Women in Banking
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*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

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

- **Functions and purposes ~ 45 staff**
  - Research on U.S. and Oklahoma economies; energy and manufacturing sectors
  - Economic and financial education outreach, including to low/moderate income
  - Examinations of Oklahoma financial institutions (~50 banks, ~175 holding cos.)

- **2018 OKC Fed Branch Board of Directors**
  - Clint Abernathy (chair), Owner, Abernathy Farms, Inc., Altus
  - Susan Chapman Plumb, Board Chair & CEO, Bank of Cherokee County, Tahlequah
  - Michael Coffman, CEO (retired), Panhandle Oil & Gas, Inc., Oklahoma City
  - Tina Patel, Co-Owner & CFO, Promise Hotels, Tulsa
  - Chris Turner, President & CFO, First State Bank, Oklahoma City
  - Katrina Washington, Owner/Broker, Stratos Realty, Oklahoma City
  - Dana Weber, Vice-Chair & CEO, Webco Industries, Sand Springs

- **Oklahomans on Kansas City Fed head office Board**
  - Rose Washington (chair), Exec. Director, Tulsa Econ. Dev. Corp., Tulsa
  - Doug Stussi, EVP & CFO, Love’s Travel Stops & Country Stores, OKC
The U.S. Economy and Monetary Policy
Monthly data on U.S. business activity show economic growth remains strong in mid-2018

U.S. Payroll Employment and Business Indexes


Sources: Institute for Supply Management, Bureau of Labor Statistics
“The labor market has continued to strengthen...job gains have been strong and the unemployment rate has declined.”

Unemployment Rate
Seasonally Adjusted

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

Sept. FOMC Forecast
Ranges in Yellow

Current (Sept. 2018): 3.7%
“On a 12-month basis, both overall inflation and inflation for items other than food and energy have moved close to 2 percent.”

Sources: U.S. Bureau of Labor Statistics, FOMC
“The [FOMC] expects that further gradual increases...for the federal funds rate will be consistent with sustained expansion...”

Federal Funds Rate
Year-End Target

Current Target: 2.00-2.25%

Sept. FOMC Forecast
Ranges in Yellow

Sources: Federal Reserve Board, FOMC
The Fed has also begun to reduce its balance sheet.
Trends in the Oklahoma Economy
Oklahoma GDP dropped considerably in 2015-16, after oil prices fell, but has mostly grown solidly since then.
In 2018, state job growth has matched the nation after lagging in 2015-16, the most since the 1980s.
State job gains the past year have been led by mining (oil & gas), and most sectors have added workers.

Oklahoma Job Growth by Industry
August 2018

Source: U.S. Bureau of Labor Statistics
Unemployment across across the state remains at or near full employment levels

August 2018 Unemployment Rates

Source: U.S. Bureau of Labor Statistics
Tax revenues are also growing strongly, following revenue declines and budget cuts in recent years.

Oklahoma State Tax Revenues
Q3-18 through September

Source: OK Tax Commission
The highest concentrated industries in Oklahoma are mining and transportation

### Personal Income Share by Industry, 2016

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percent of Total Income</th>
<th>Location Quotient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.</td>
<td>OK</td>
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<tr>
<td>Mining</td>
<td>1.1</td>
<td>6.6</td>
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<tr>
<td>Transportation &amp; Utilities</td>
<td>4.4</td>
<td>10.7</td>
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<tr>
<td>Agriculture</td>
<td>0.6</td>
<td>1.0</td>
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<tr>
<td>Federal Government</td>
<td>4.0</td>
<td>5.9</td>
</tr>
<tr>
<td>State &amp; Local Government</td>
<td>12.6</td>
<td>13.8</td>
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<tr>
<td>Construction</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Education &amp; Health</td>
<td>12.9</td>
<td>11.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9.4</td>
<td>8.2</td>
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<tr>
<td>Trade</td>
<td>10.9</td>
<td>10.2</td>
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<tr>
<td>Leisure &amp; Hospitality</td>
<td>4.6</td>
<td>3.8</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>22.8</td>
<td>14.4</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>6.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Note: Location quotient is the division of local share by national share

Source: U.S. Bureau of Economic Analysis
Regional factory growth remains strong despite tariffs, but recently has slowed slightly from a record pace.
The Oklahoma agriculture sector has improved from a year ago, but conditions remain challenging overall.

Source: FRBKC Agricultural Credit Survey
Oil and gas production is at a record high, but with considerably fewer rigs and workers than in the past.
Most firms can profitably drill for oil in the areas they are active, and natural gas prices work for some firms.
Summary

• The U.S. economy continues to grow despite headwinds, and the Fed has been raising rates.

• The state and local economies were hurt by low commodity prices, but now are growing solidly.

• Strong productivity growth in the oil and gas sector could potentially limit future job growth.
Questions?

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