

Federal Reserve Bank of Kansas City

Woodward Economic Forum

August 5, 2025

Cortney Cowley

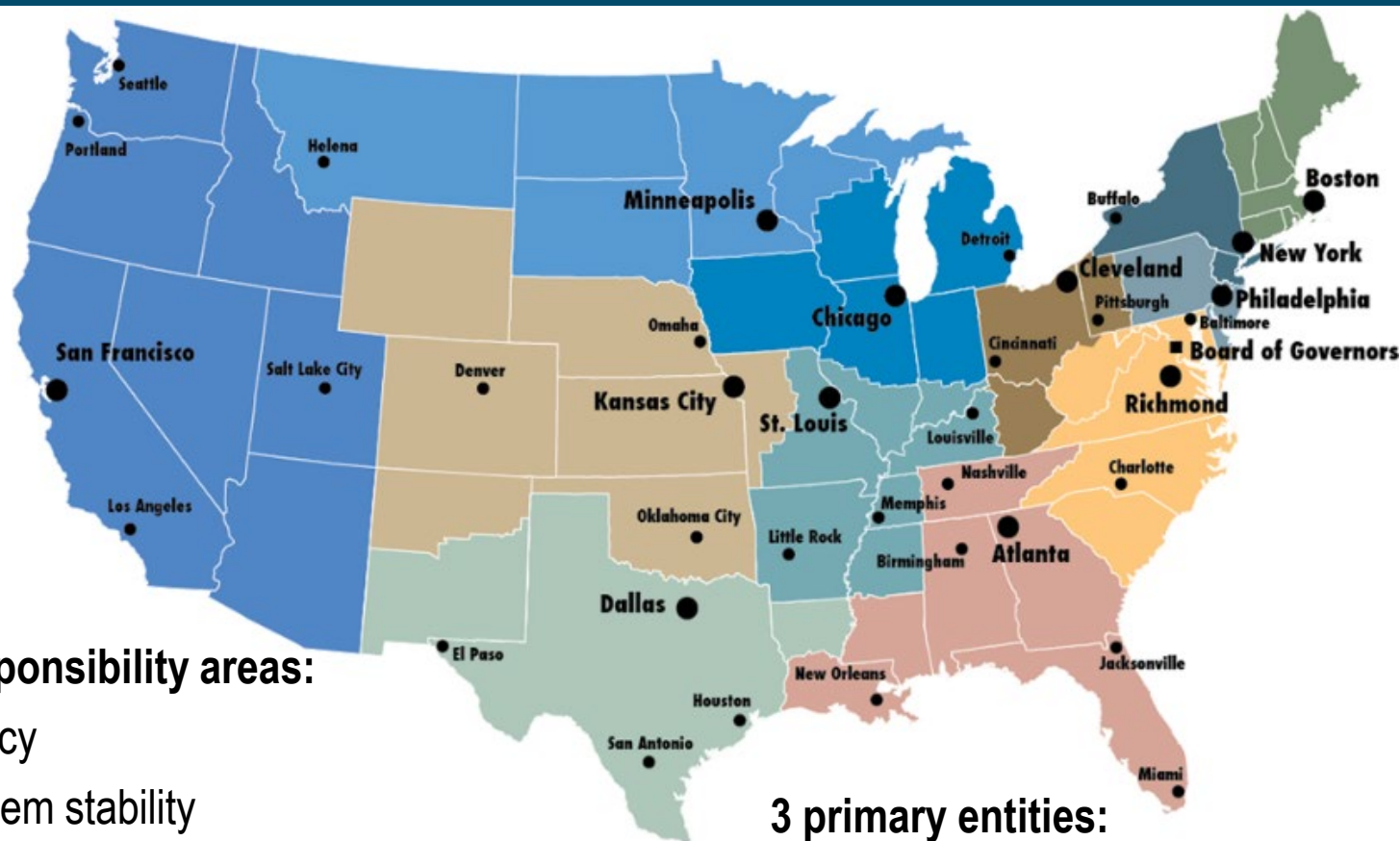
AVP & Oklahoma City Branch Executive

*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.



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**

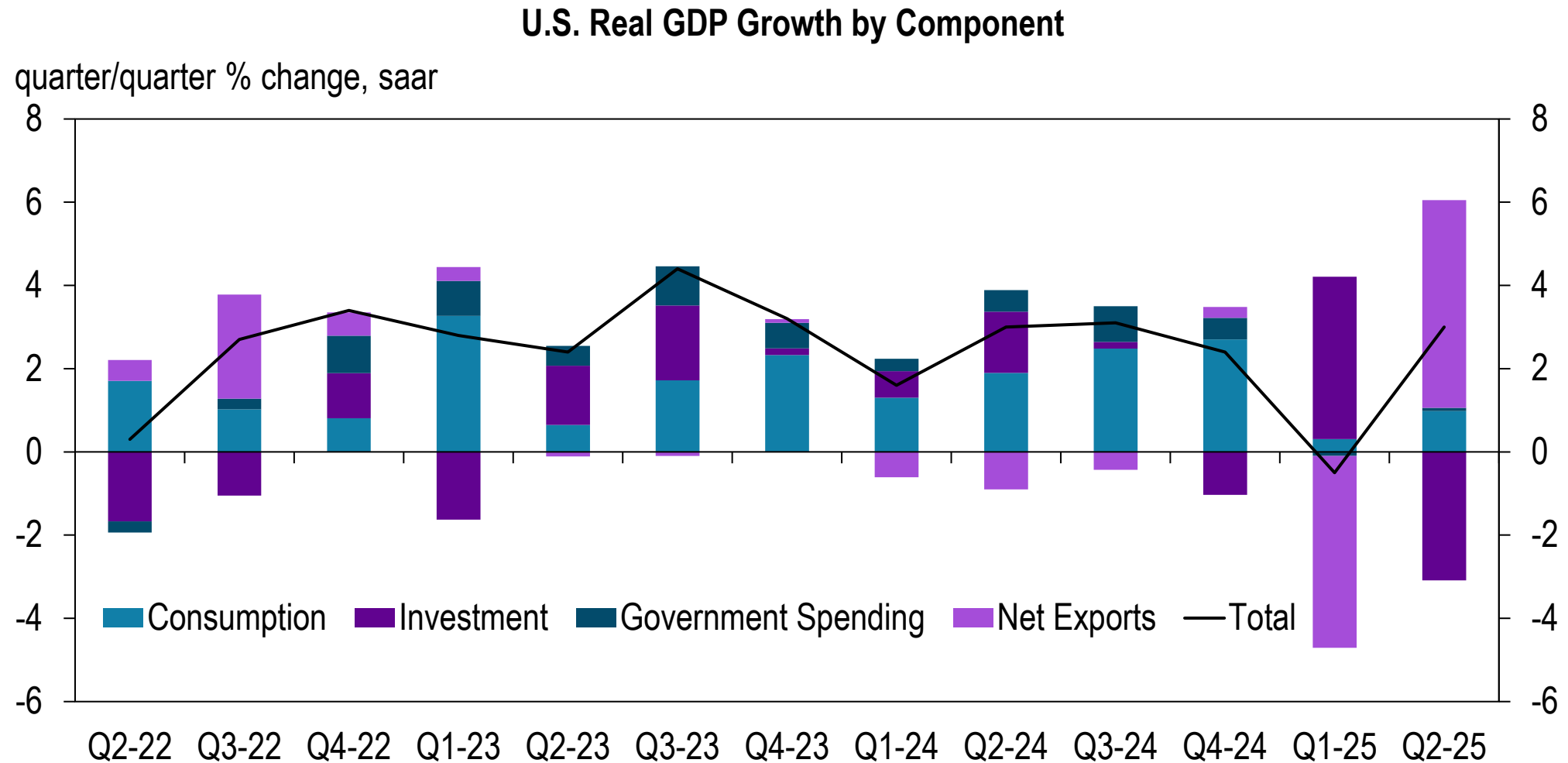
- Research on U.S. and Oklahoma economies; energy sector and business survey focus
- Examinations of Oklahoma financial institutions (~45 banks, ~175 holding cos.)
- Risk analysis and IT development for bank exams; exam assistance for other Fed offices
- Community development and economic education programming for low/moderate income groups and students

- **2025 OKC Branch Board of Directors**

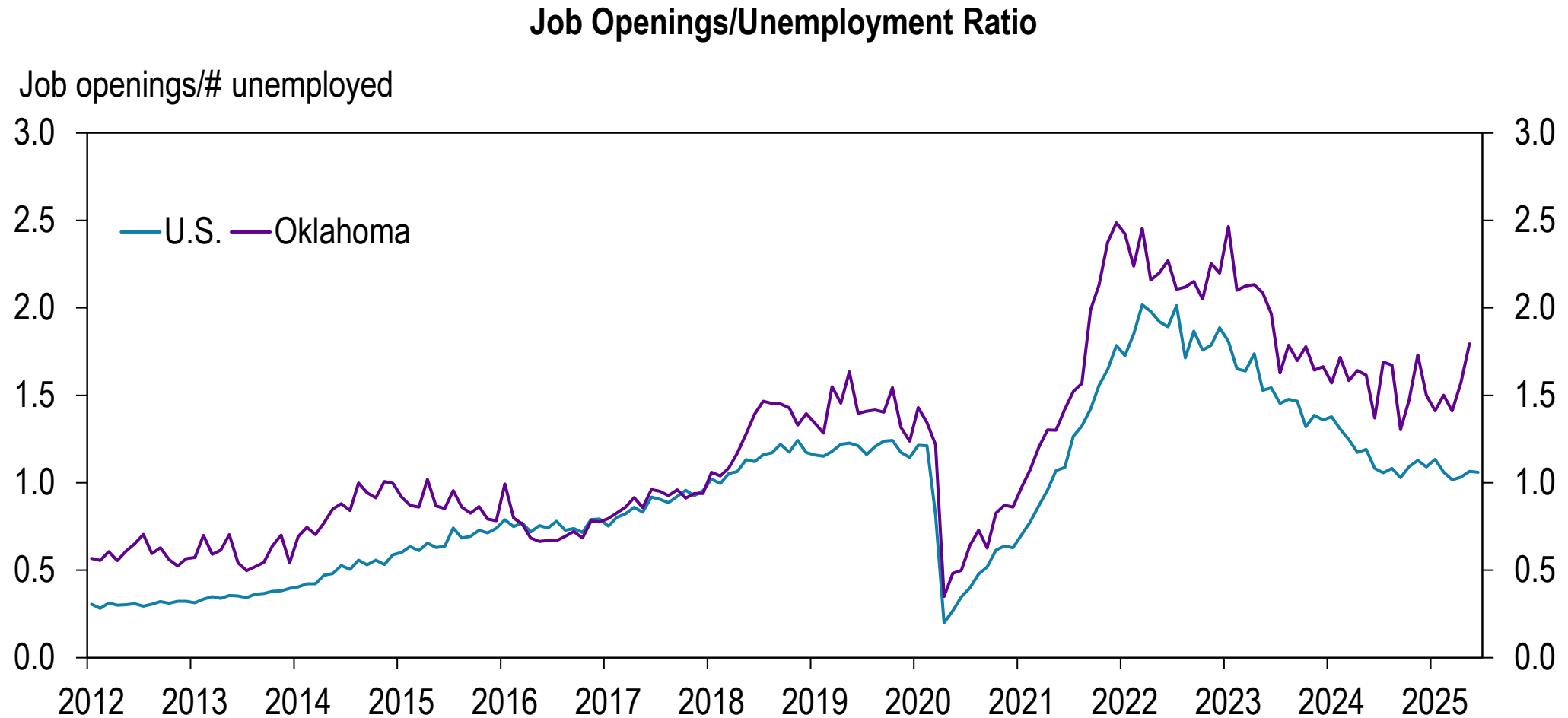
- **Rhonda Hooper (chair)**, President & CEO, Jordan Advertising, OKC
- **Mark Burrage**, CEO, FirstBank, Antlers/Atoka
- **Scott Case**, President, Case & Associates Properties, Tulsa
- **Jason A. Garner**, Crawley Petroleum Corporation, OKC
- **Terry Salmon**, President, Computer System Designers, OKC
- **Brady Sidwell**, Principal, Sidwell Enterprises, Enid
- **Rebecca Thompson**, CFO, Treasurer, & VP Finance, AAON, Inc., Tulsa



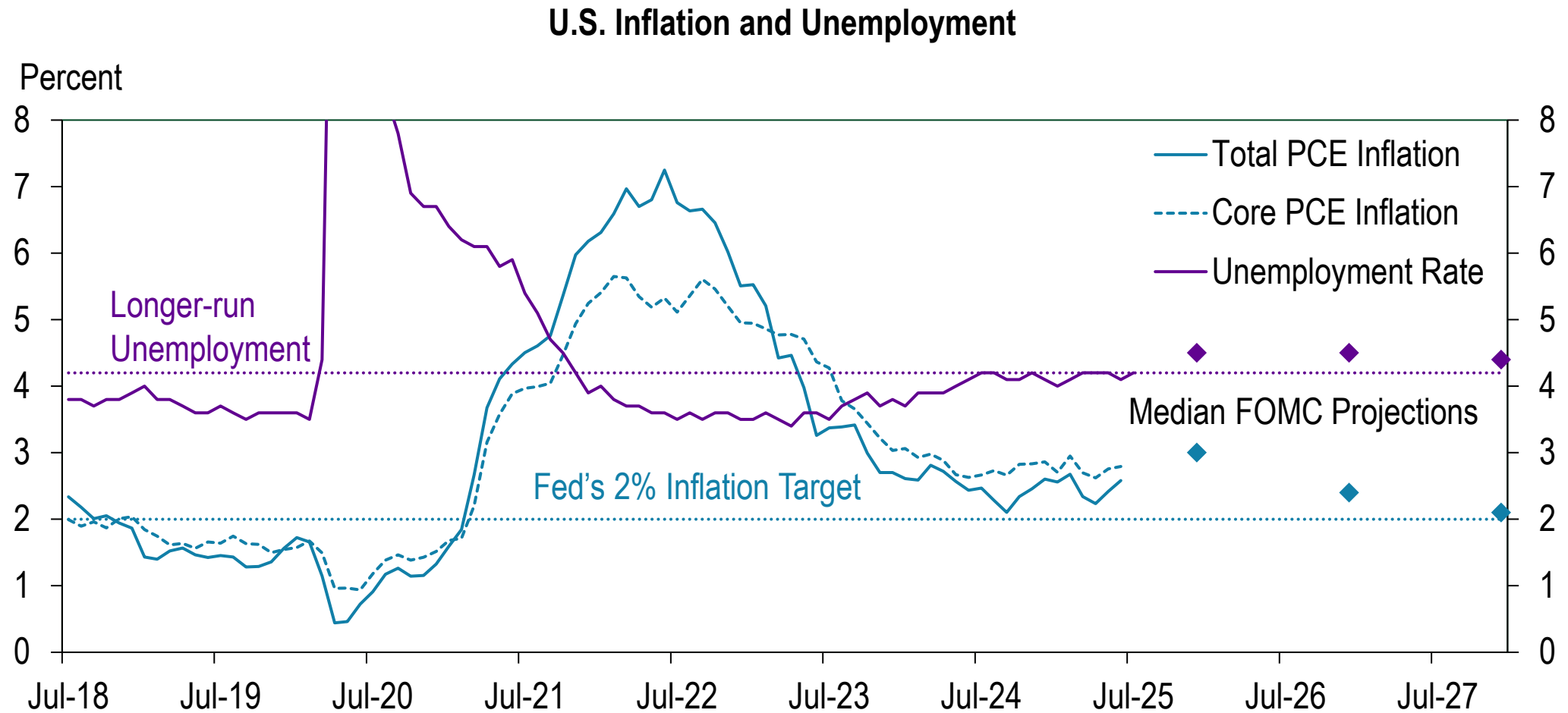
U.S. GDP grew by 3% in Q2, mostly due to a sharp pullback in imports



The labor market is balanced. Job openings still exceed unemployed workers in Oklahoma but have returned to near pre-pandemic levels

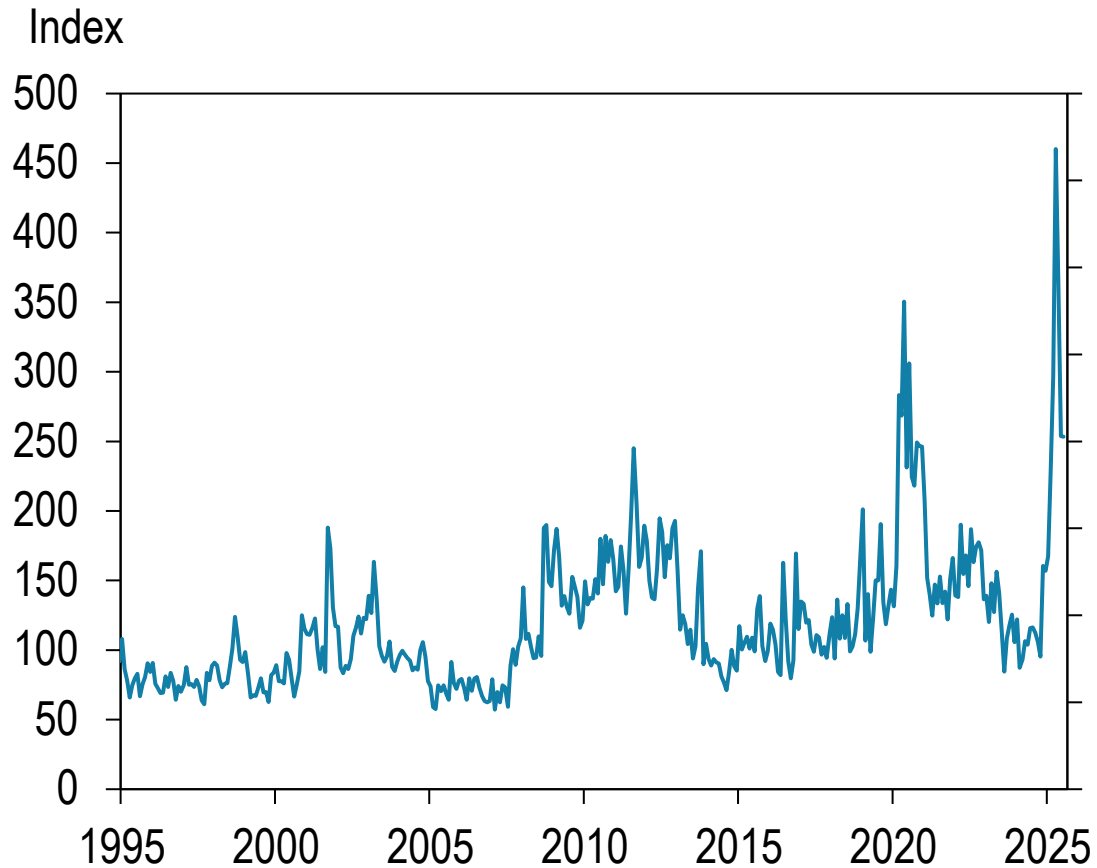


Inflation and unemployment have come closer to the Fed's targets, but there are upside risks to both

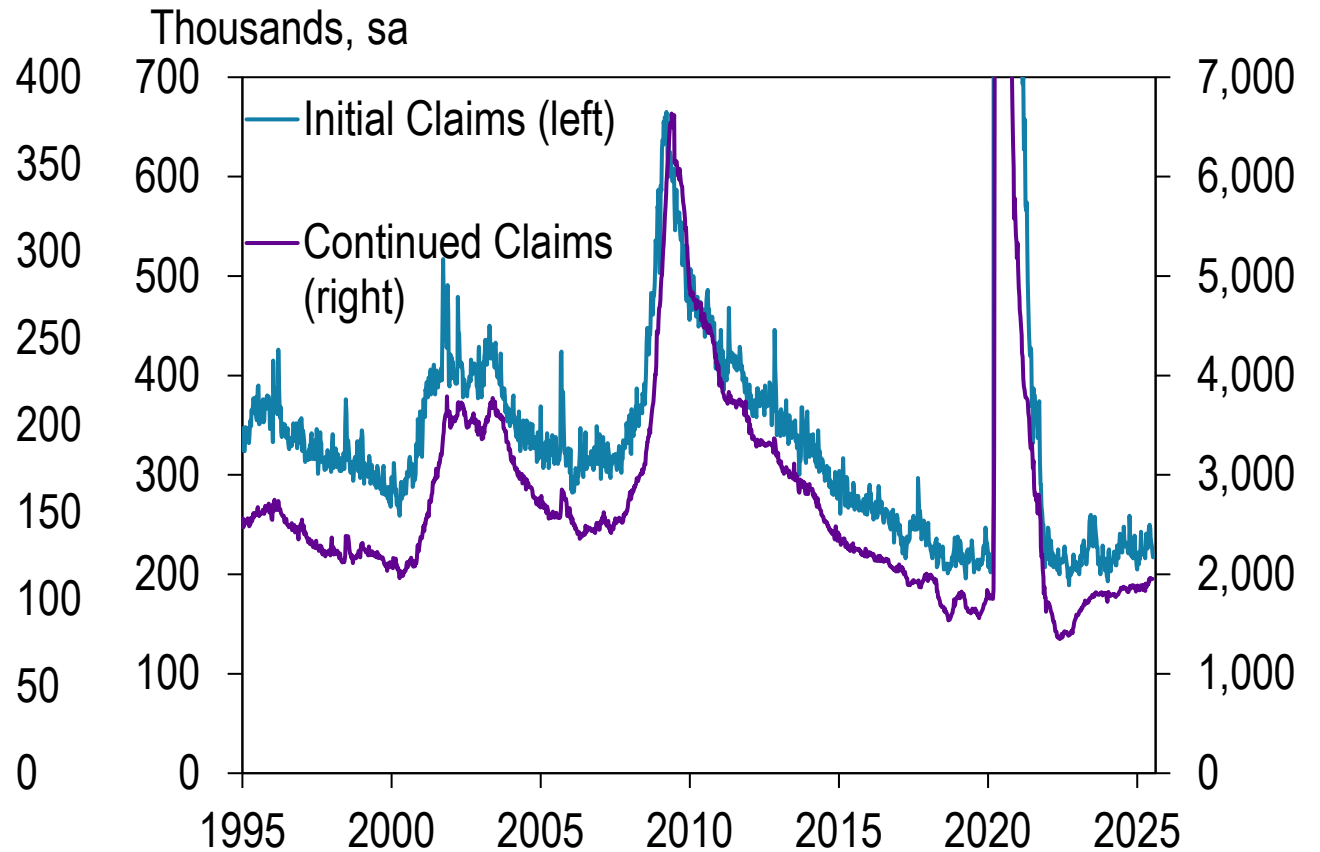


Uncertainty has increased, but the labor market holds

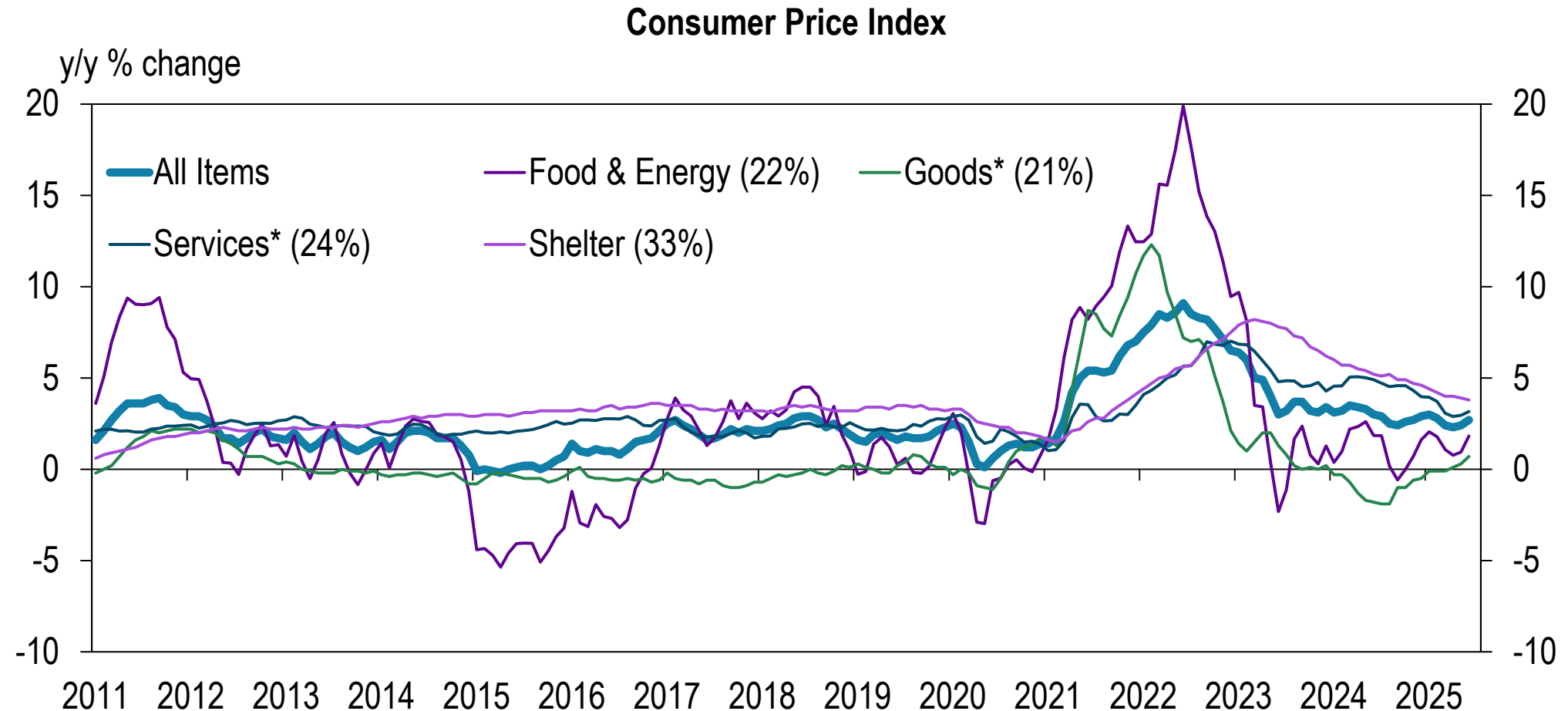
Economic Policy Uncertainty



Unemployment Claims



CPI inflation ticked up to 2.7% in June, as goods, services, and energy prices rose



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

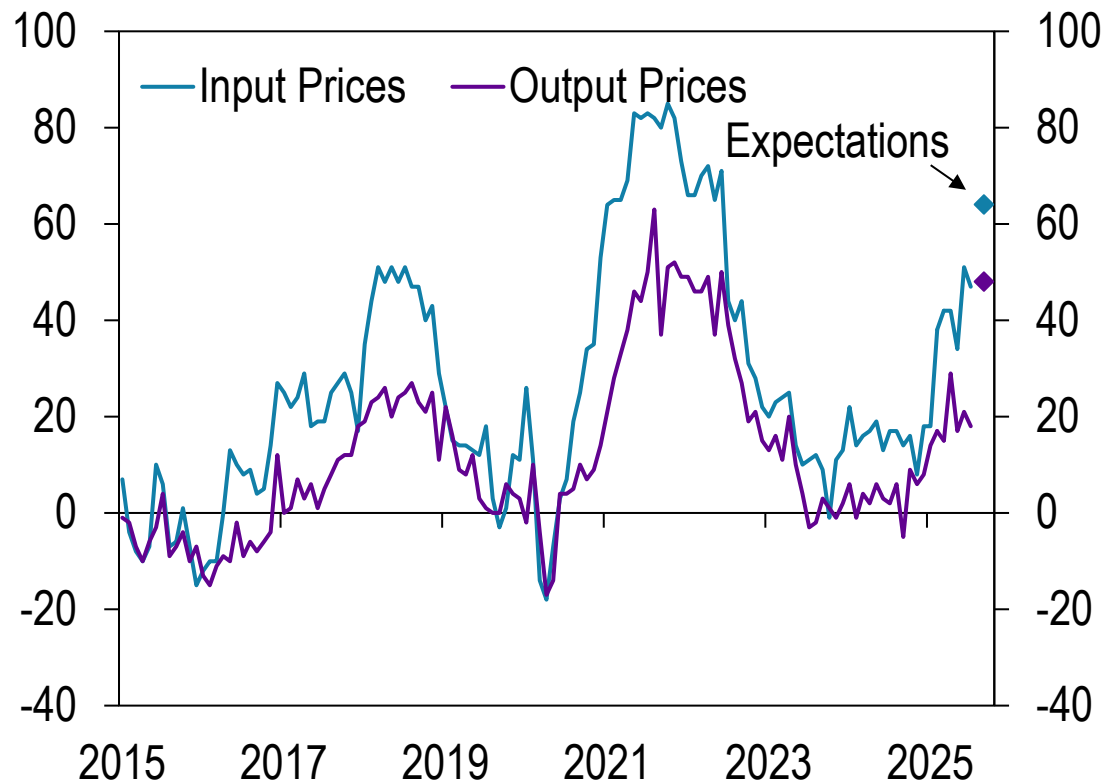
Sources: BLS/Haver Analytics

Tenth District firms have faced higher costs, and some have raised output prices accordingly

Kansas City Fed Price Indexes

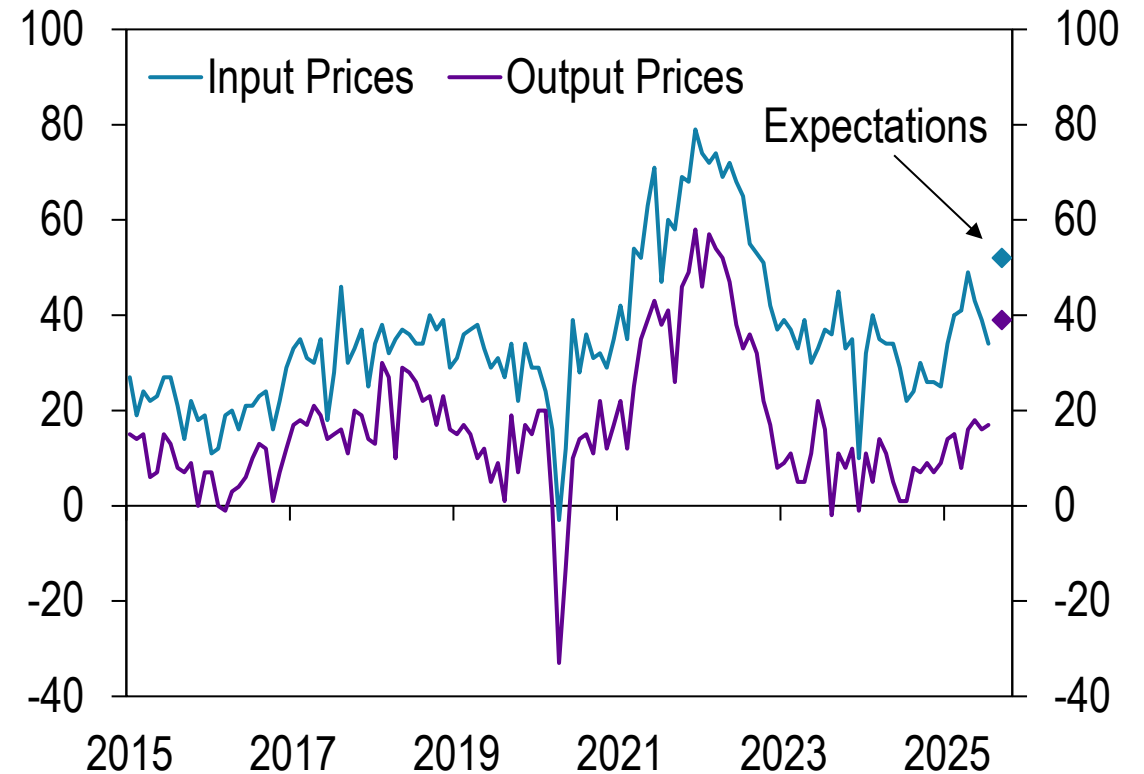
Manufacturing Firms

m/m diffusion index, sa

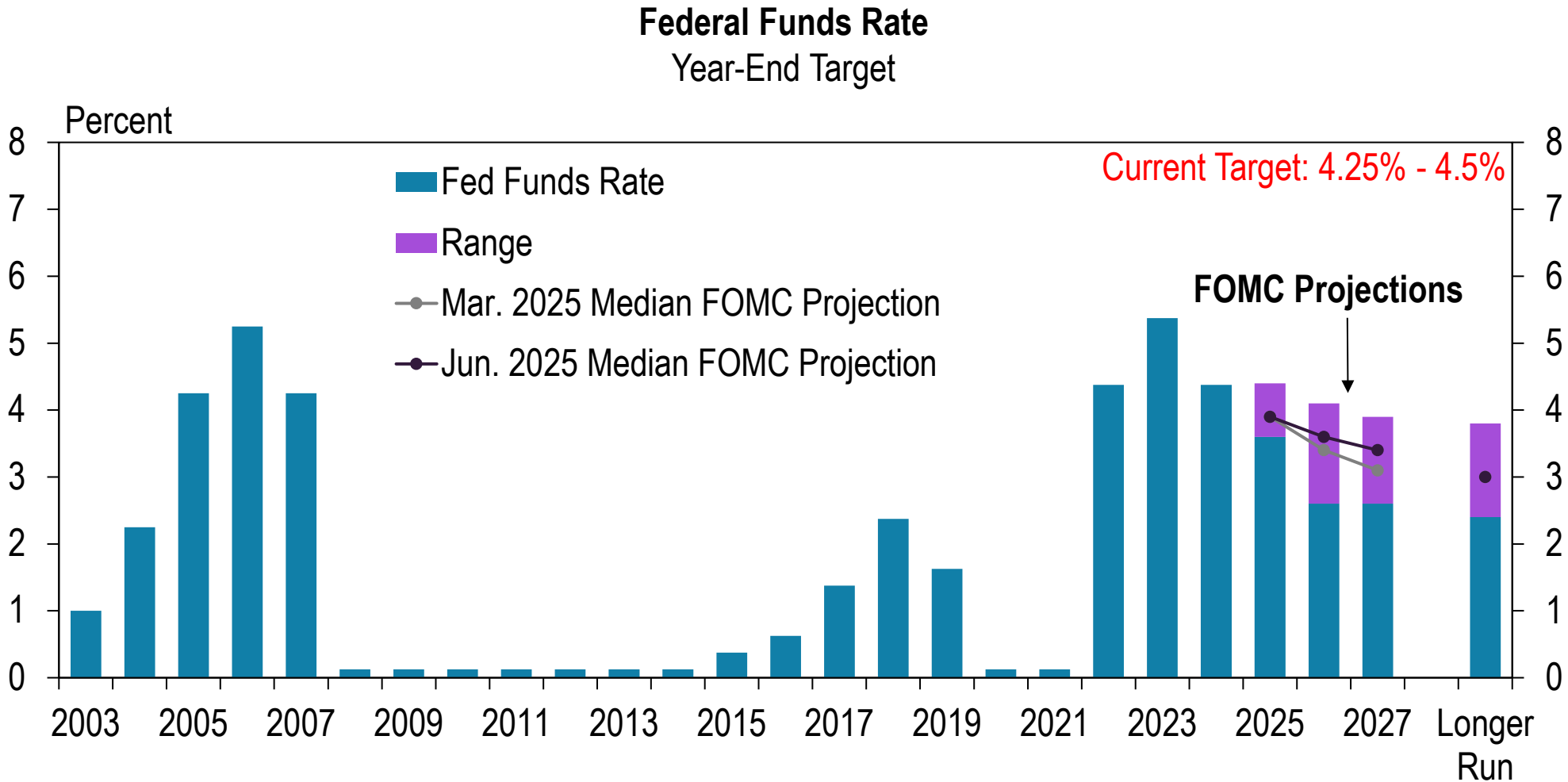


Services Firms

m/m diffusion index, sa



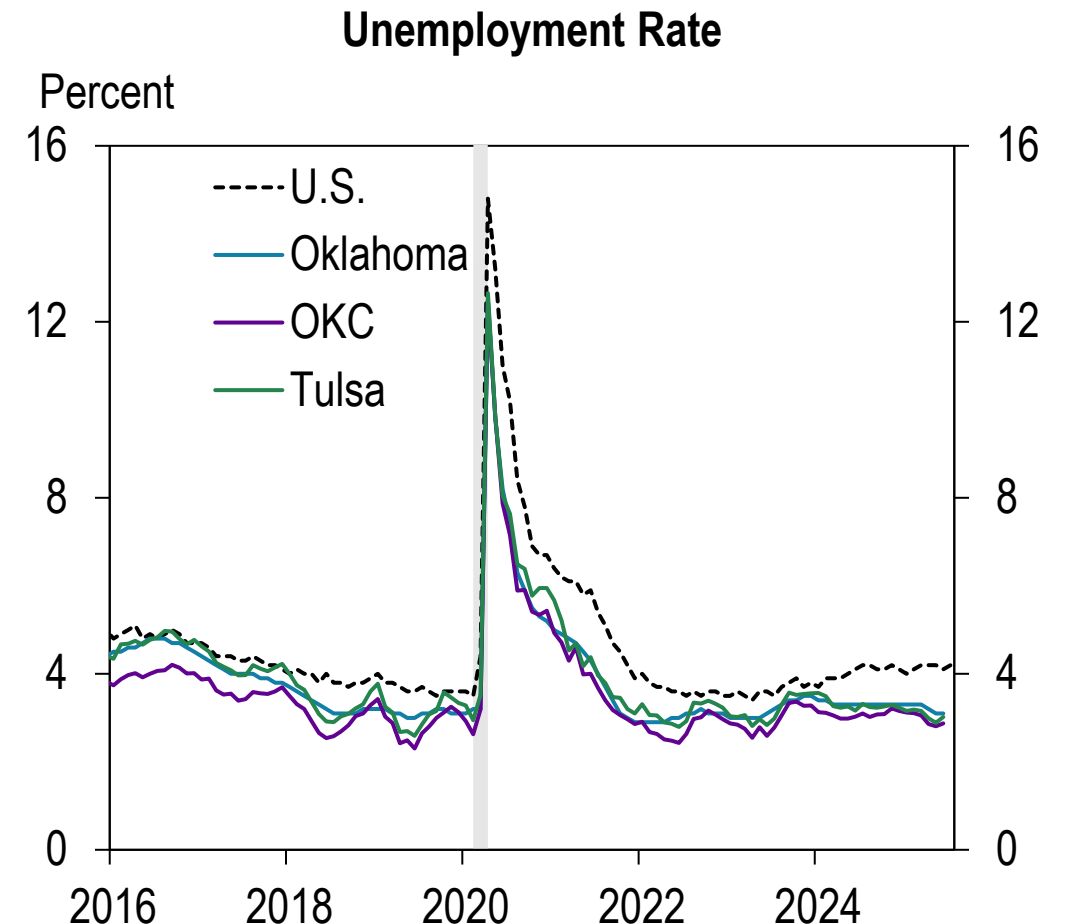
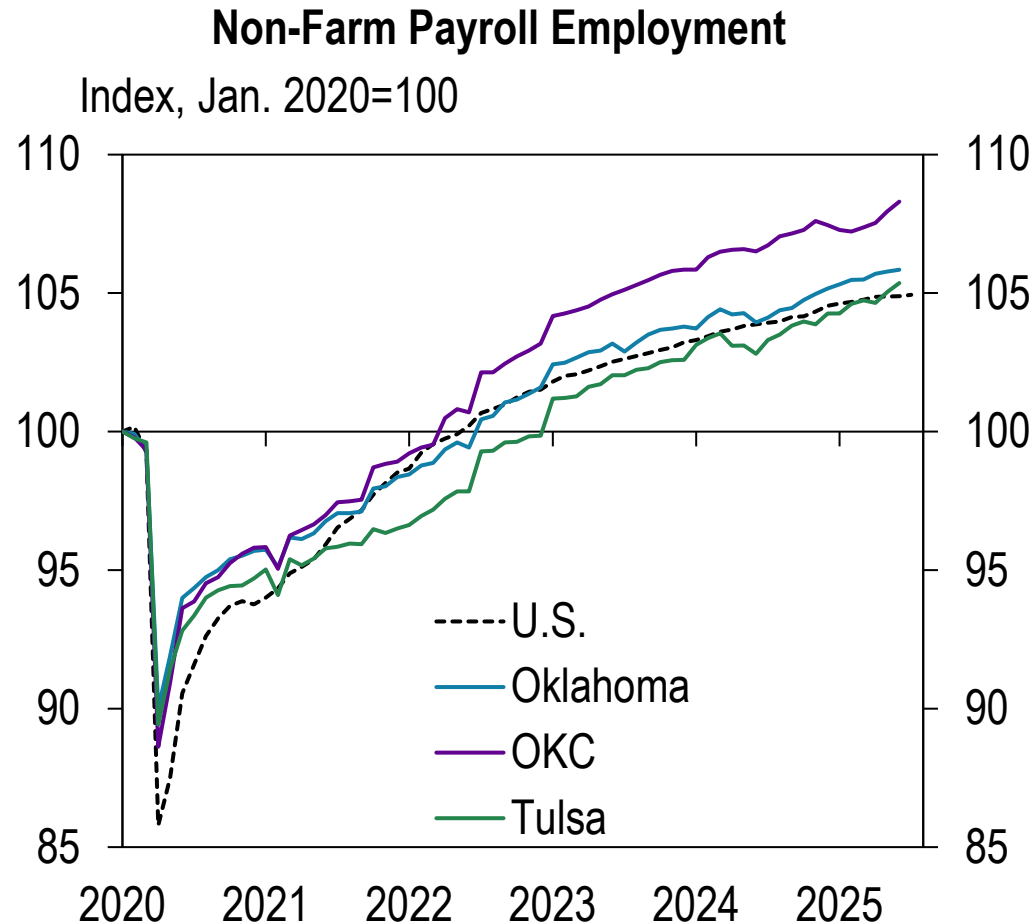
The Fed held the federal funds rate steady in June, and the latest projections are shown



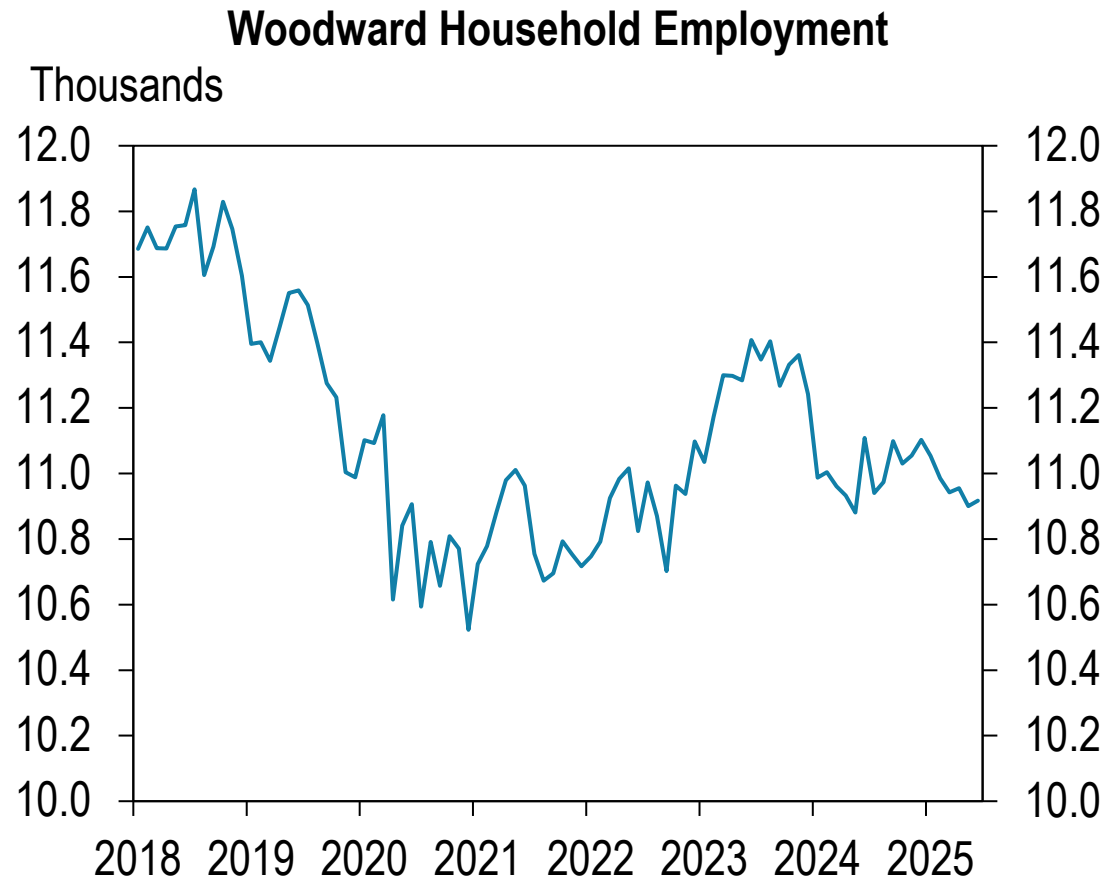
Note: Data and FOMC projections are for year-end.

Sources: Bureau of Economic Analysis, FOMC

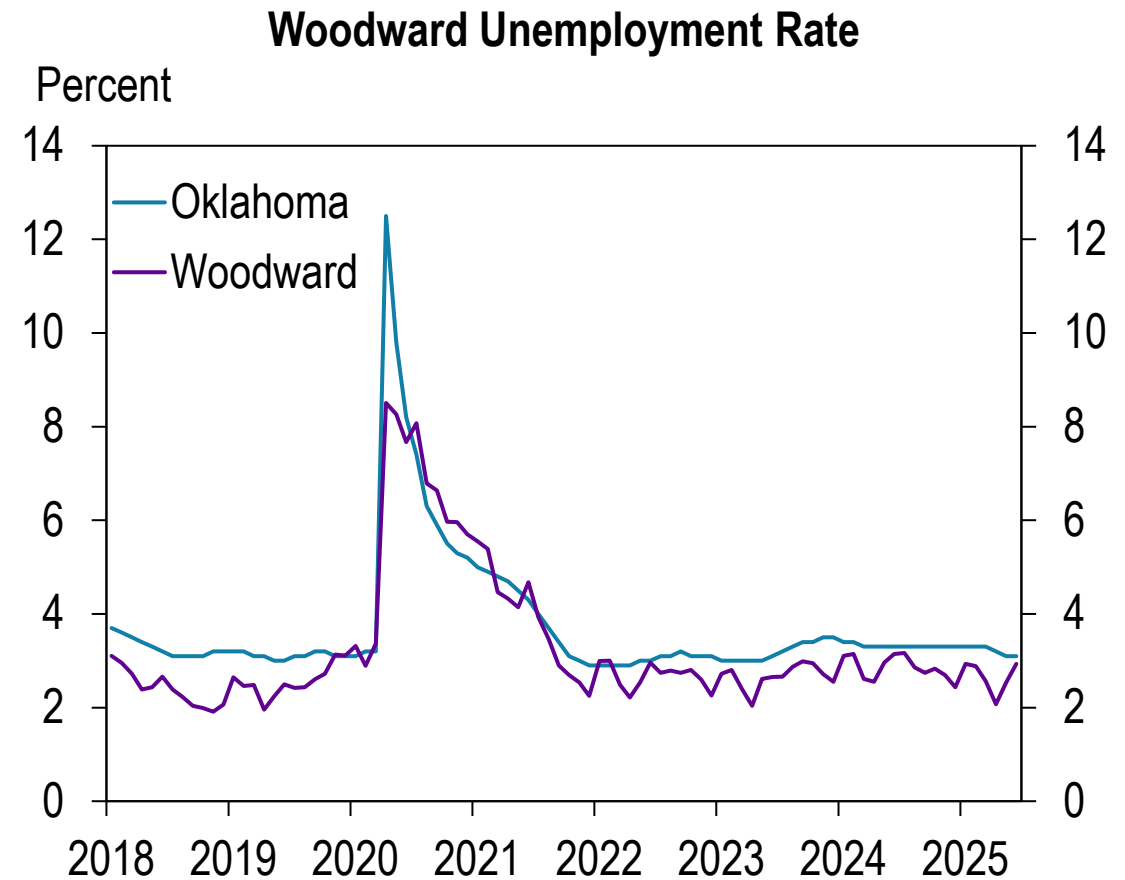
Jobs in Oklahoma have continued to grow in 2025, while unemployment remains very low



Jobs in the Woodward area have declined recently, but are still around the average in recent years, while unemployment remains lower than the state total



Note: Woodward aggregates Woodward and Ellis counties.



Source: U.S. Bureau of Labor Statistics

Woodward employment is still highly specialized in oil and gas, and is also concentrated in trade, transportation, and construction

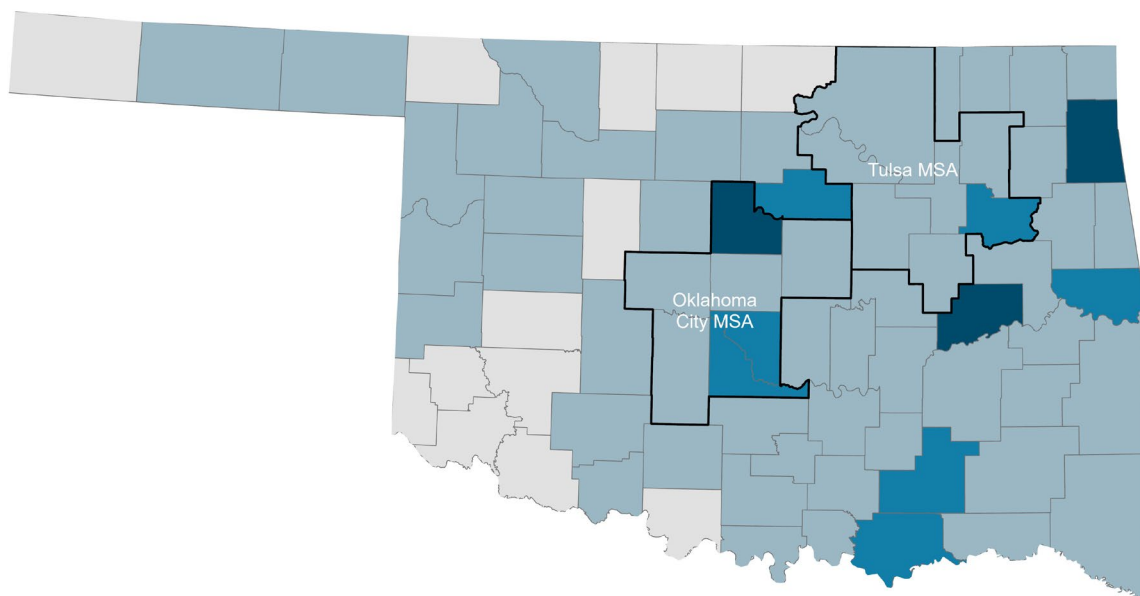
Woodward Employment Location Quotients

Industry	2024	2019
Natural resources and mining	10.7	12.4
Trade, transportation, and utilities	1.2	1.3
Construction	1.2	1.1
Other services	1.1	1.0
Education and health services	0.9	0.8
Financial activities	0.9	0.8
Leisure and hospitality	0.9	0.8
Public administration	0.7	1.1
Manufacturing	0.5	0.5
Information	0.5	0.4
Professional and business services	0.4	0.4

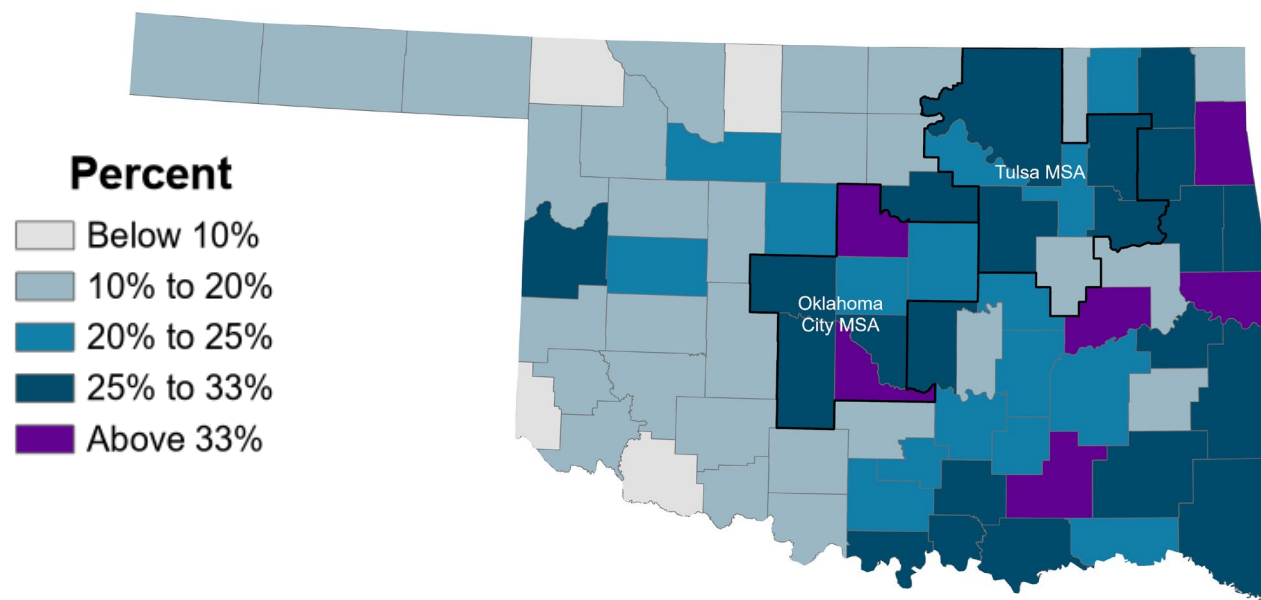
Homeownership for first-time buyers became less affordable across Oklahoma in recent years, but has stayed more consistent in the western part of the state

First-Time Homeownership Costs as a Share of Household Income

2018-2019



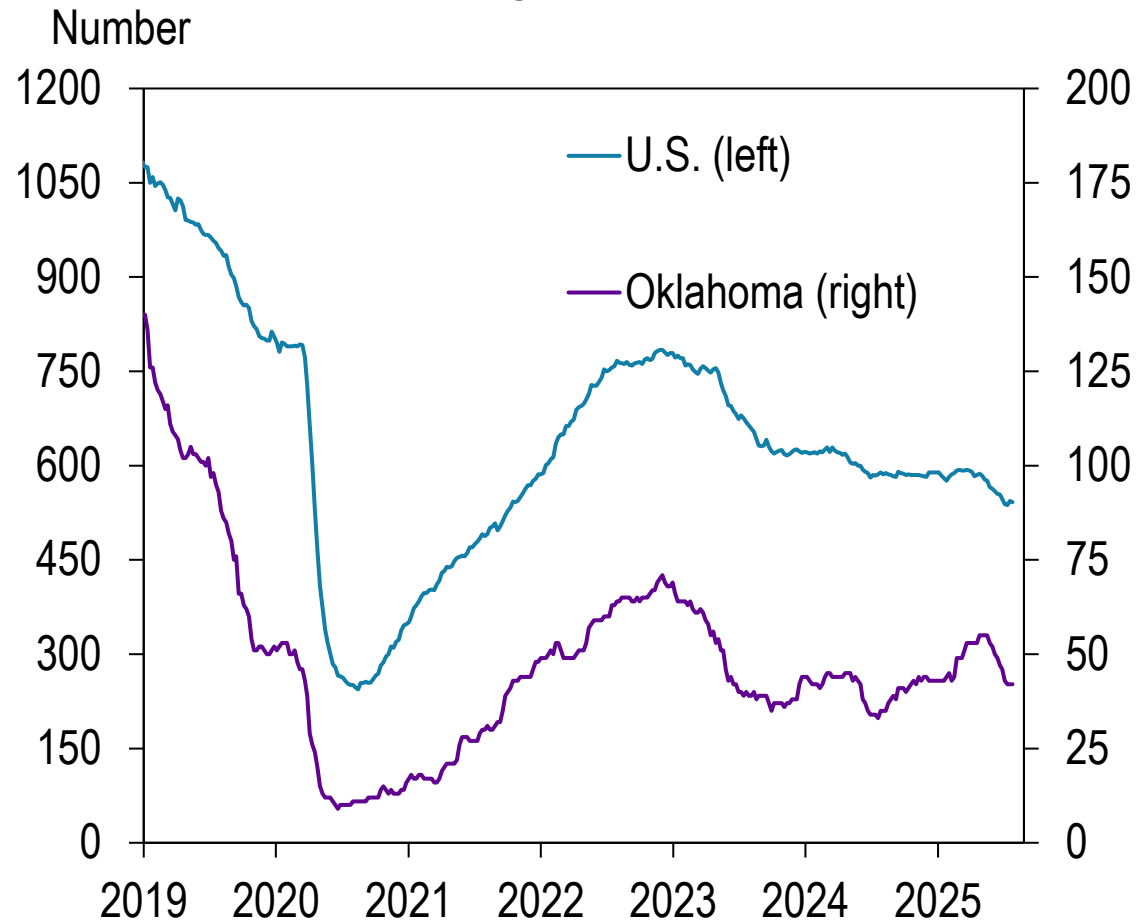
2024



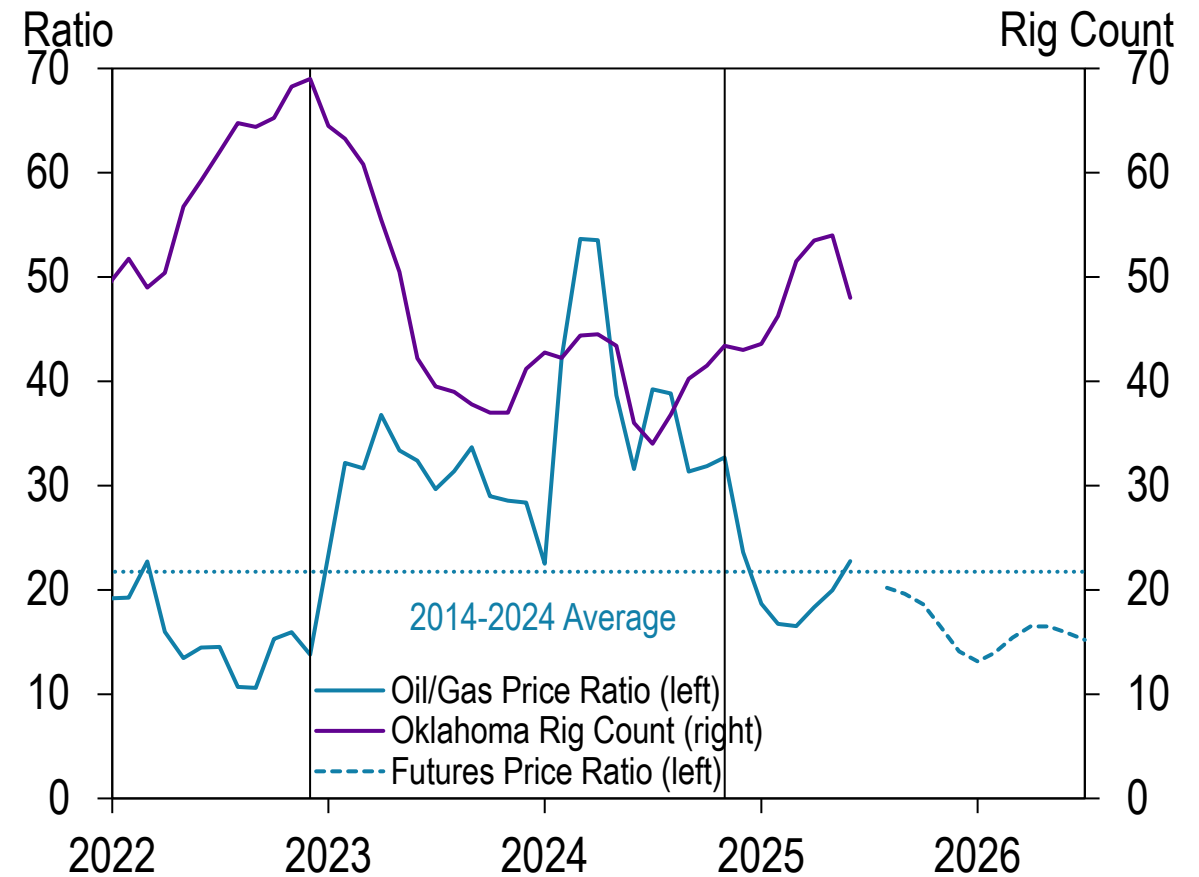
Notes: Costs include mortgage payment, insurance, and maintenance. 2024 data through October.
Sources: Zillow, BLS, U.S. Census Bureau (IPUMS NHGIS), WSJ (Haver Analytics), staff calculations

Drilling activity increased in Oklahoma in H1 2025 as gas price rose relative to oil, but has cooled more recently has this trend reversed

Rig Counts

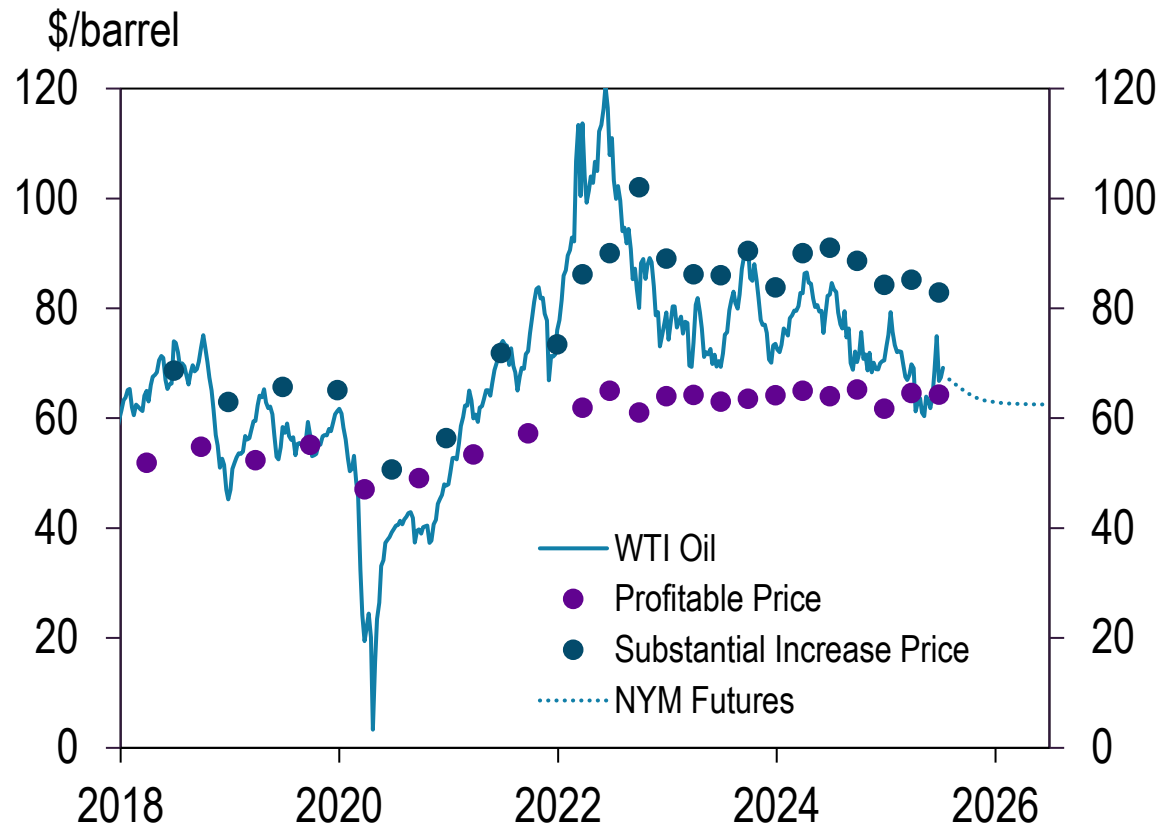


Oil & Gas Price Ratio and Oklahoma Rig Count

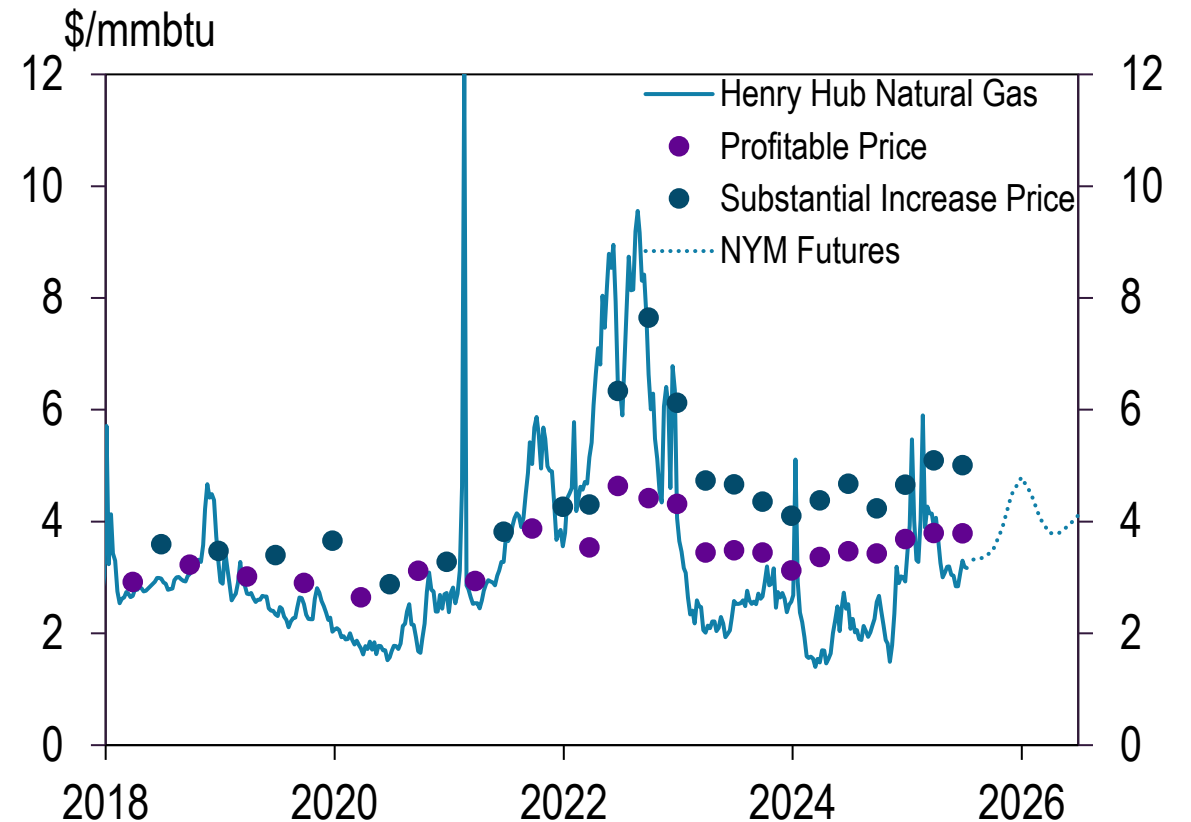


Natural gas prices have fallen back below profitable levels in recent weeks but are expected to rise, while oil prices have rebounded somewhat

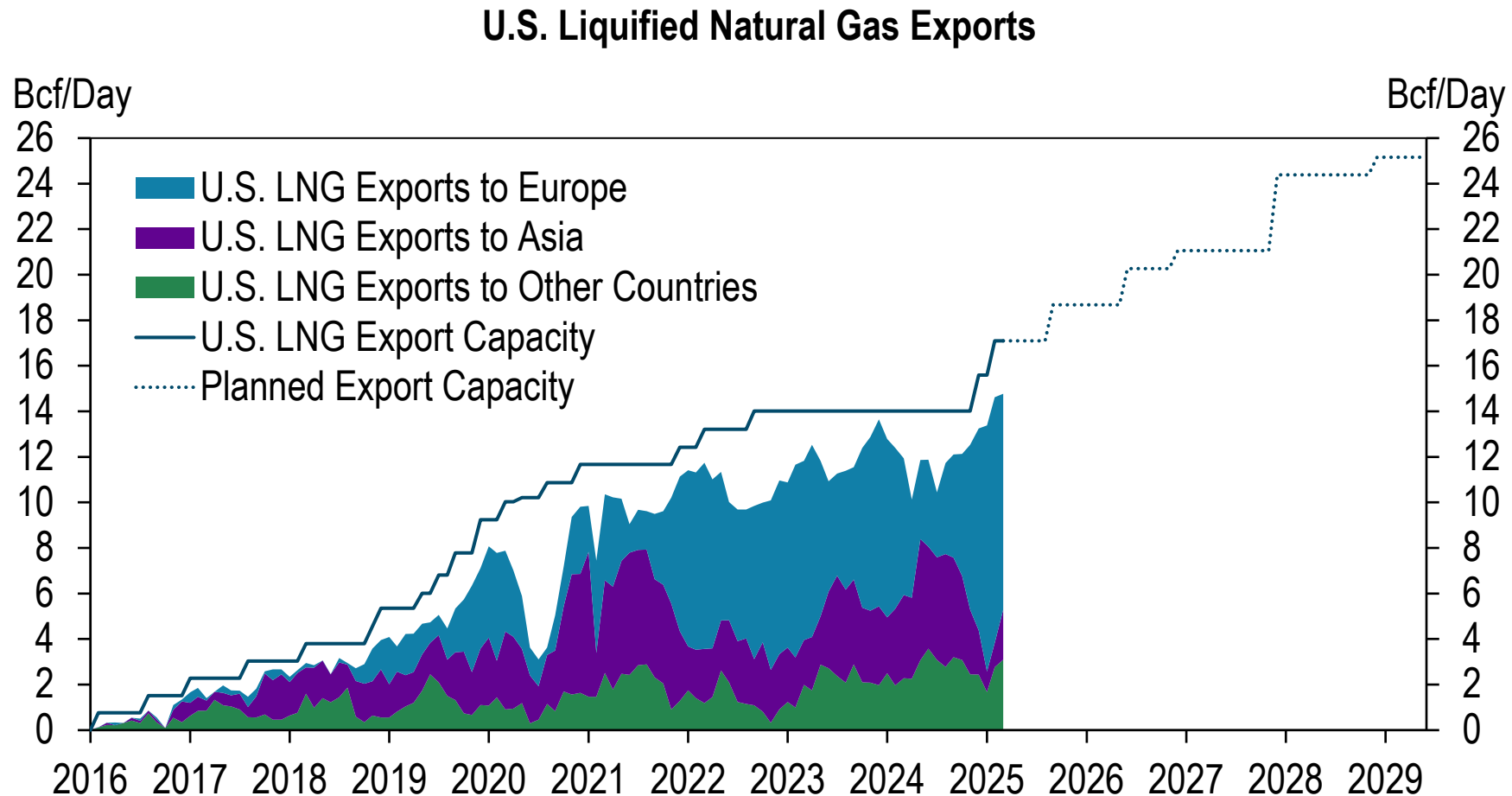
U.S. Oil Prices



U.S. Natural Gas Prices

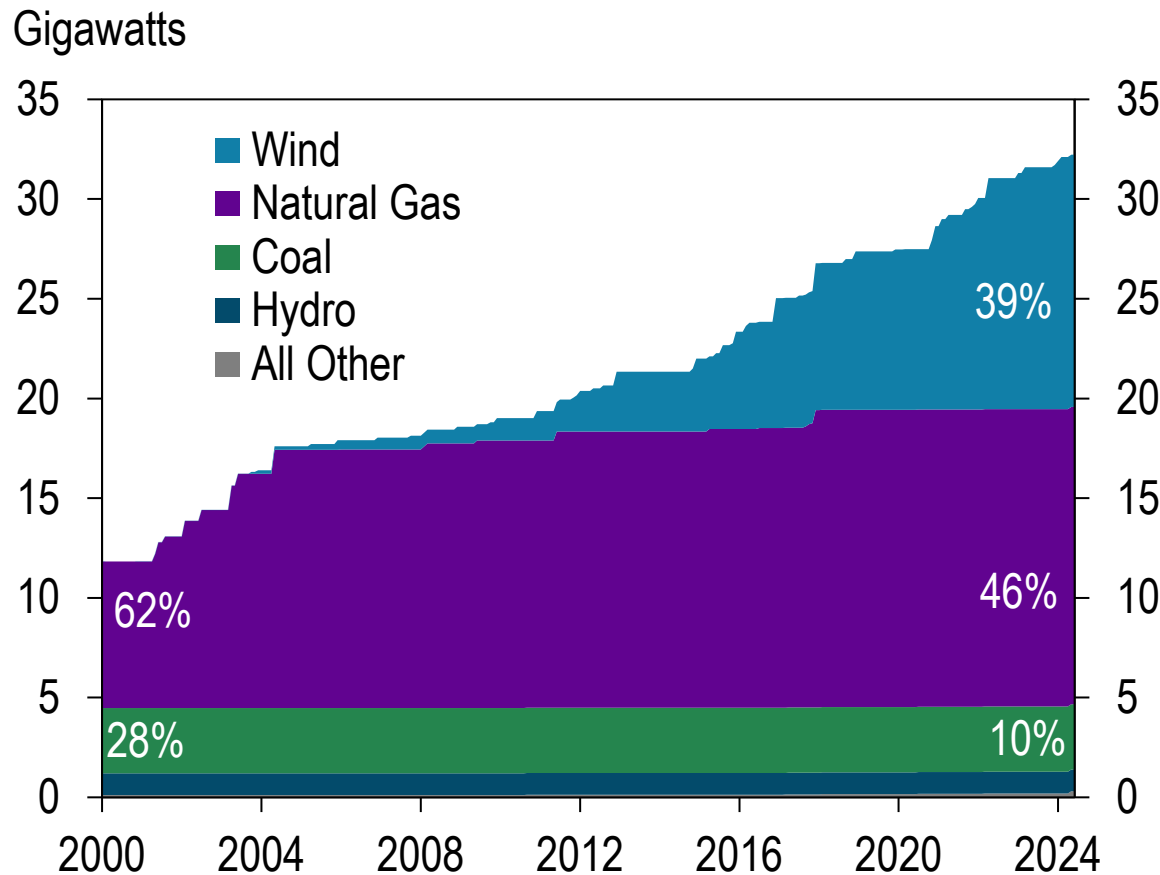


U.S. liquefied natural gas export capacity is set to increase to meet rising international demand, boosting the outlook for natural gas prices

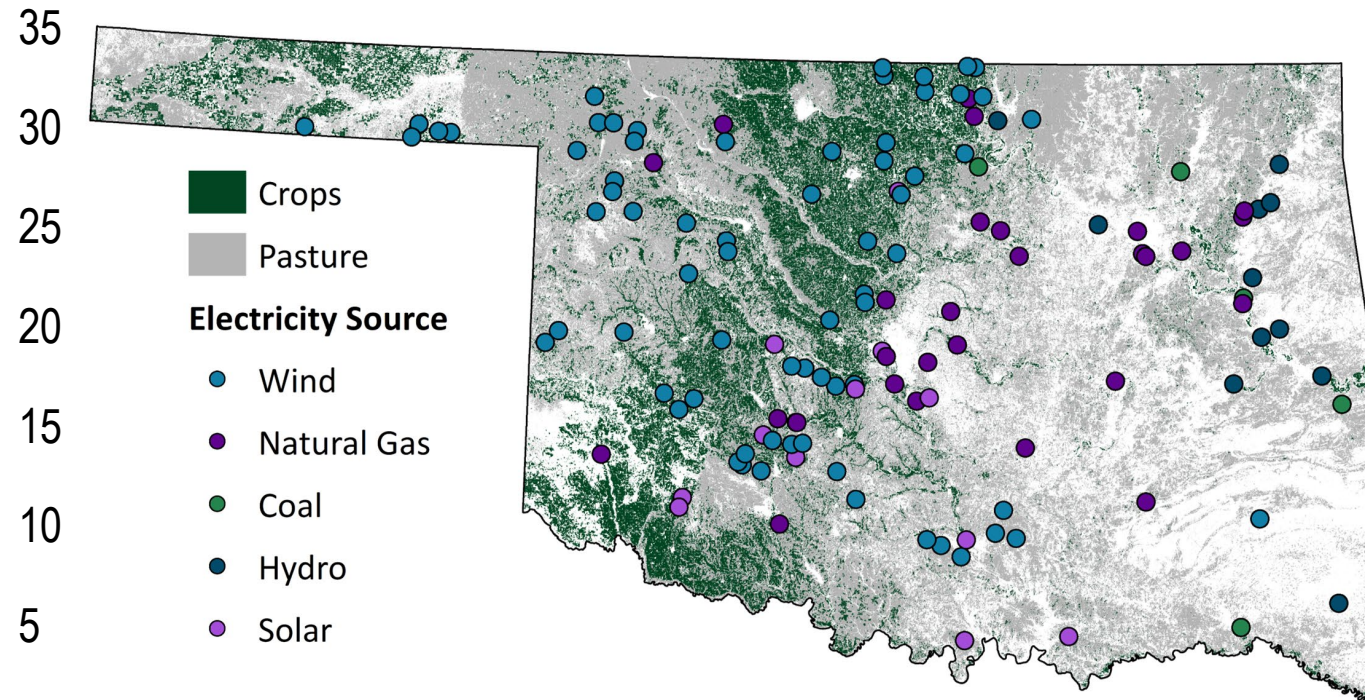


Wind energy in western Oklahoma has greatly increased the state's electricity generation capacity

Oklahoma Electricity Generation Capacity



Oklahoma Agricultural Land Use and Electricity Sources

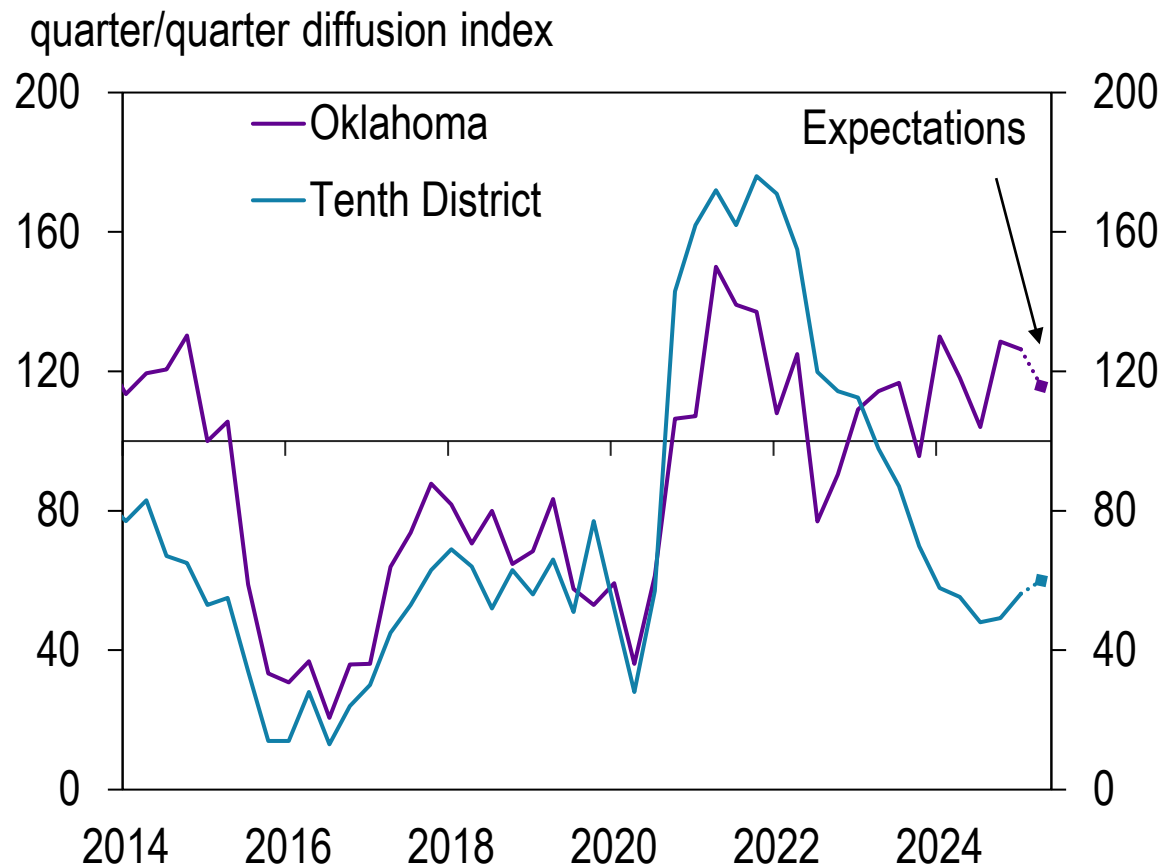


Note: Percentages represent the share of total electricity generation capacity in 2000 and 2024

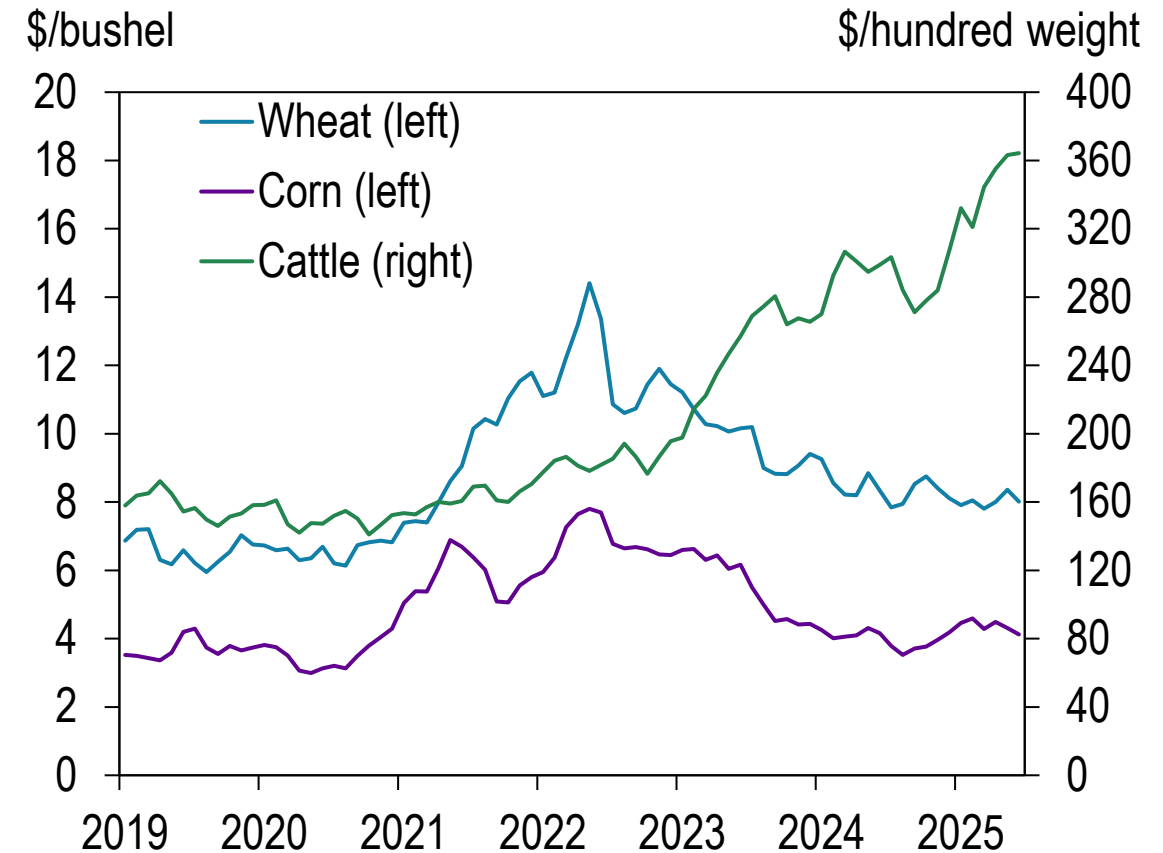
Sources: EIA, USDA, staff calculations

Oklahoma farm income grew in Q1 while it declined in other District states, partially due to higher cattle prices

Farm Income



Agricultural Commodity Prices



Summary

- U.S. GDP grew by 3% in Q2 as firms pulled back on imports
- Unemployment is up slightly but remains near long-term averages
- Inflation has come down to near 2%, but there may be upside risks
- Oklahoma's economy also continues to grow, and unemployment is low
- Woodward's unemployment rate remains lower than other parts of the state

Questions?

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