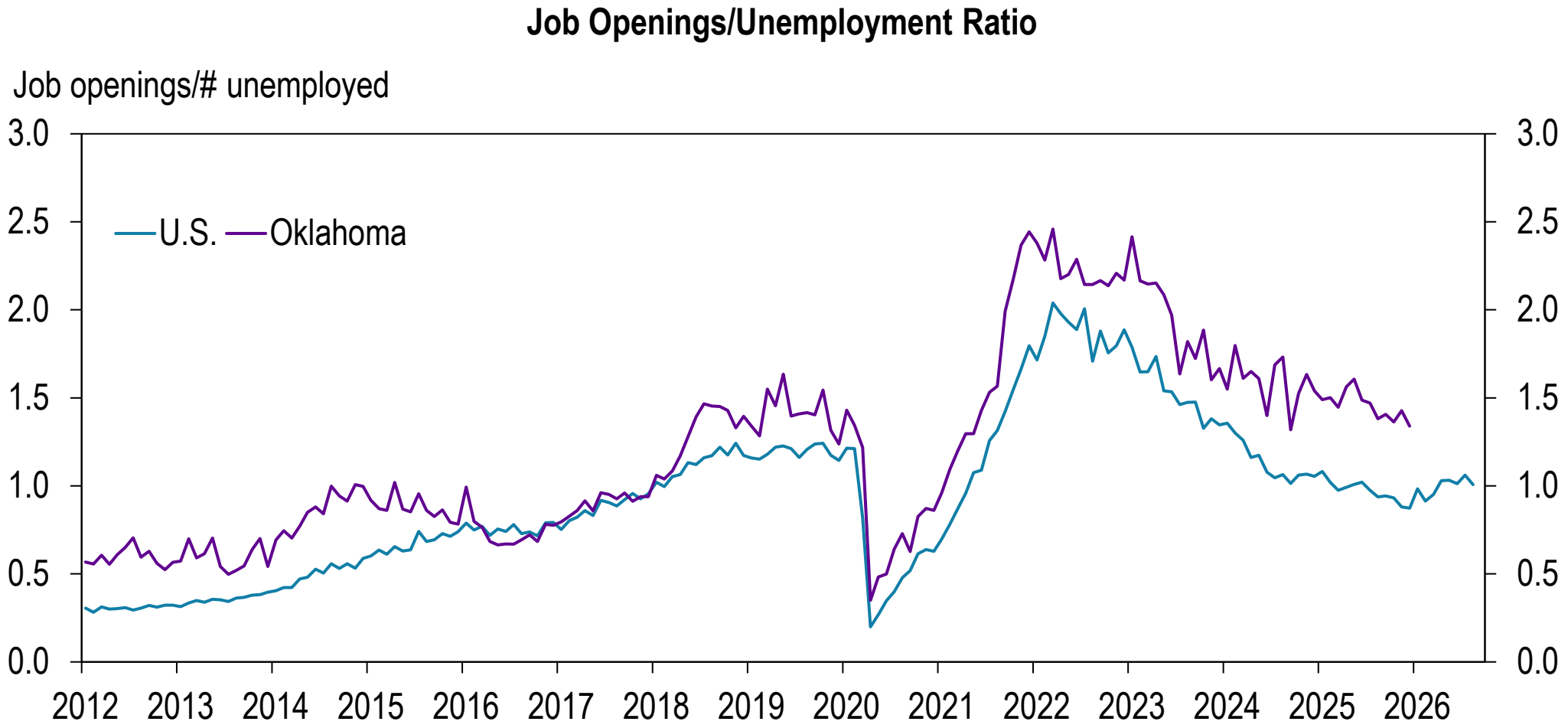
U.S. unemployment is at its long-run average and is projected to remain low moving forward



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

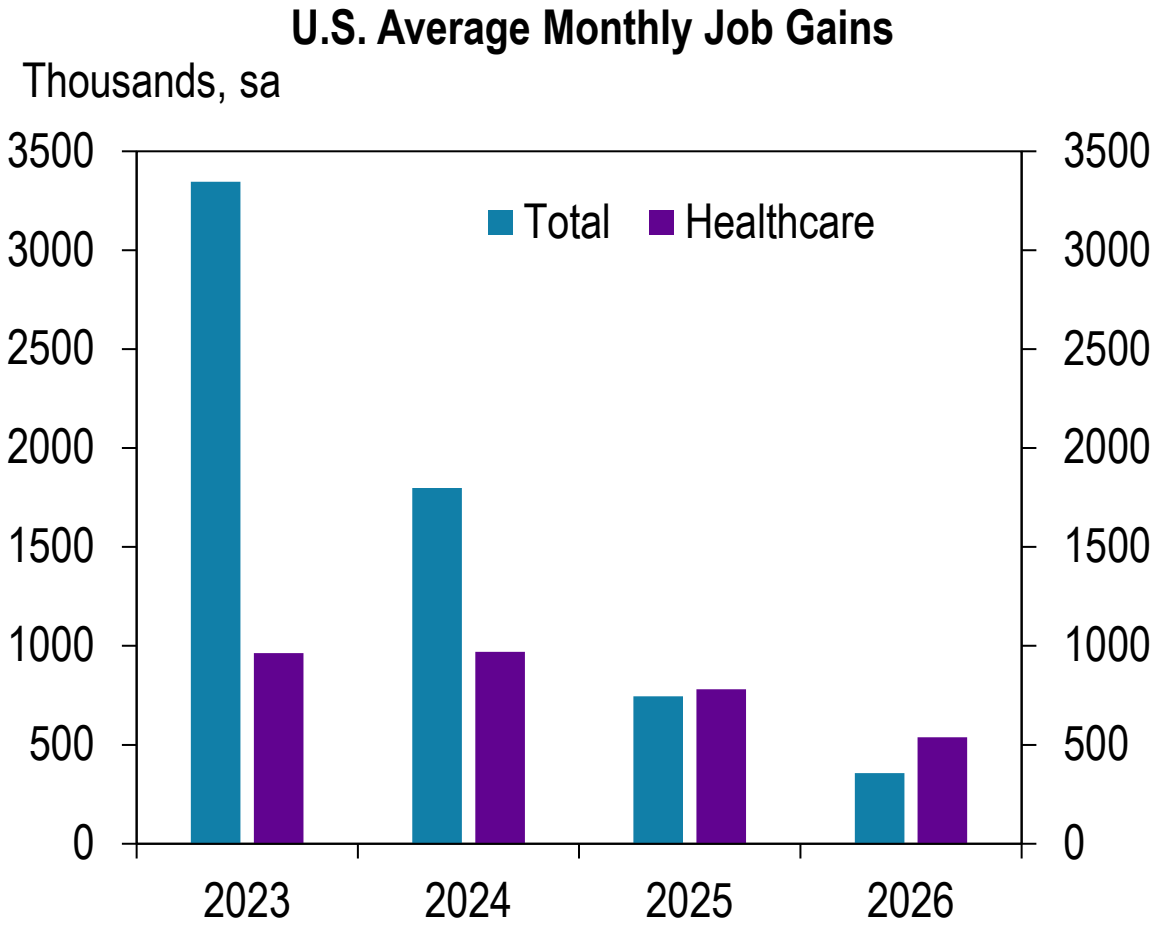
Sources: U.S. Bureau of Labor Statistics, FOMC

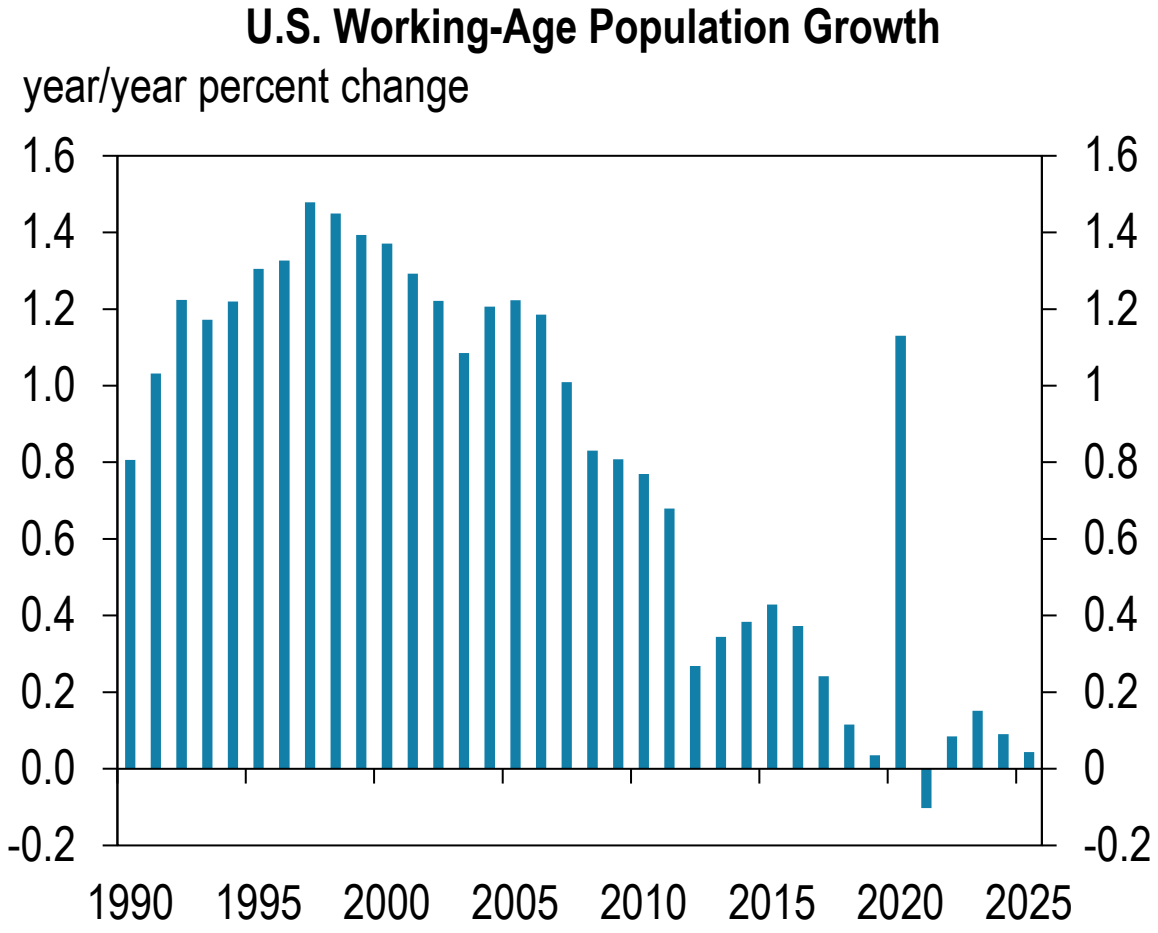
The U.S. labor market remains balanced



Source: Bureau of Labor Statistics

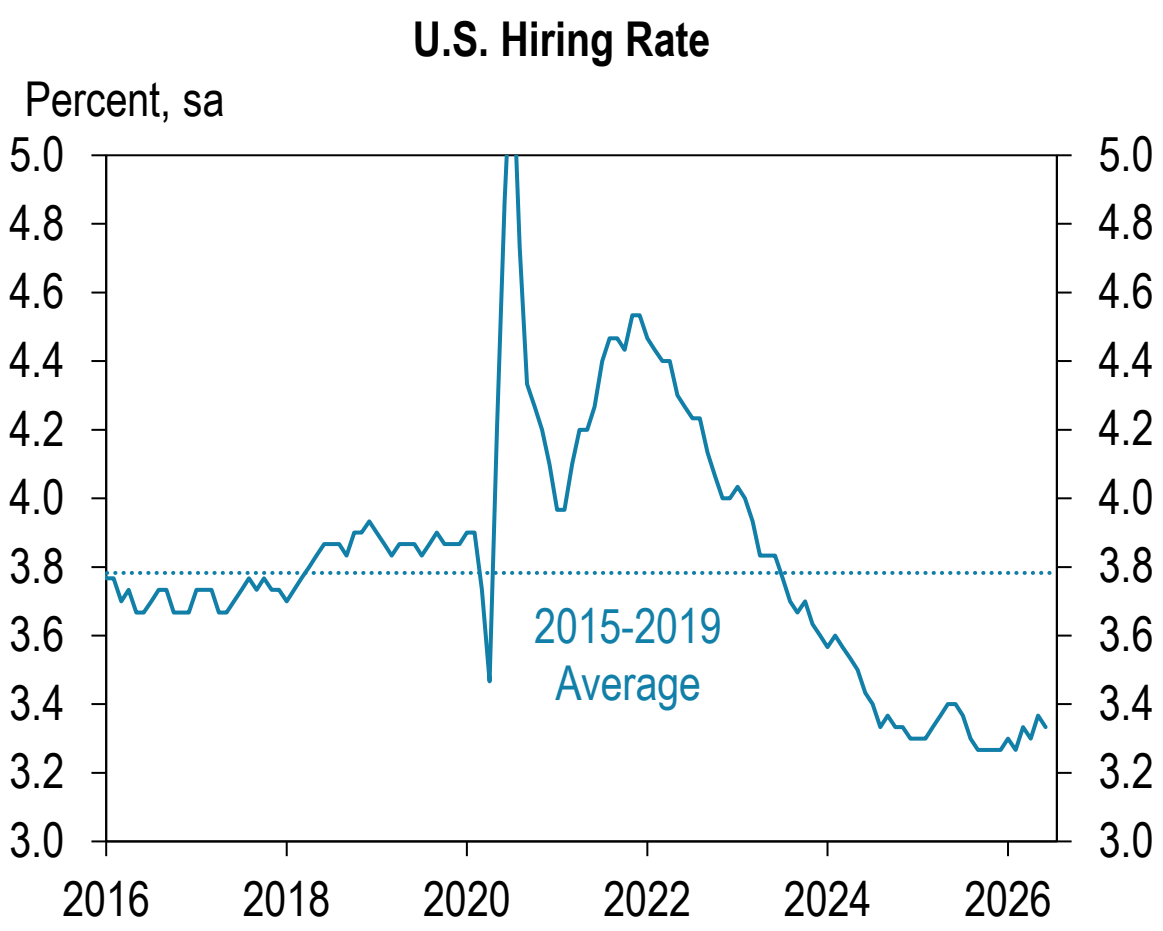
U.S. job gains have slowed in recent months and are largely concentrated in healthcare, partially due to reduced labor supply

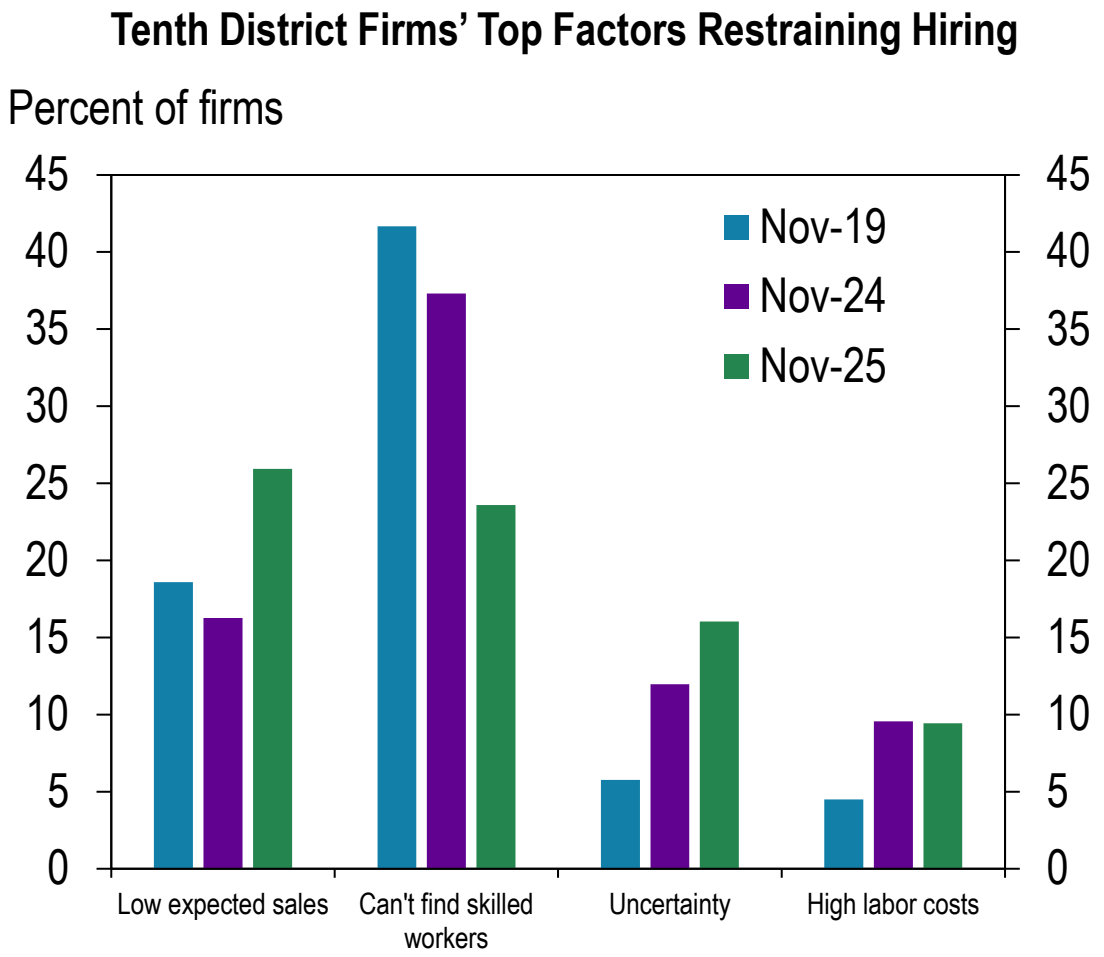




Sources: BLS, Census/Haver Analytics

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

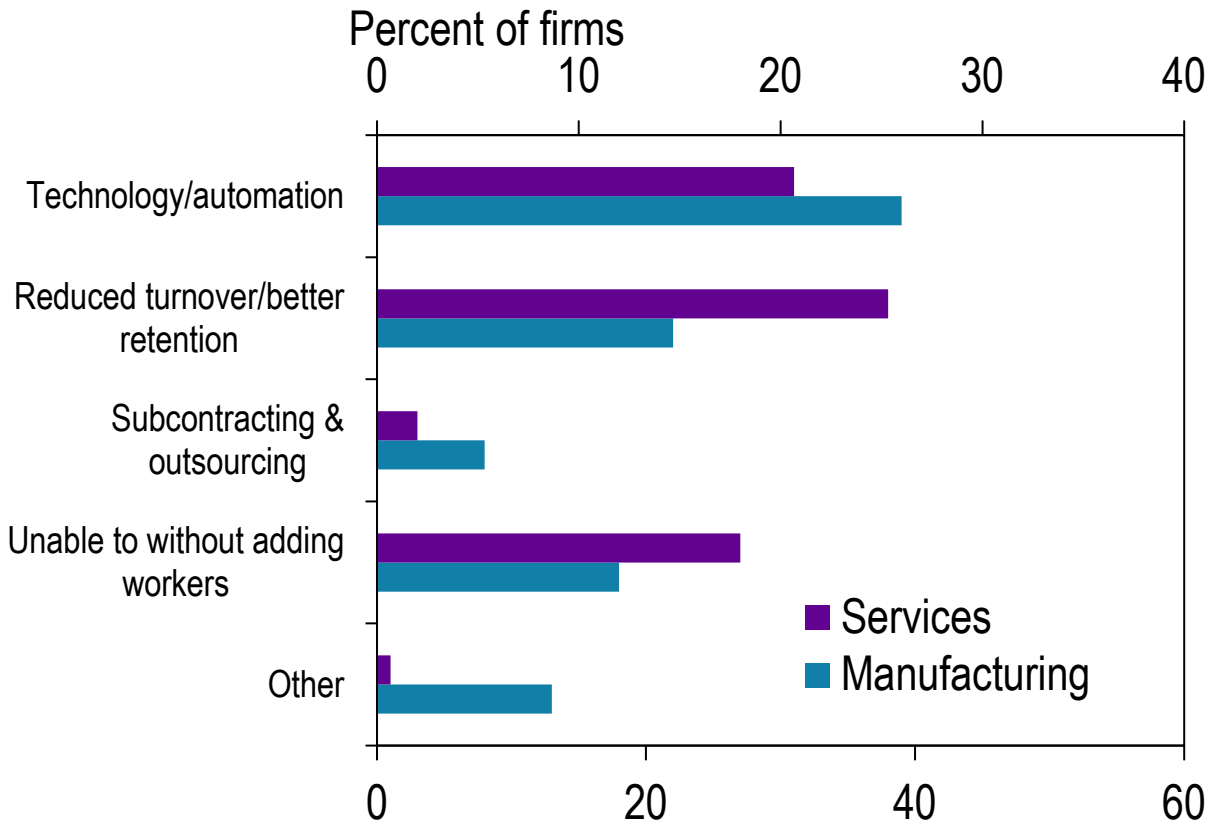




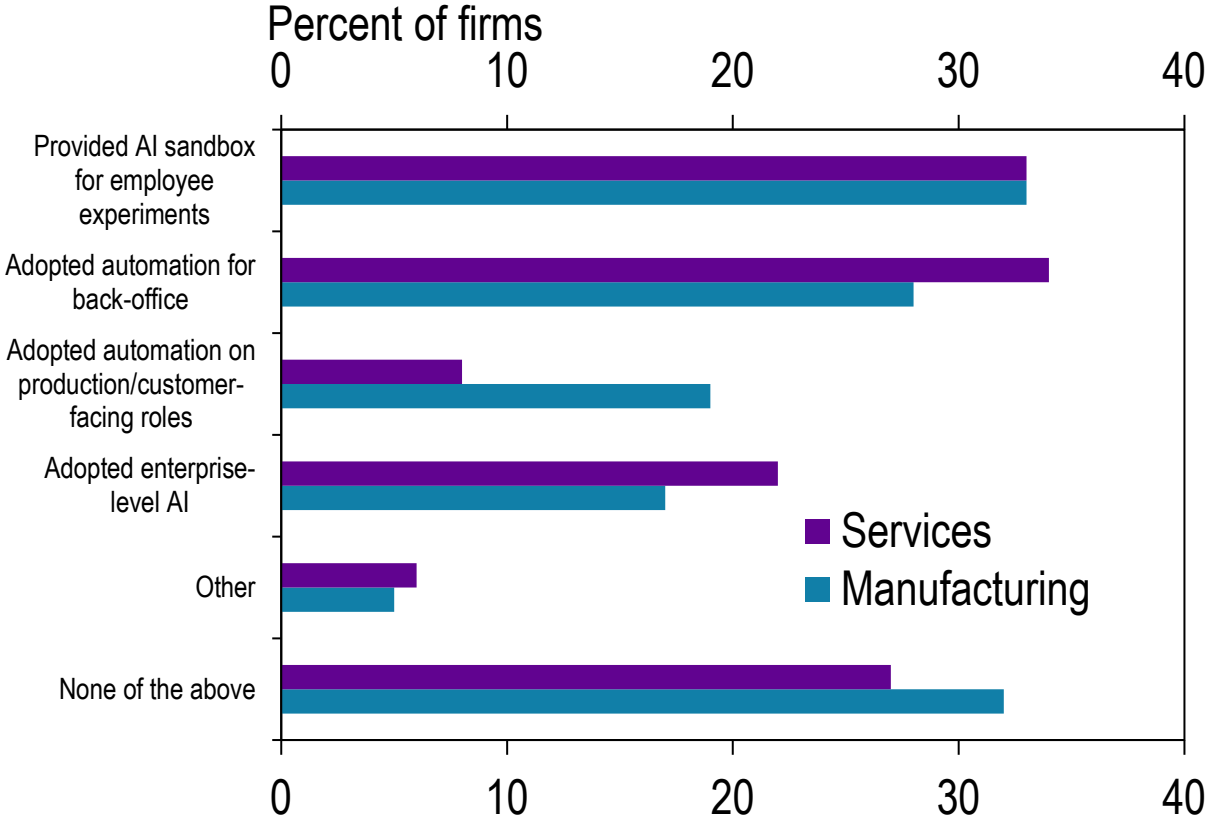
Sources: BLS, FRBKC/Haver Analytics

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?

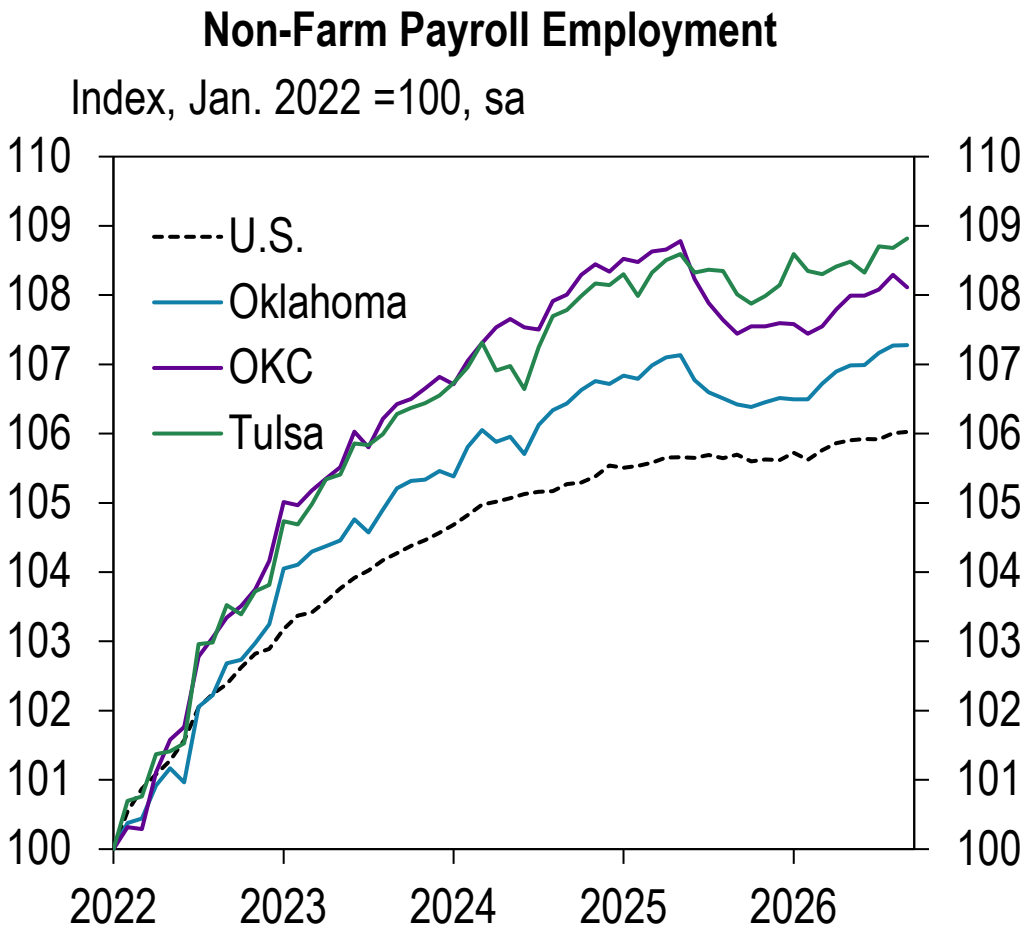


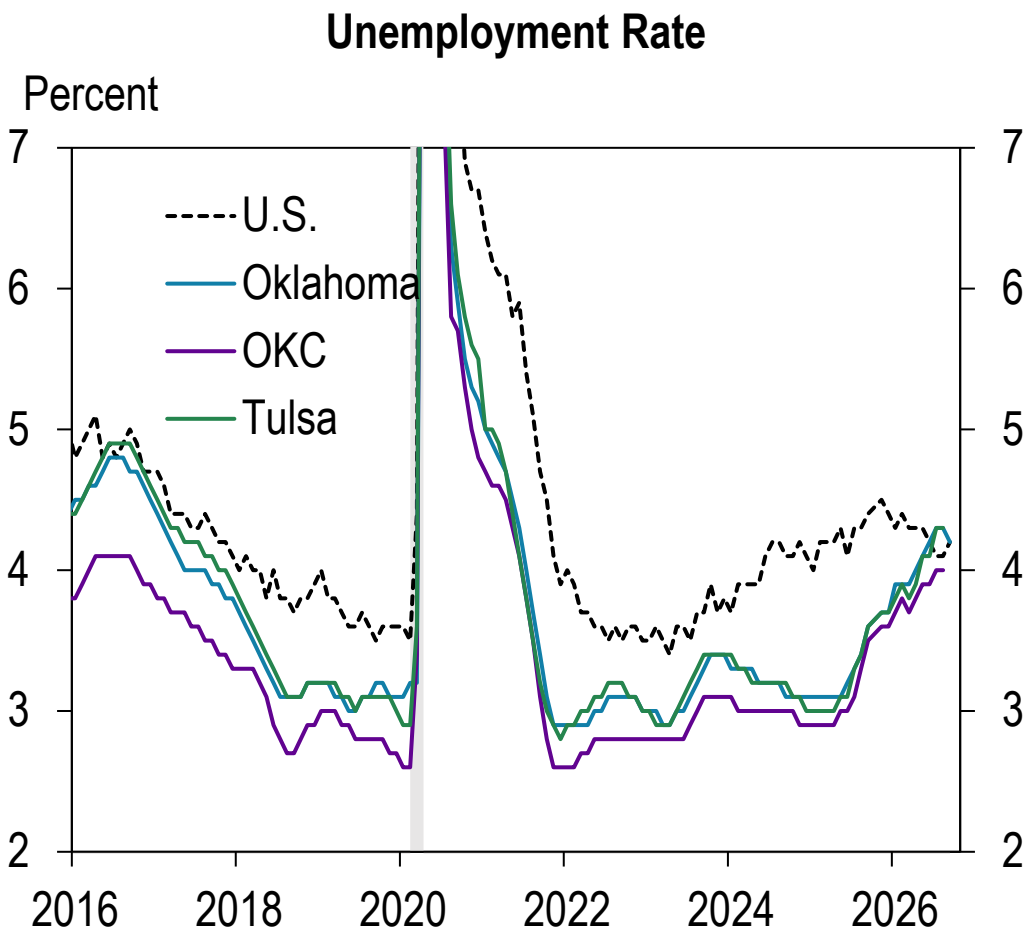
August 2026: Companies' Use of Technology



Source: Kansas City Fed

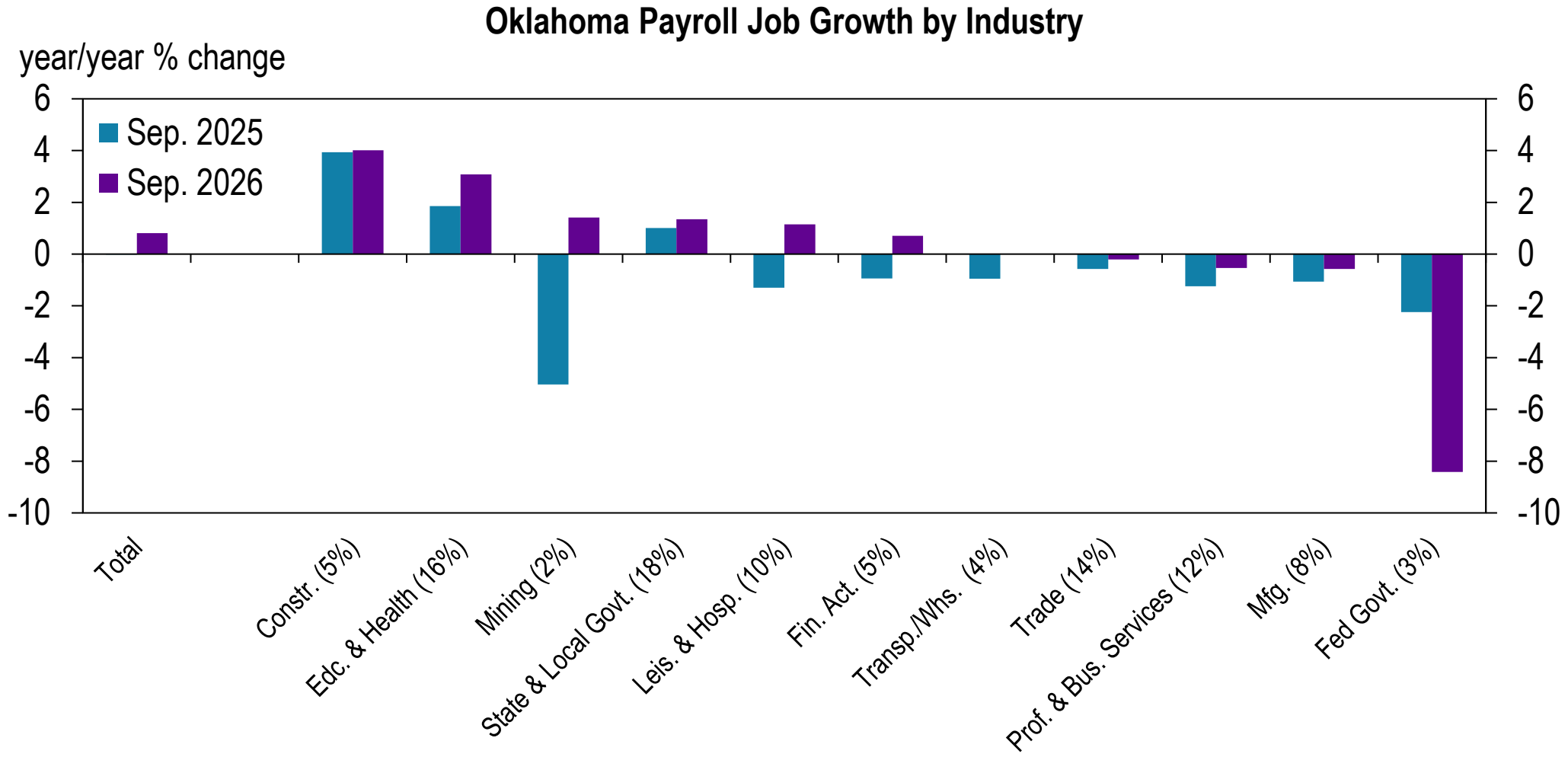
Oklahoma has recovered job losses from 2025, but unemployment has met the U.S. average





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

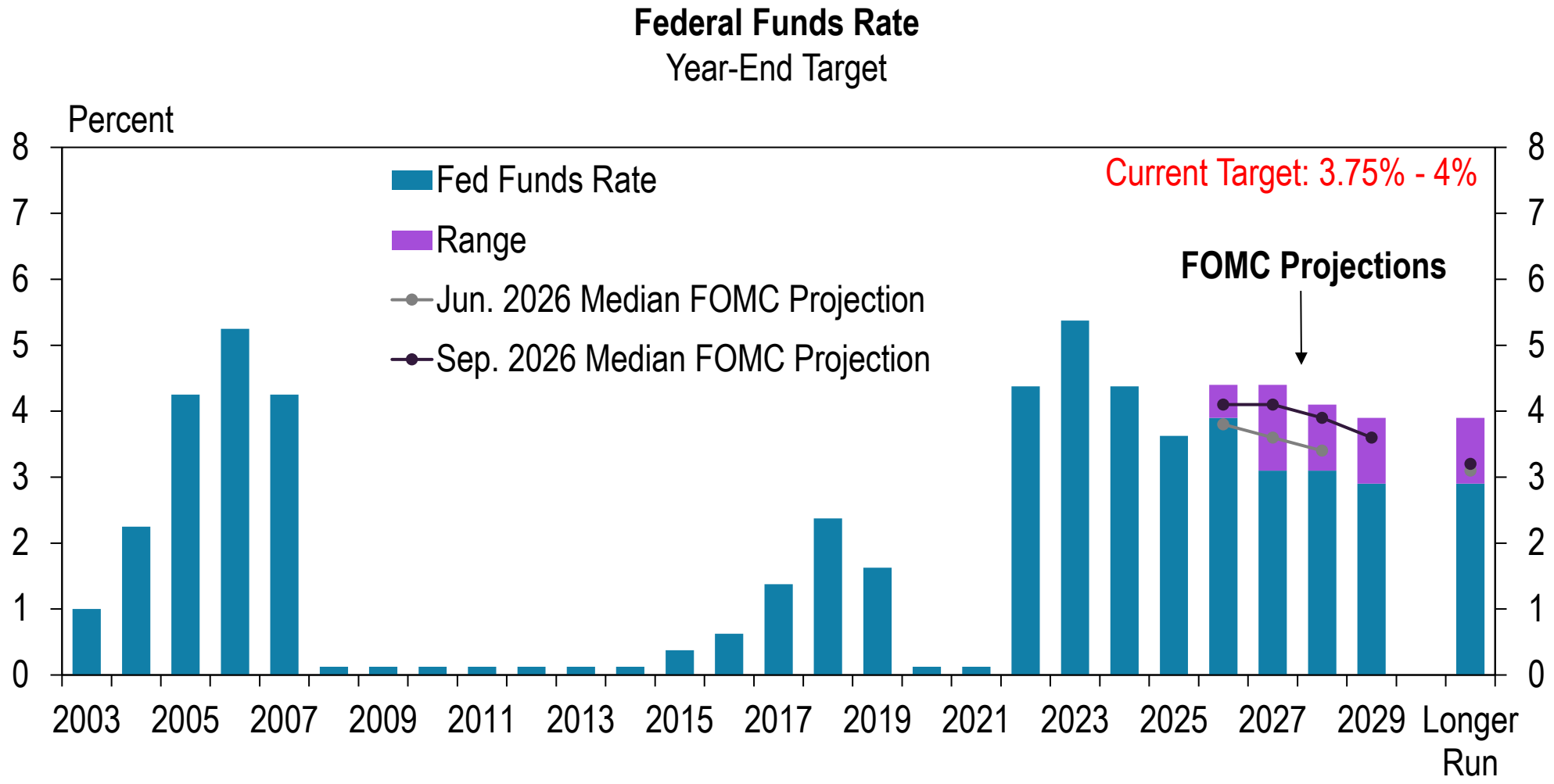
Oklahoma payroll jobs recovered from last year, with strength in construction and healthcare and recovery in hospitality



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

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

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

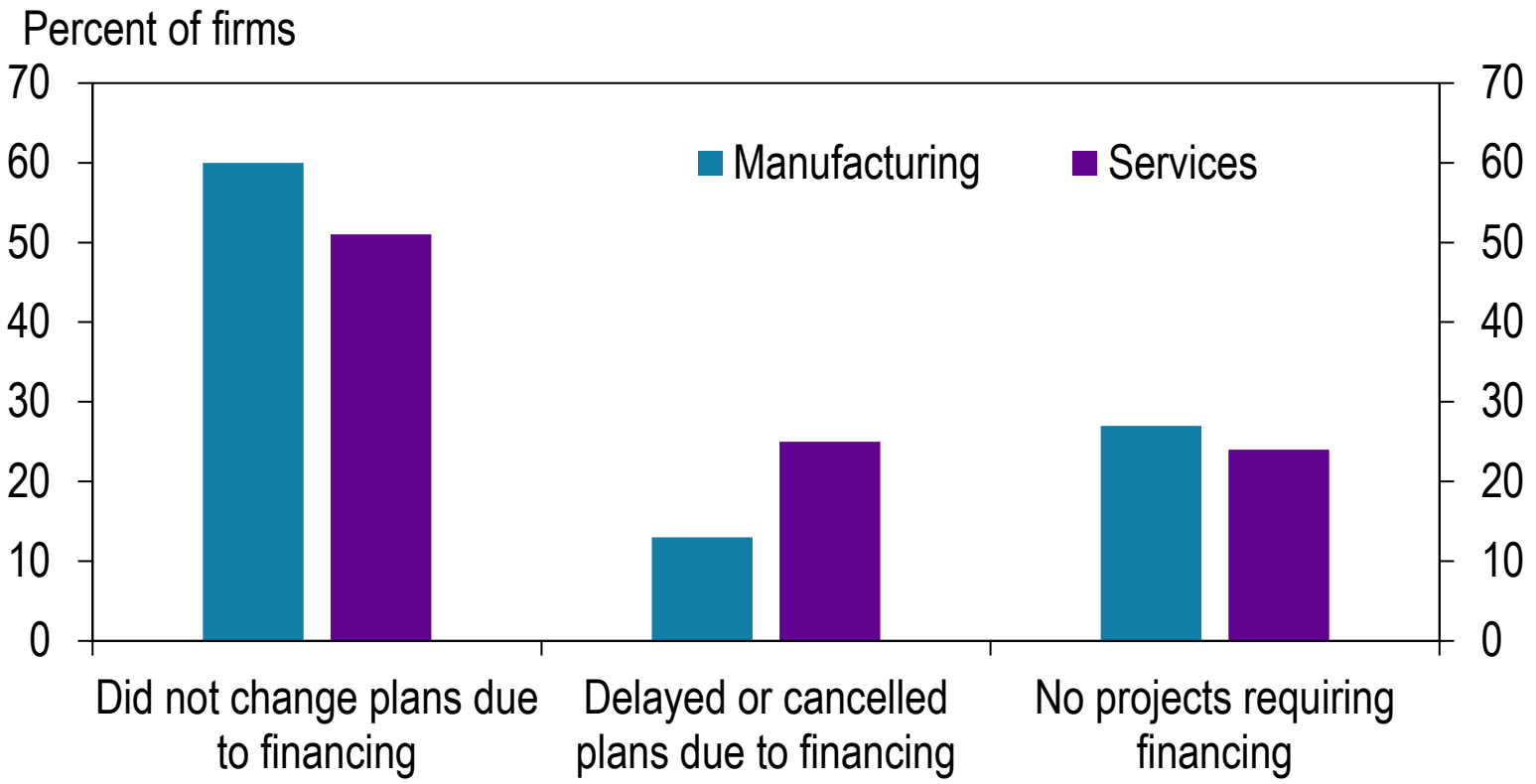


Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

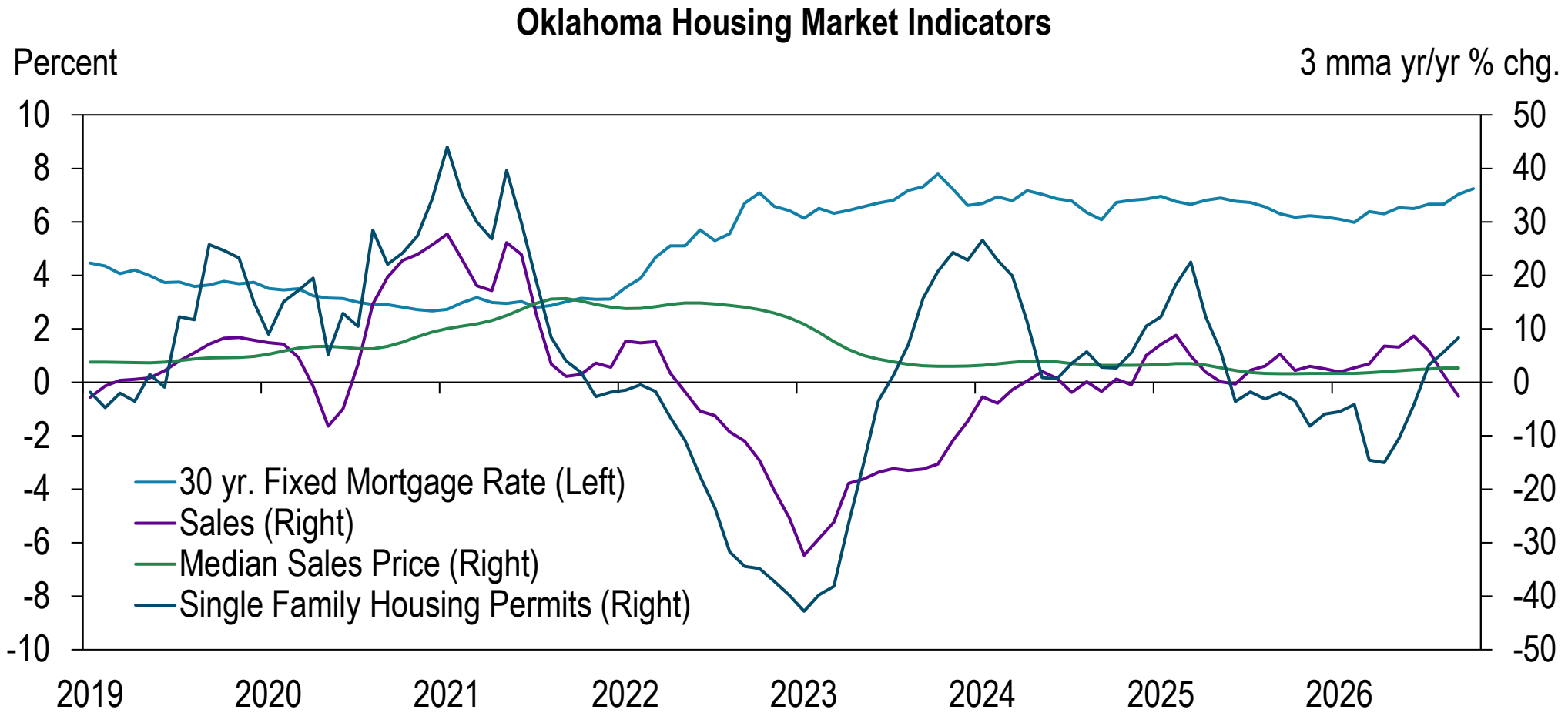
Over half of Tenth District firms report their projects are not restricted by interest rates

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



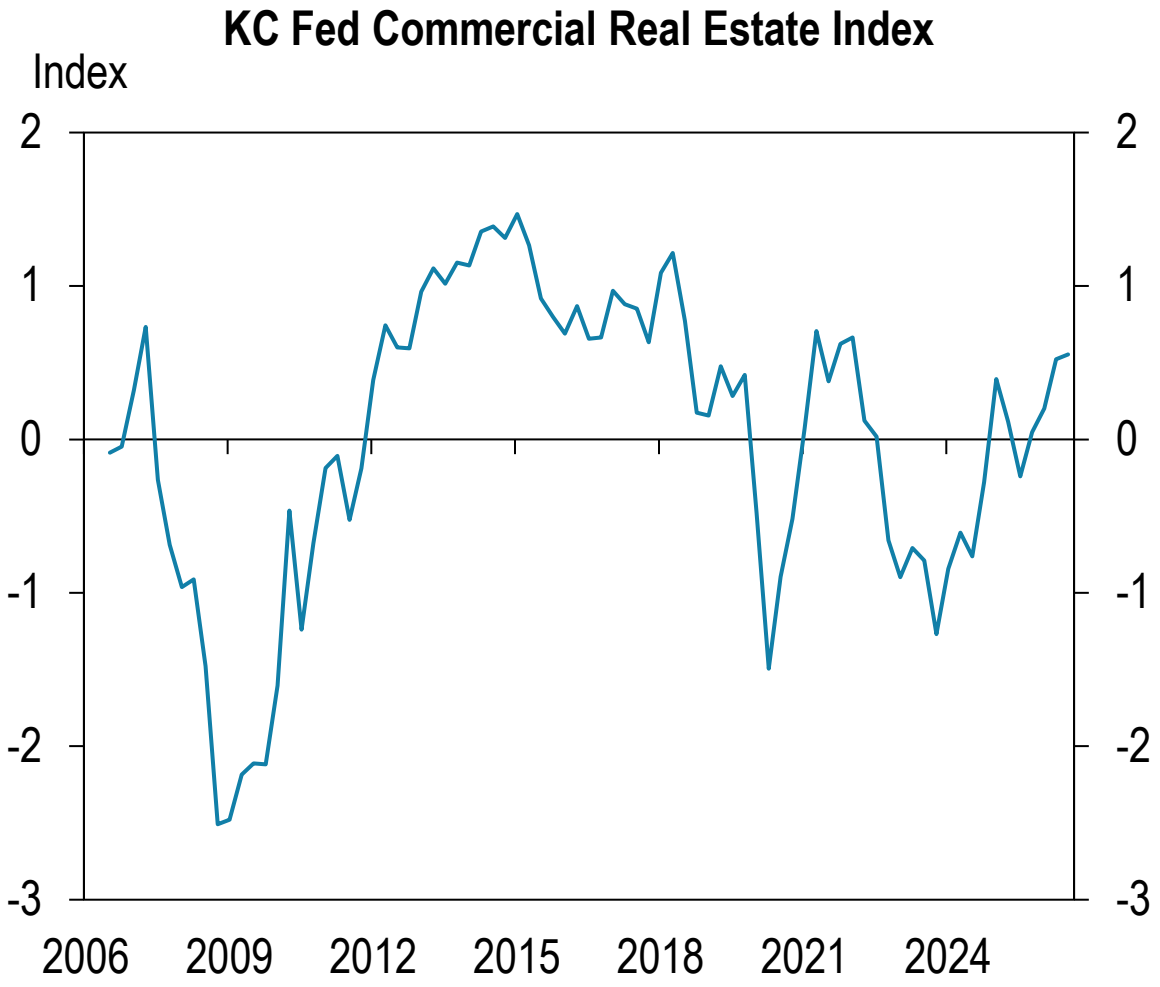
Source: Kansas City Fed

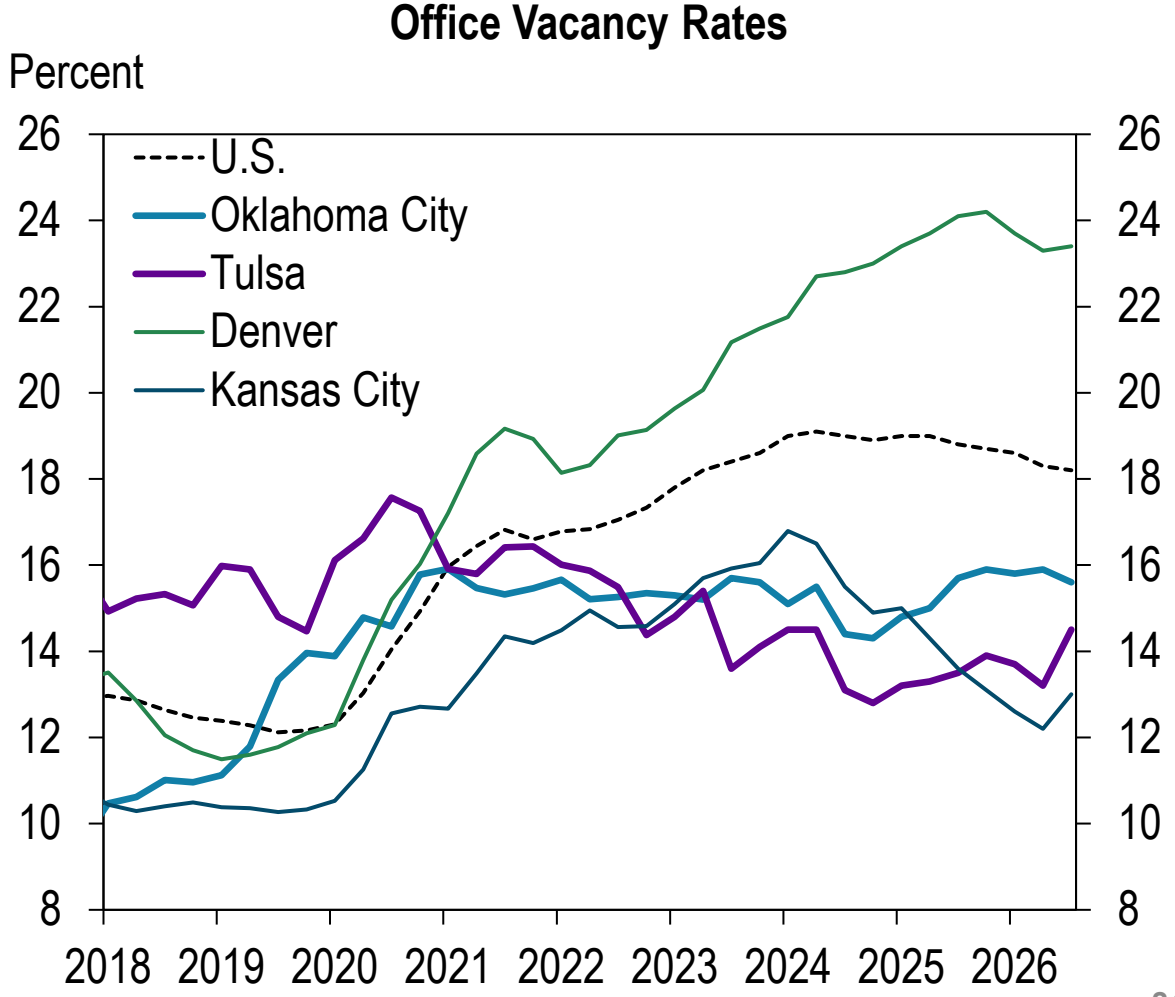
Oklahoma's home sales have declined amid mortgage rates topping 7 percent, but new permits have risen



Sources: Freddie Mac, Zillow, Redfin, U.S. Census Bureau

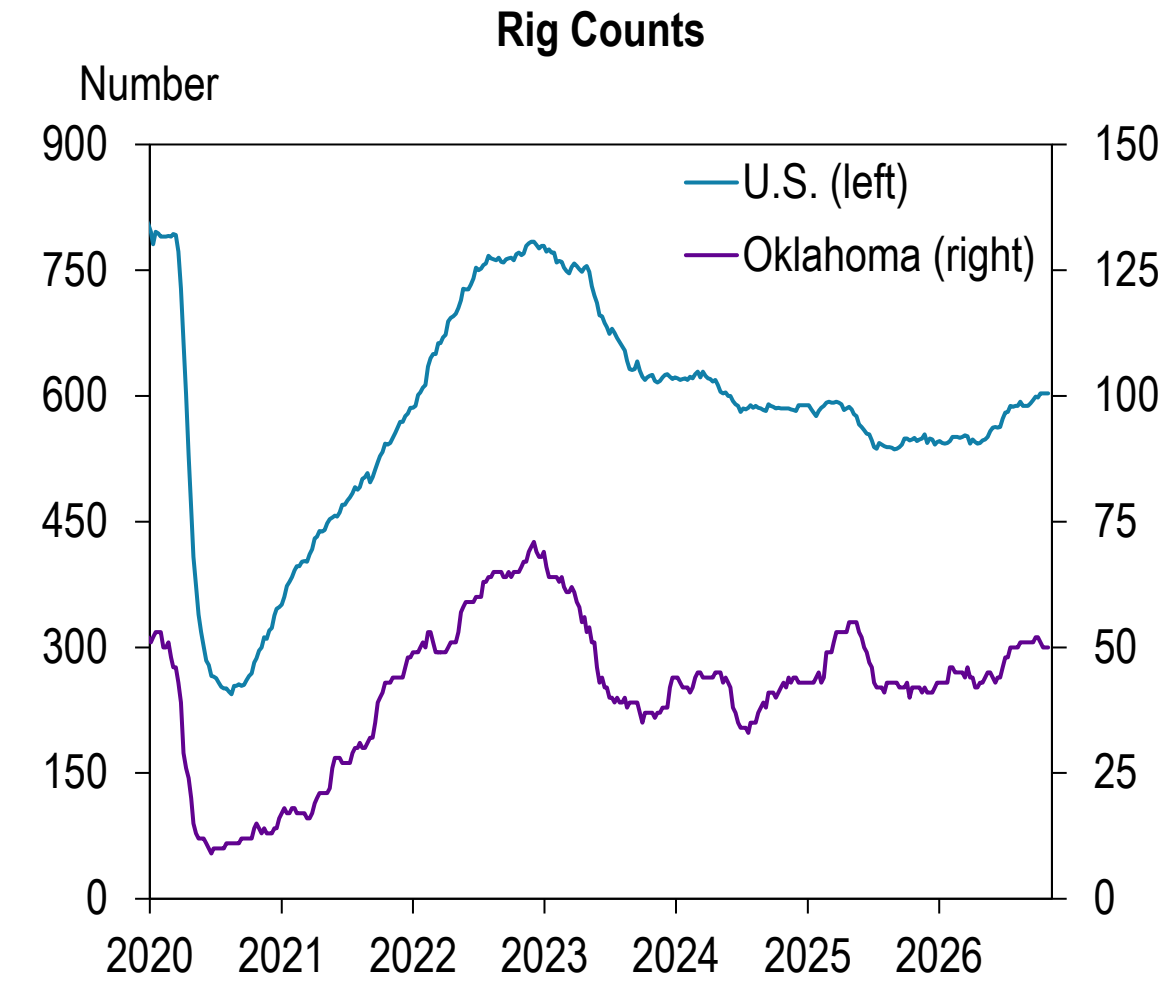
CRE activity in the region has grown in 2026, and office vacancy rates in Oklahoma have not risen like in neighboring markets since the pandemic



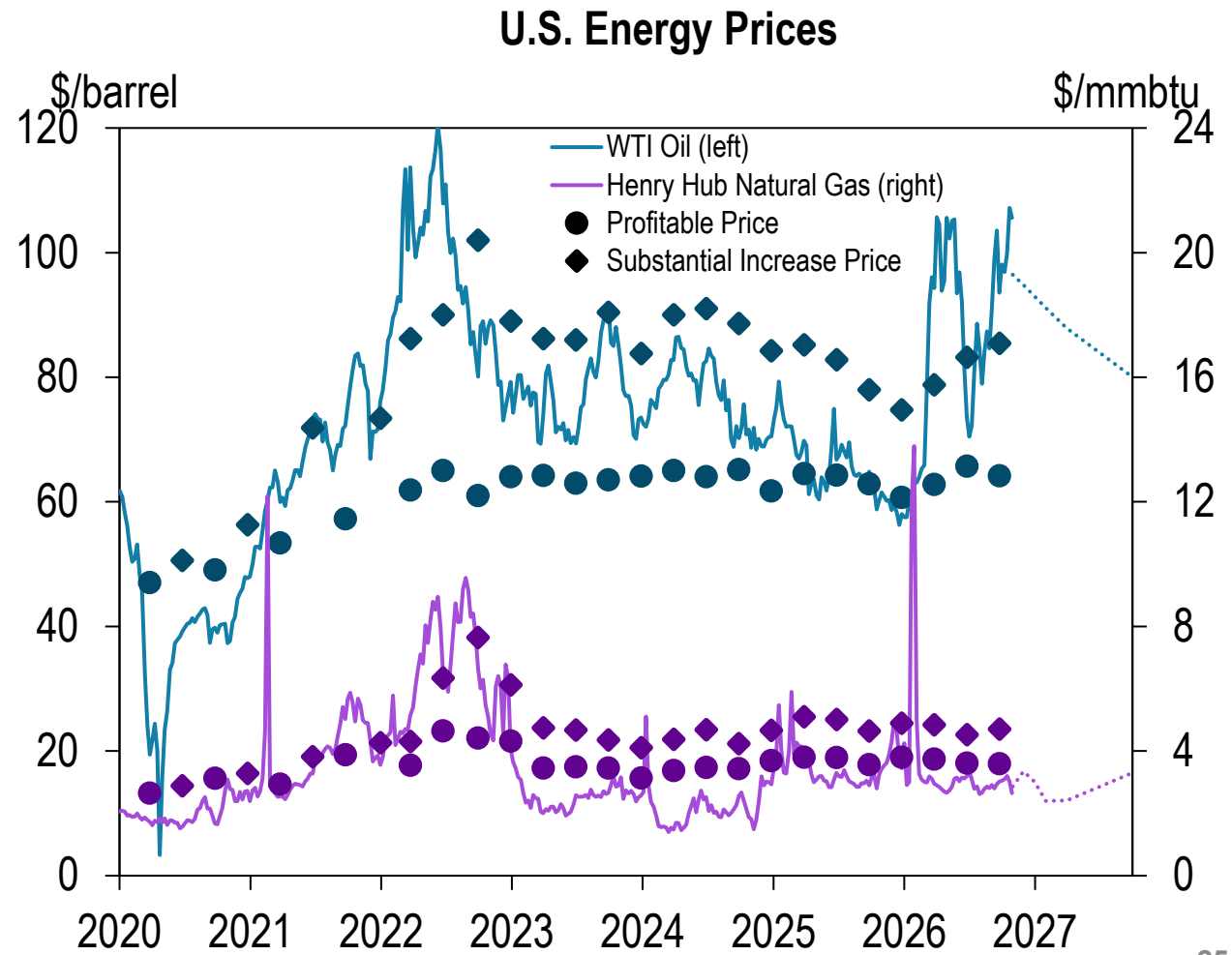


Sources: CBRE-EA, FRBKC

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



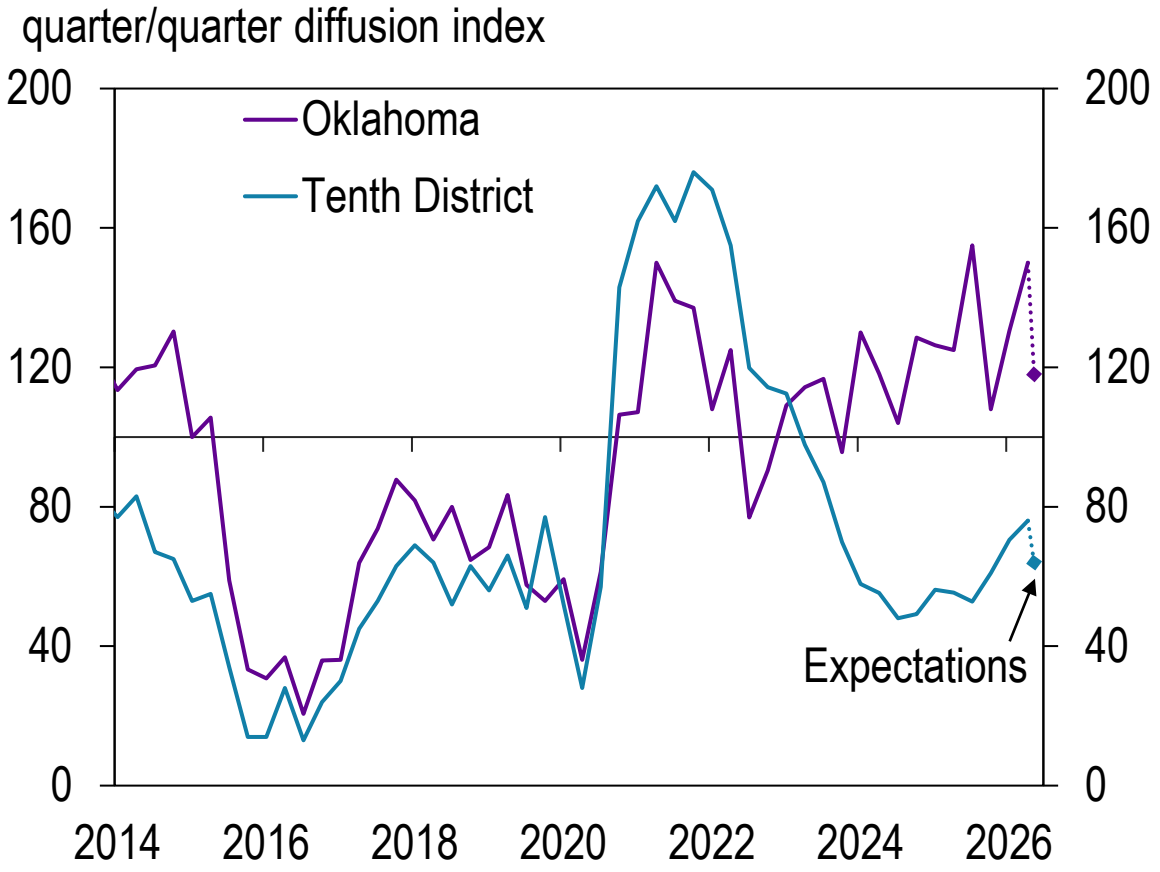
Source: Baker Hughes, EIA/Haver Analytics, FRBKC Surveys



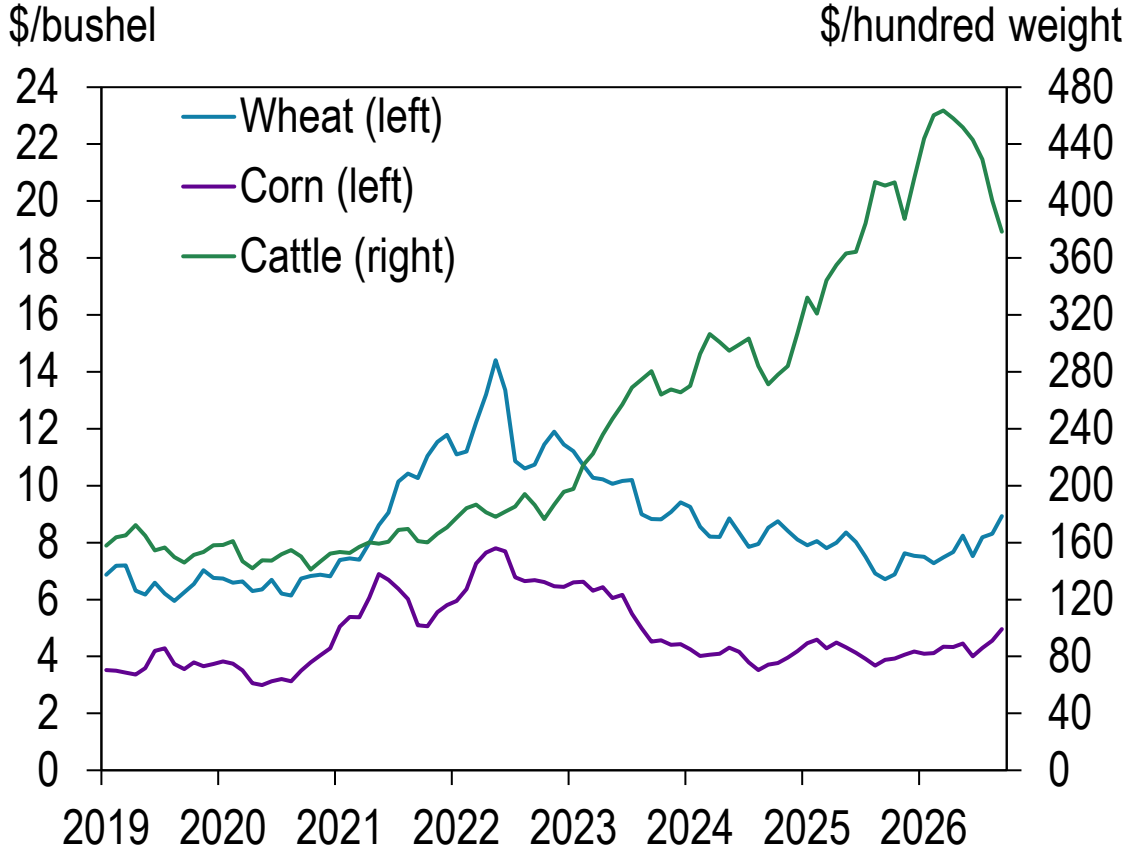
Note: Dotted lines show CME futures prices as of November 2.

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

Farm Income



Agricultural Commodity Prices



Sources: FRBKC Ag Credit Survey, Wall Street Journal/Haver Analytics

Questions?

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