

# U.S. and Oklahoma Economic Outlook

*Ardmore Economic Forum*  
*June 18, 2024*

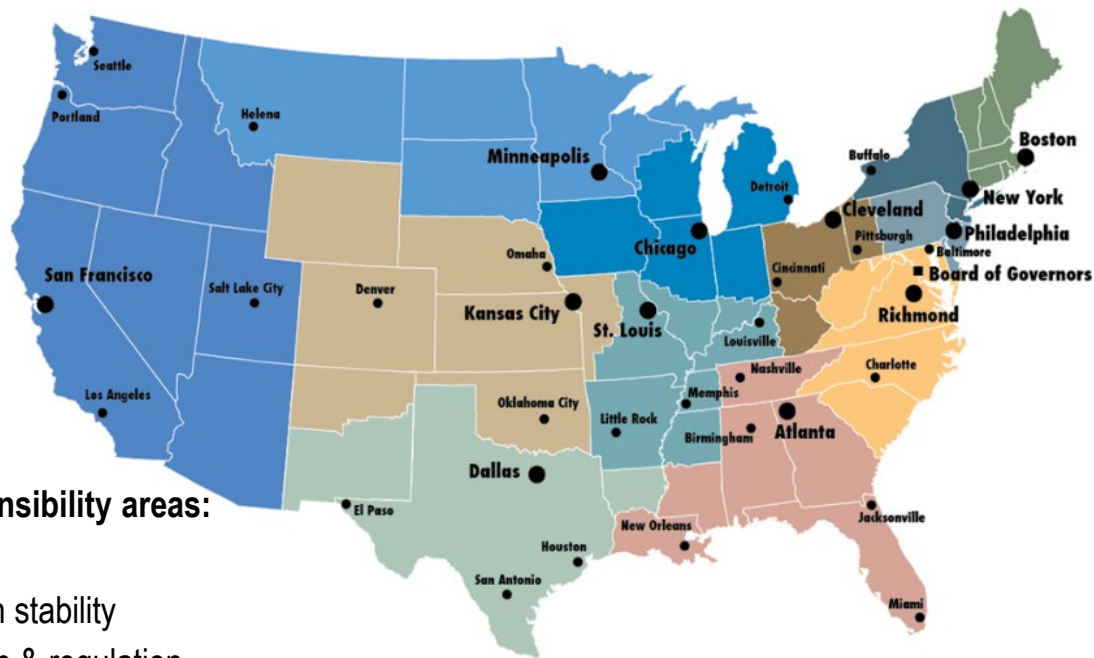


Chad Wilkerson  
*SVP & Oklahoma City Branch Executive*

\*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](http://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
- **2024 OKC Branch Board of Directors**
  - **Dana Weber (chair)**, Chair & CEO, Webco Industries, Sand Springs
  - **Mark Burrage**, CEO, FirstBank, Atoka/Antlers
  - **Scott Case**, President, Case & Associates Properties, Tulsa
  - **Walt Duncan**, President, Duncan Oil Properties, OKC
  - **Rhonda Hooper**, President & CEO, Jordan Advertising, OKC
  - **Terry Salmon**, President, Computer System Designers, OKC
  - **Brady Sidwell**, Principal, Sidwell Enterprises, Enid



# Oklahomans on National and Regional Fed Advisory Councils

- **Federal Advisory Council (National):**
  - **Jill Castilla**, CEO, Citizens Bank, Edmond
- **Community Advisory Council (National):**
  - **Bruce Shultz**, VP of Community Development Banking, Gateway First Bank, Tulsa
- **Economic Advisory Council (10<sup>th</sup> District):**
  - **Jason Garner**, President, Crawley Petroleum, Oklahoma City
  - **David Nimmo**, CEO, Chickasaw Nation Industries, Norman
  - **Rebecca Thompson**, CFO, AAON, Inc., Tulsa
- **Community Development Advisory Council (10<sup>th</sup> District):**
  - **Michelle Bish**, Executive Director, Northeast Workforce Development Board, Catoosa
  - **Quintin Hughes, Sr.**, Program Director, Northeast Oklahoma City Renaissance, Inc., Oklahoma City
  - **Cindy Logsdon**, Executive Director/CEO, Citizen Potawatomi Community Development Corp., Shawnee
- **Community Depository Inst. Advisory Council (10<sup>th</sup> District):**
  - **Barry Anderson**, President, F&M Bank, Guthrie
  - **Jerold Phillips**, COO, Citizens Bank, Ardmore



## Overview

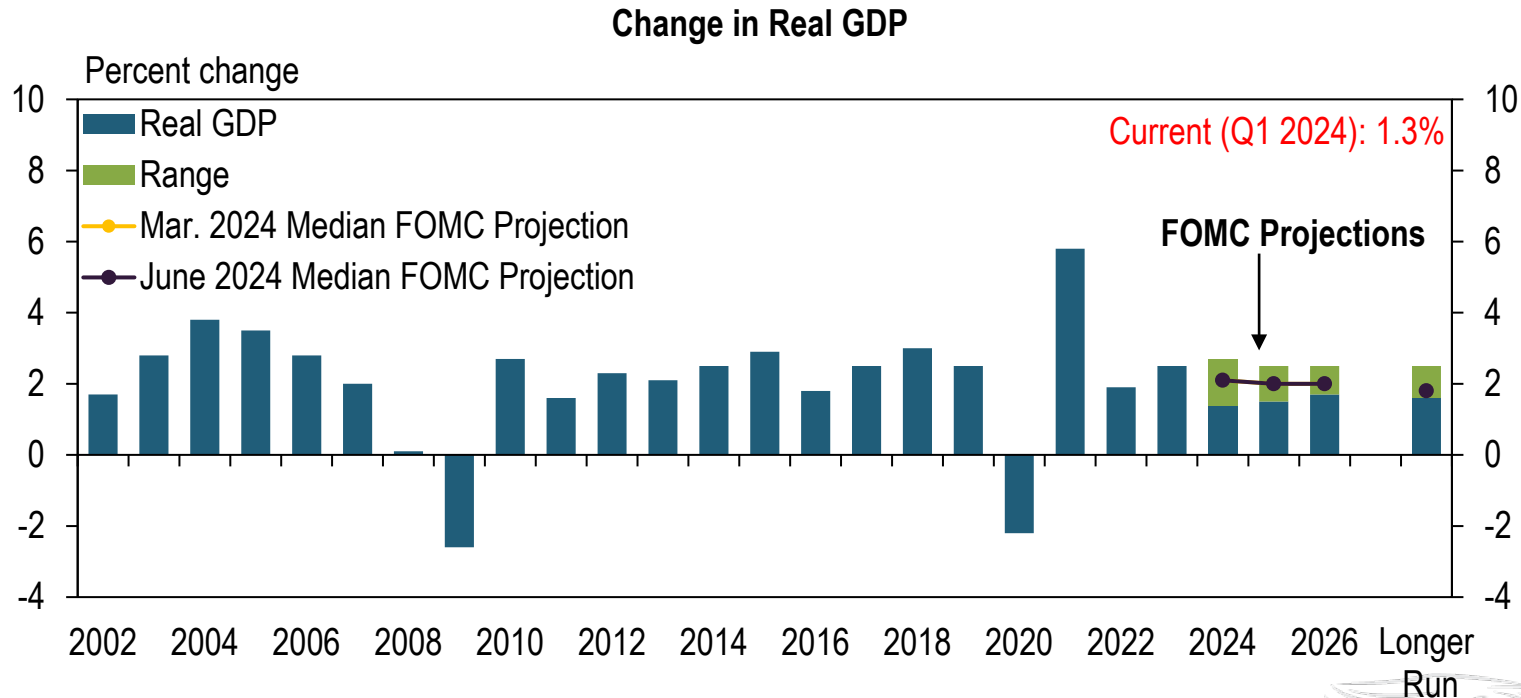
- U.S. economic growth has slowed but remains solid in early 2024, and unemployment is near 50-year lows
- Inflation remains too high, despite coming down from 2022 peaks
- The Fed has raised the overnight interest rate to over 5%
- Oklahoma's economy also continues to grow, and unemployment is low
- Oklahoma's population growth has outpaced the nation in recent years, driven by strong domestic in-migration, including to rural areas



# U.S. GDP growth slowed in Q1, and employment growth has eased in Q2

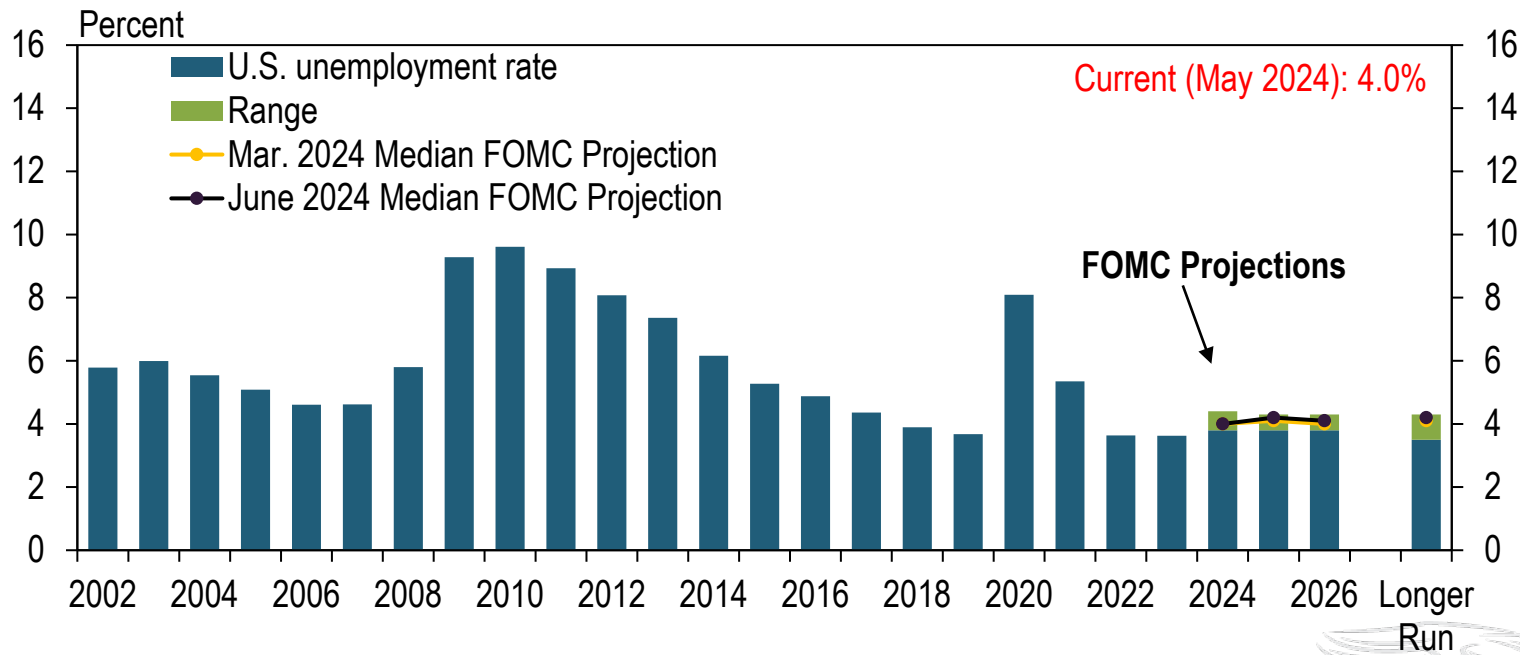


# U.S. GDP growth is still expected to remain solid in 2024 and be around the longer-term trend in 2025 and 2026



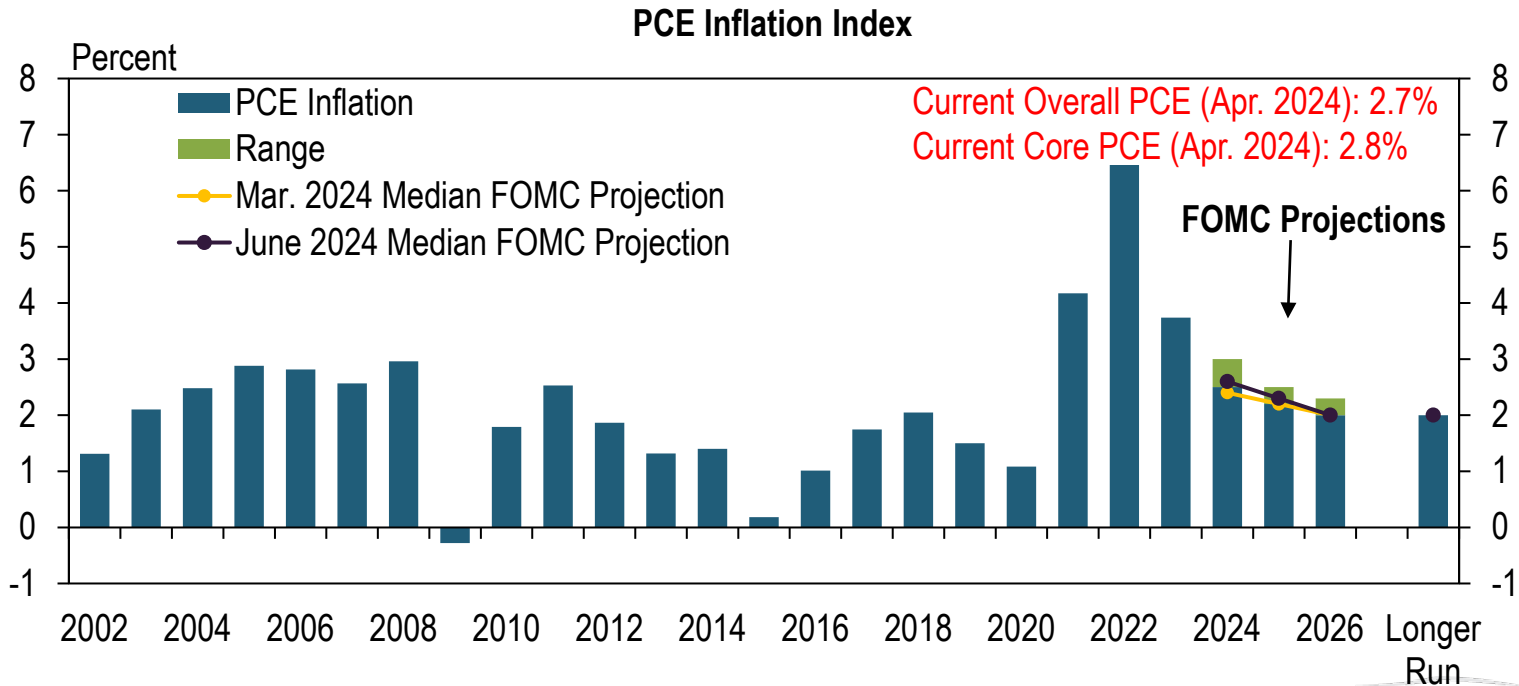
# U.S. unemployment remains historically low and is projected to remain low in coming years

## U.S. Unemployment Rate

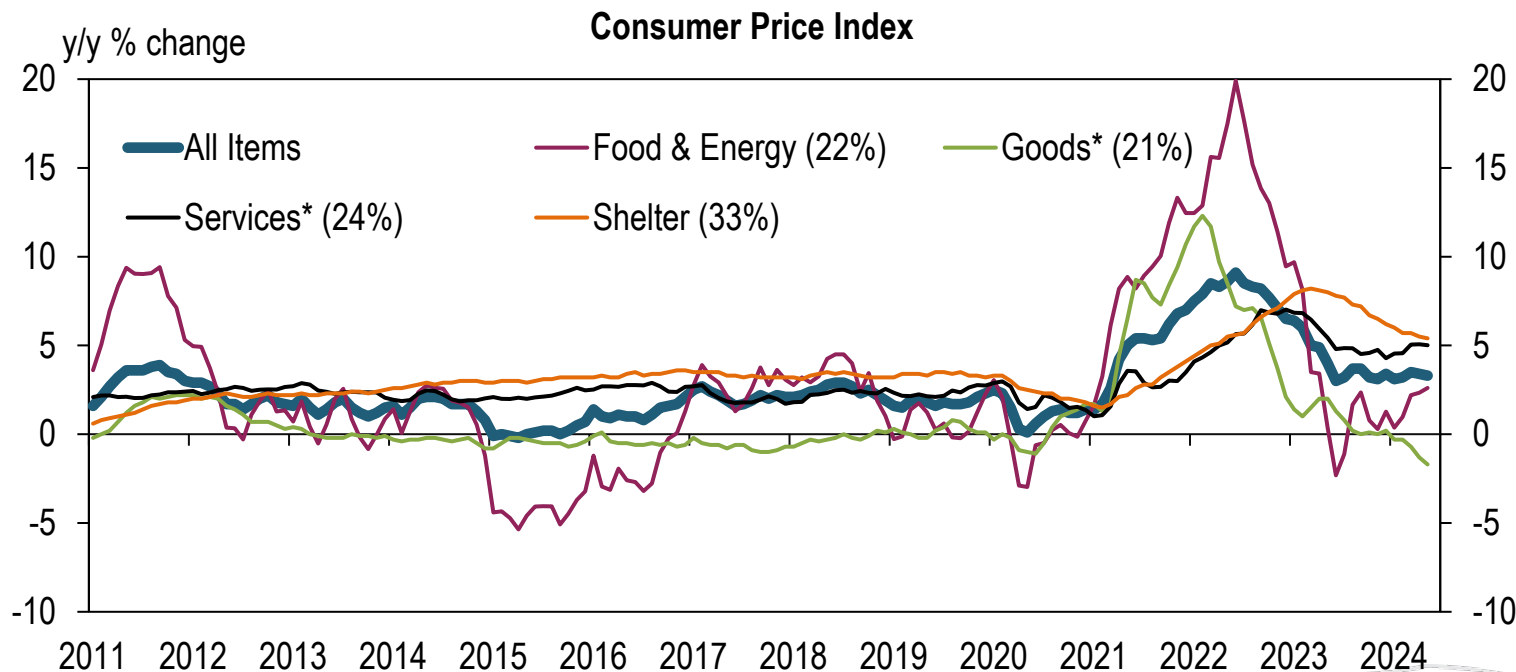




Although inflation has come down from 2022 peaks and is expected to fall further, it remains above longer-run levels



# CPI inflation ticked down to 3.3% in May, as goods prices fell but energy prices rose while services and shelter remain elevated



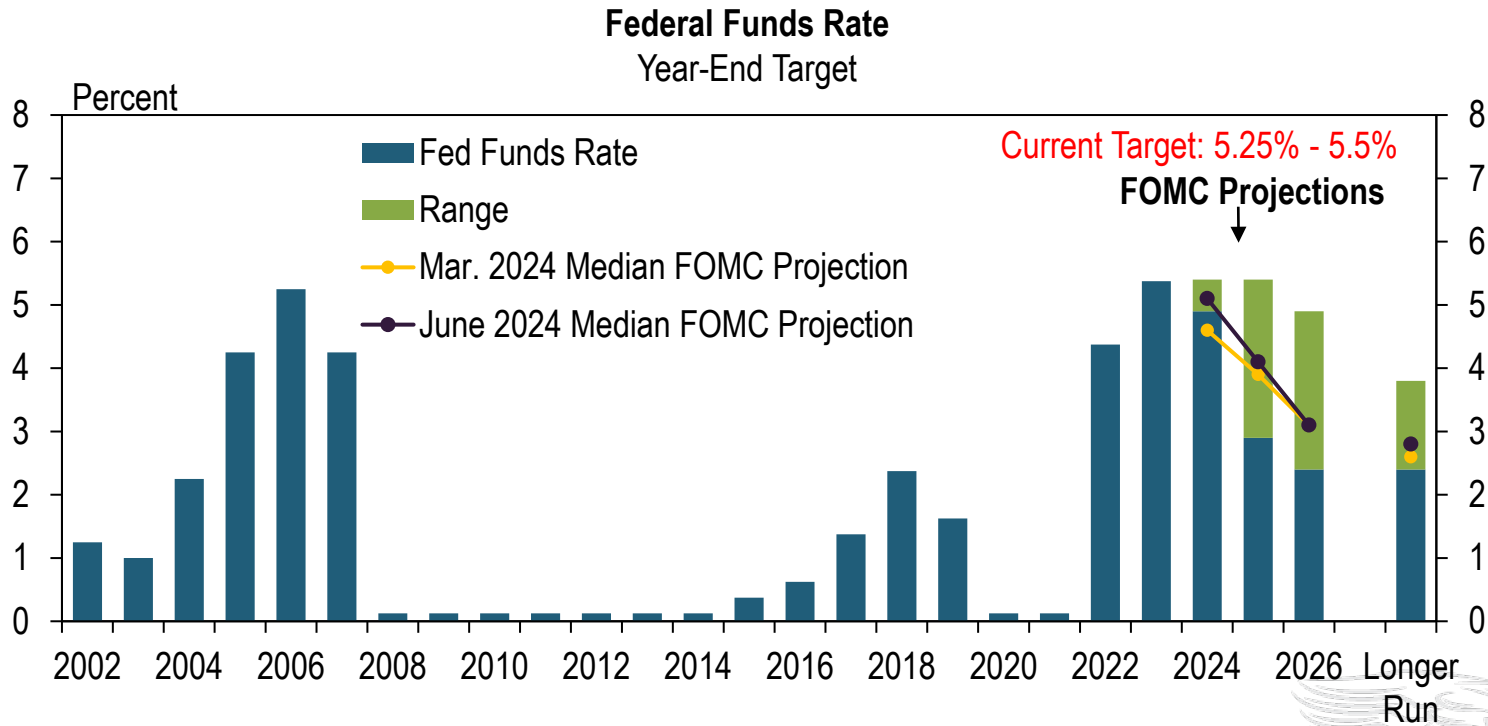
\*Goods excluding Food; Services excluding Energy.  
 Note: Relative Importance as Share of CPI shown in parenthesis.



# Wage growth is a key factor keeping services inflation high, and has come down moderately from recent highs

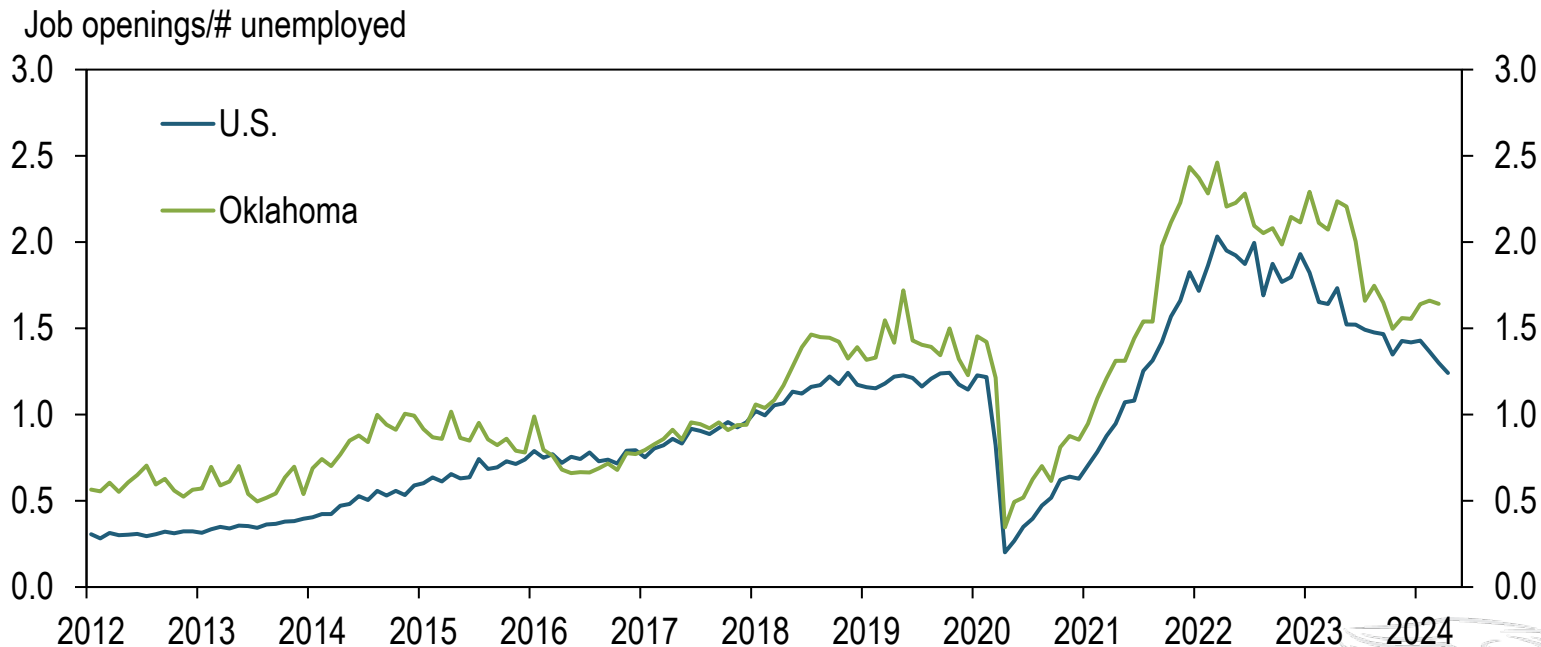


# The Fed held the federal funds rate steady again in May, after raising future projections slightly in June



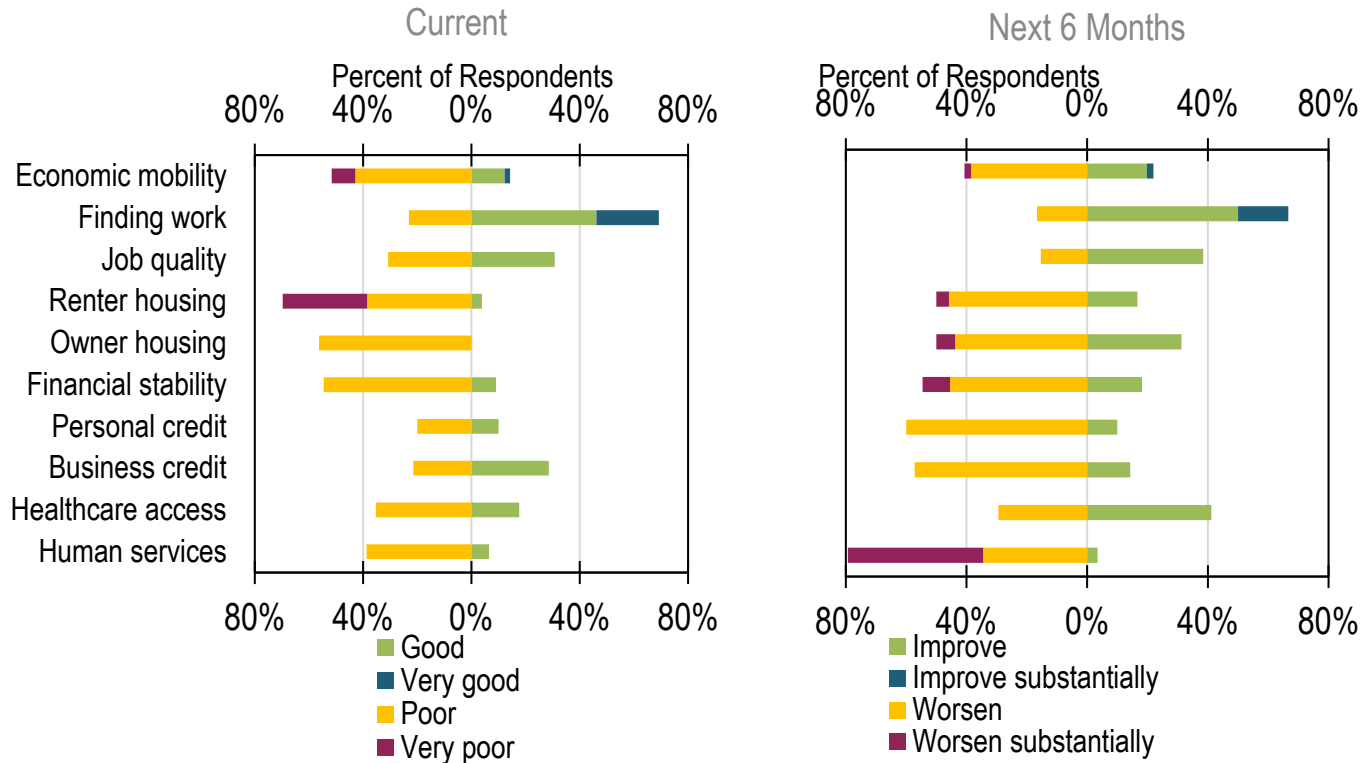
# Job openings still exceed unemployed workers, but have returned to near pre-pandemic levels nationally

**Job Openings/Unemployment Ratio**

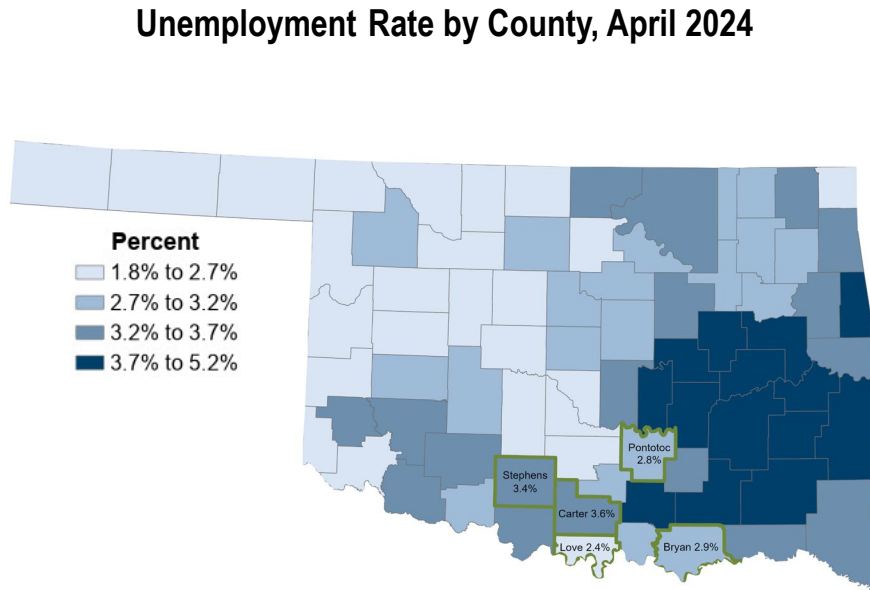
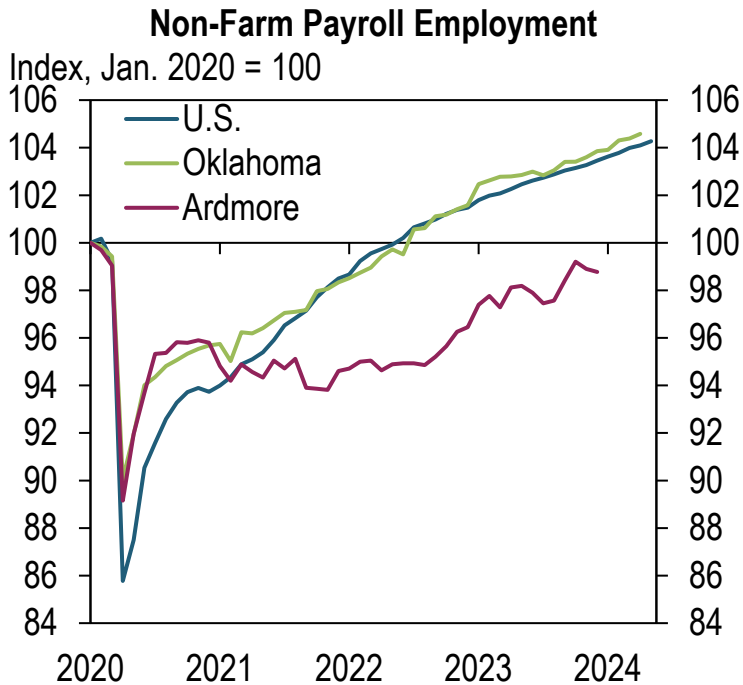


# The ability to find work has been good for lower income communities and job quality has improved, but most other conditions have been poor

## Tenth District Low- and Moderate-Income Community Conditions, 2<sup>nd</sup> Half 2023



# Jobs in Ardmore have nearly recovered from pandemic losses, and unemployment remains historically low



# Ardmore jobs are more concentrated in oil & gas, retail, and manufacturing than is the case for the nation

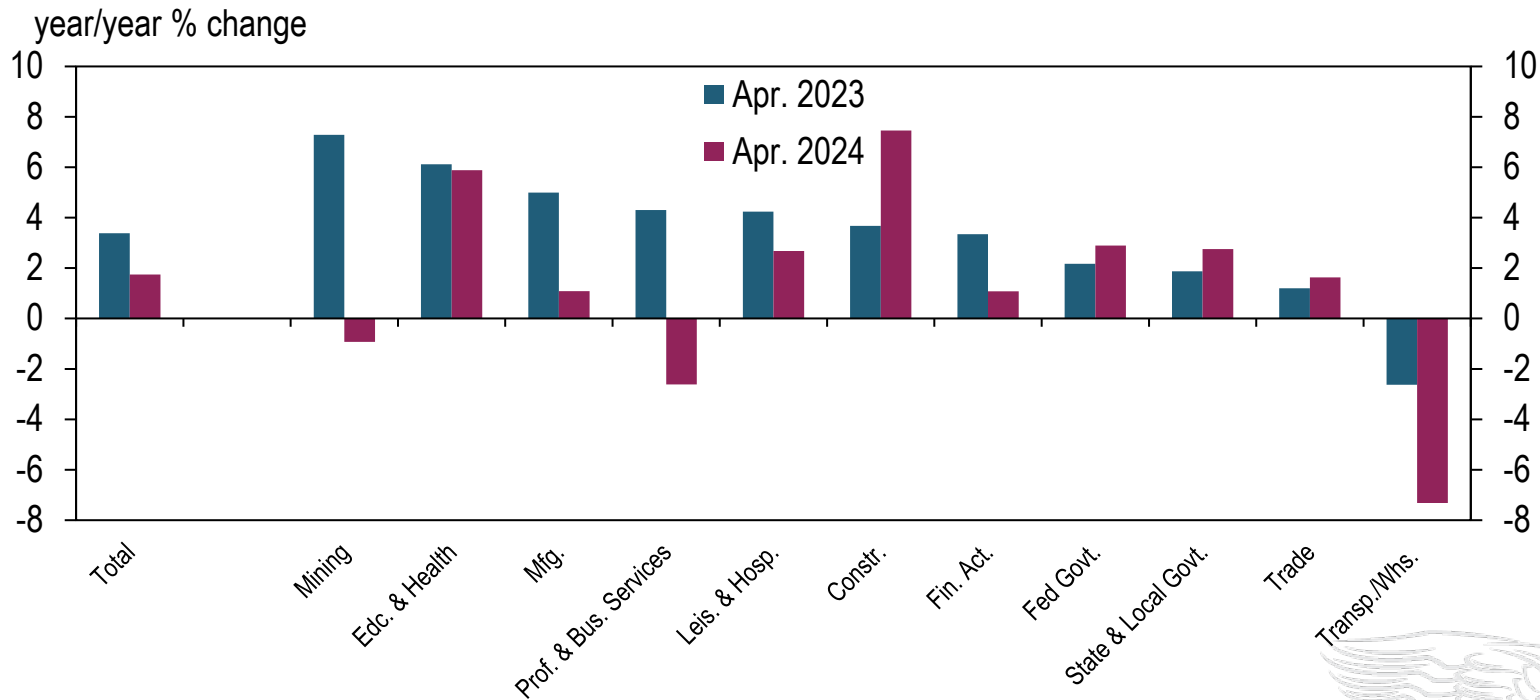
## Ardmore MSA Industry Location Quotients

Industry	Q4 2023	Q4 2019
Mining, quarrying, and oil and gas extraction	12.4	10.9
Retail	1.8	1.3
Manufacturing	1.5	1.7
Transportation and warehousing	1.4	1.9
Utilities	1.4	1.3
Accommodation and food services	1.3	1.1
Real estate	1.1	0.7
Other services (except public administration)	0.9	0.9
Health care and social assistance	0.9	0.9
Wholesale	0.9	1.1
Construction	0.8	1.1
Agriculture, forestry, and fishing	0.8	0.6
Finance and insurance	0.8	0.7
Administrative and waste services	0.7	0.7
Public administration	0.7	1.0
Professional, scientific, and technical services	0.4	0.6
Information	0.4	0.4
Arts, entertainment, and recreation	0.3	0.4
Education	0.2	0.2
Management	0.1	0.1



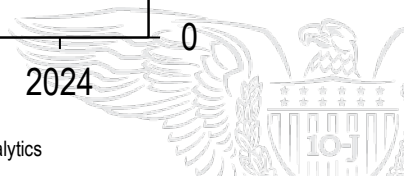
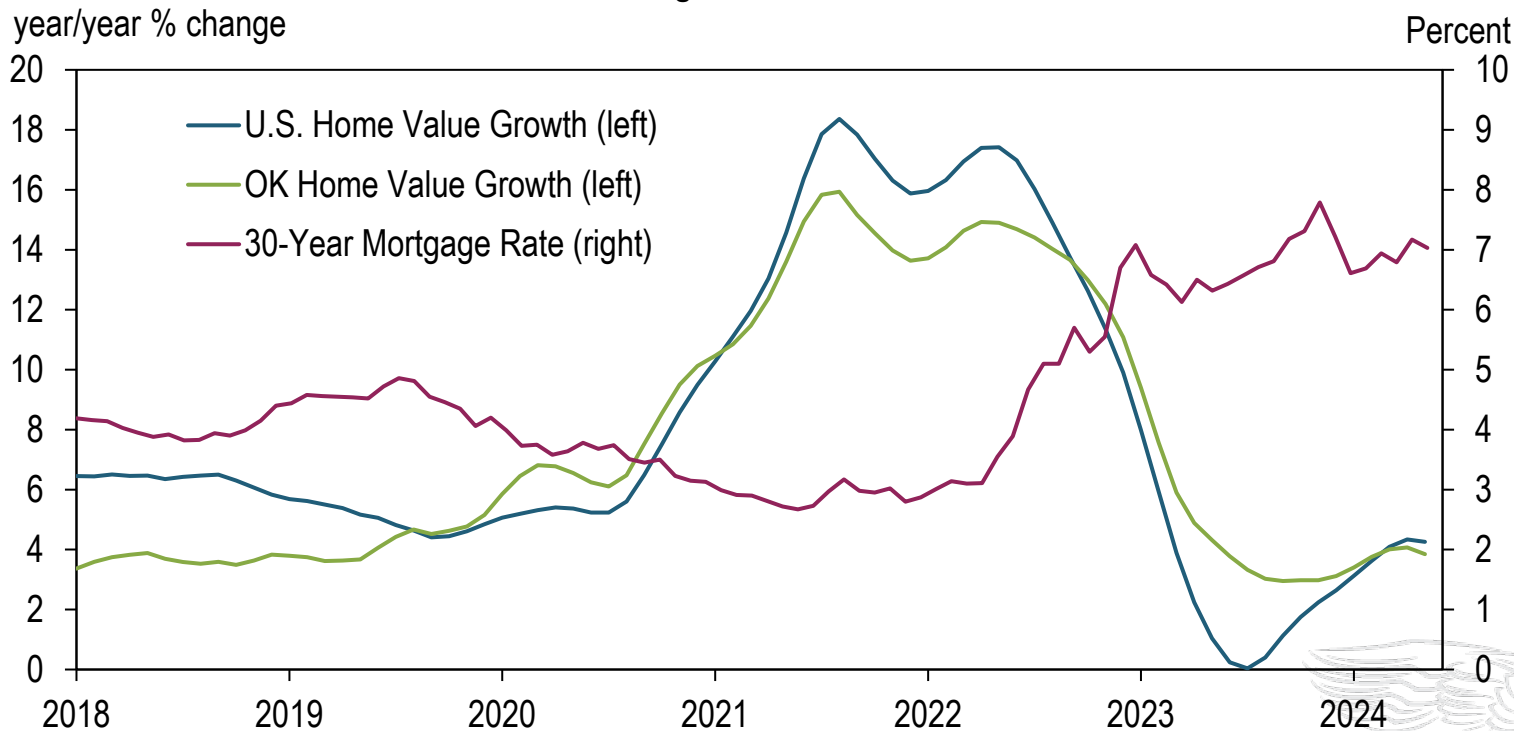
# Most OK sectors added jobs over the past year but the pace of job growth has slowed, driven by less energy, transportation, and professional services activity

Oklahoma Job Growth by Industry



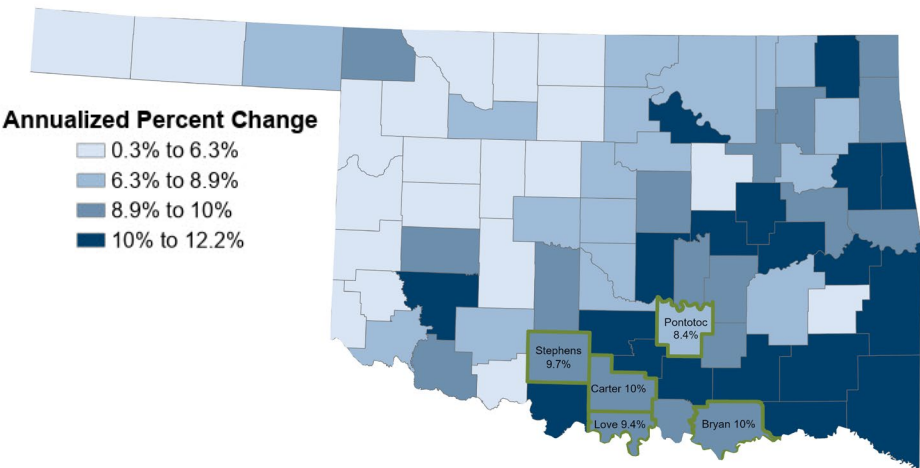
# Home values spiked following the pandemic, but growth has eased with higher interest rates

Housing Market Indicators

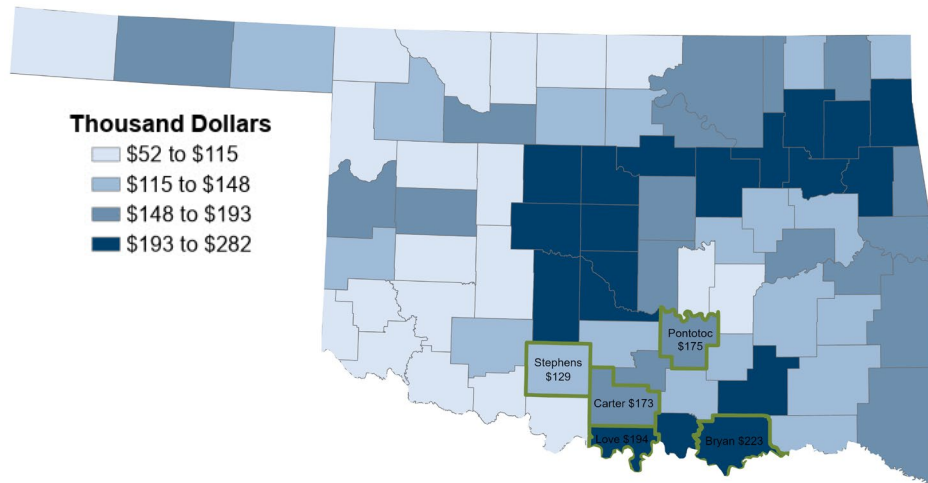


# Much of south central Oklahoma has seen home value growth above the state average, and areas bordering Texas have higher values

**Typical Home Value Growth by County  
Jan. 2020 to May 2024**

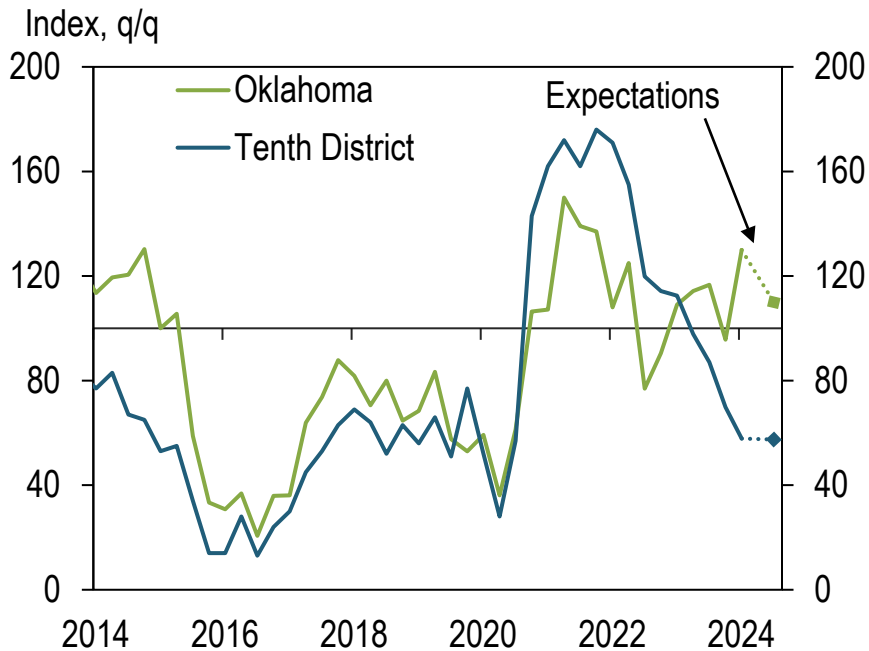


**Typical Home Value by County  
May 2024**

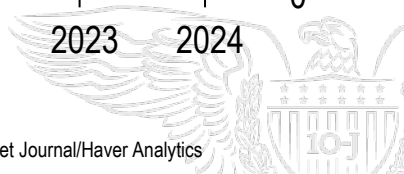
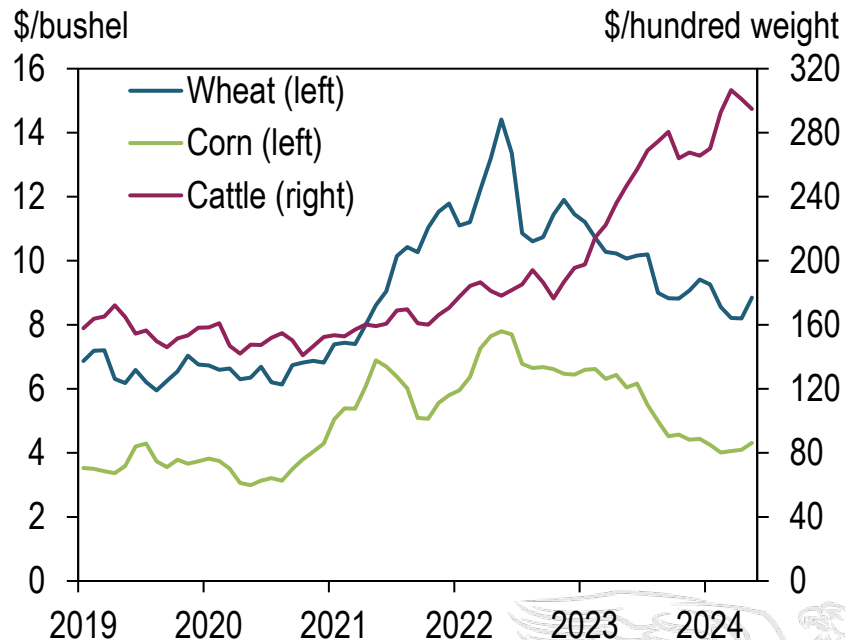


# Oklahoma farm income grew in Q1 while it declined in border states, partially due to higher cattle prices

**Farm Income**

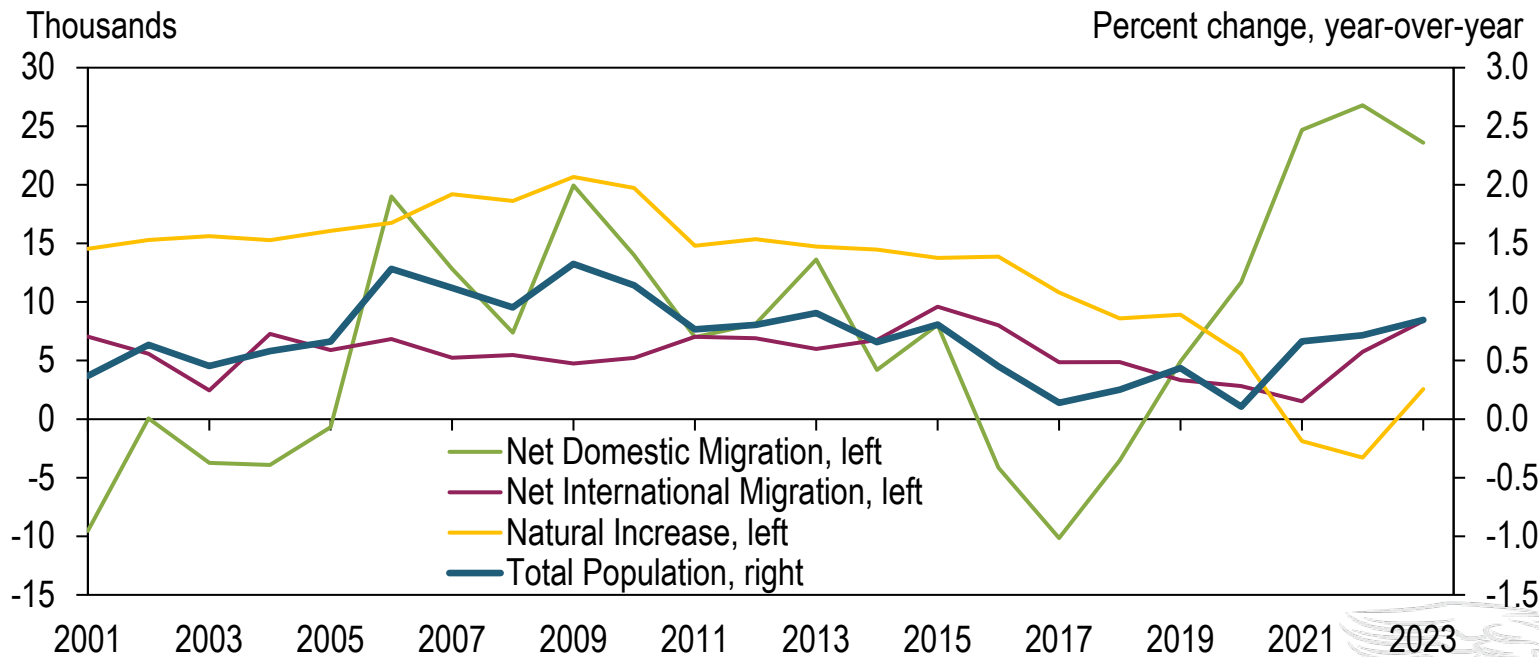


**Agricultural Commodity Prices**



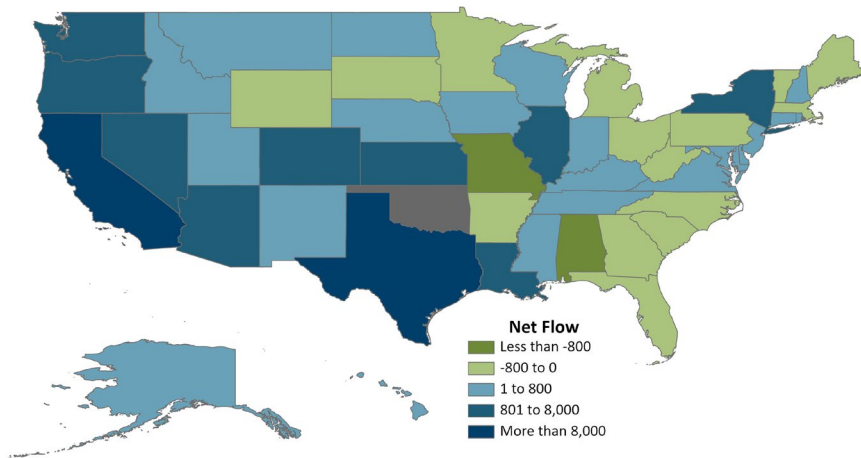
# Oklahoma's population grew again in 2023, primarily due to elevated domestic migration, but also with increases in other components

## Oklahoma Population Change by Component

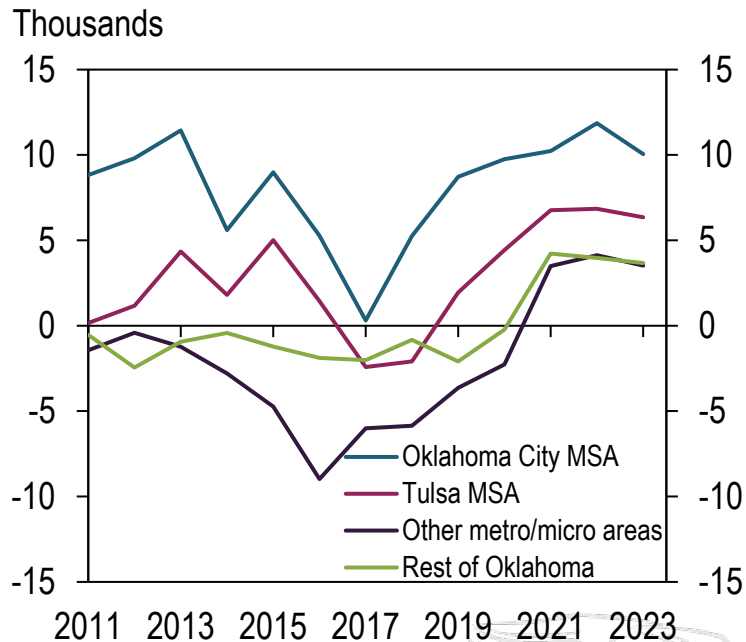


# Many people moved to OK from CA and TX since the pandemic, mostly to the metros but to many other parts of the state, too

Migration to Oklahoma During 2020 - 2023

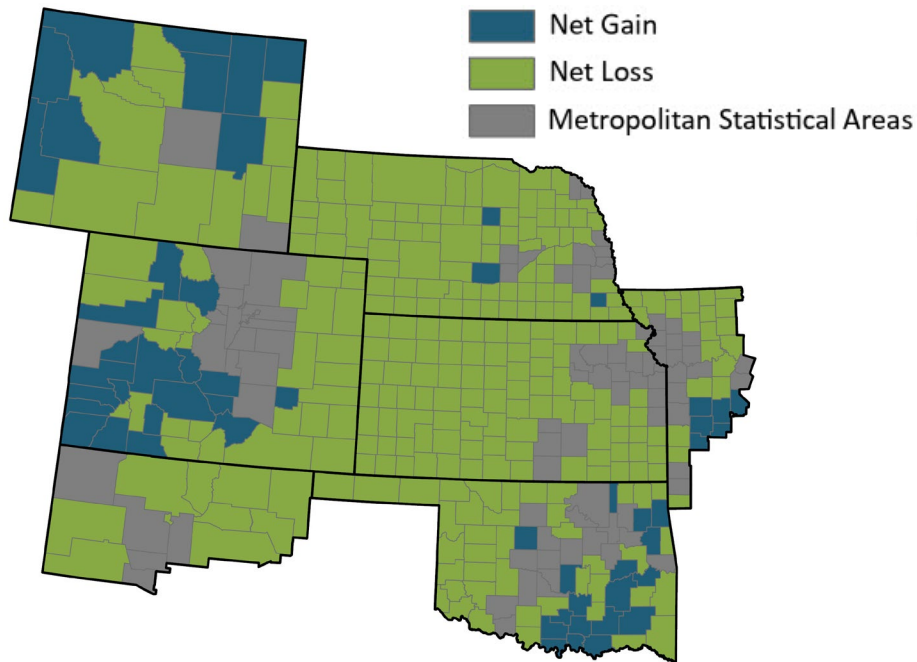


Oklahoma Net Domestic Migration

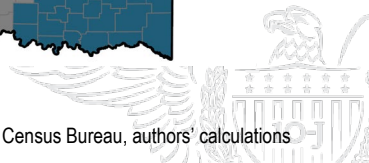
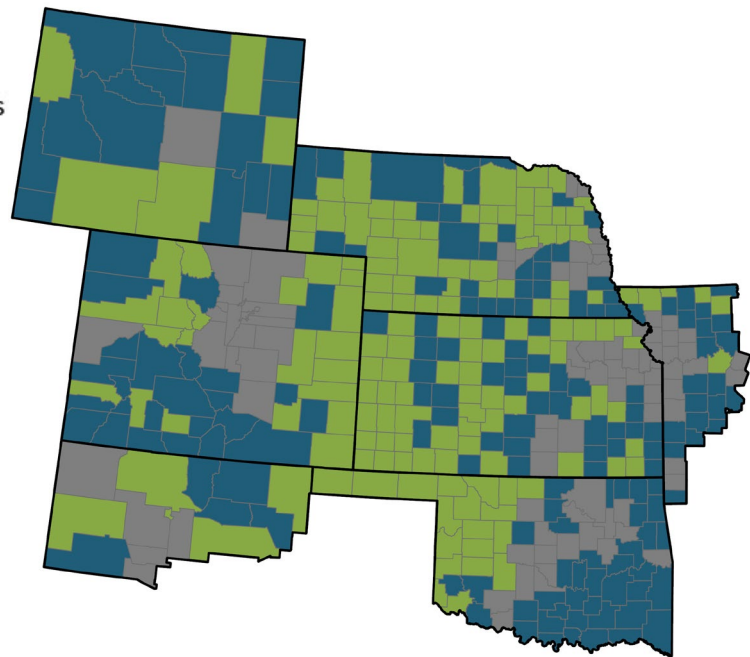


Since 2020, many non-metropolitan areas of Oklahoma and nearby states experienced net inflows of new residents for the first time in two decades

Net Domestic Migration, 2000 to 2020



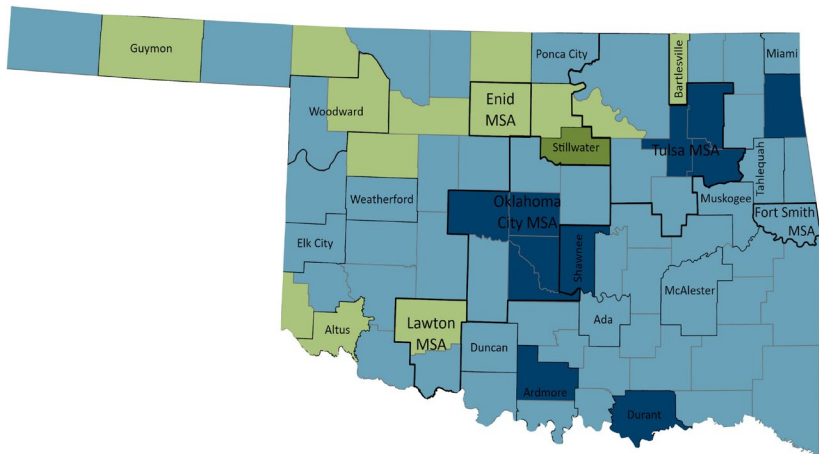
Net Domestic Migration, 2020 to 2023



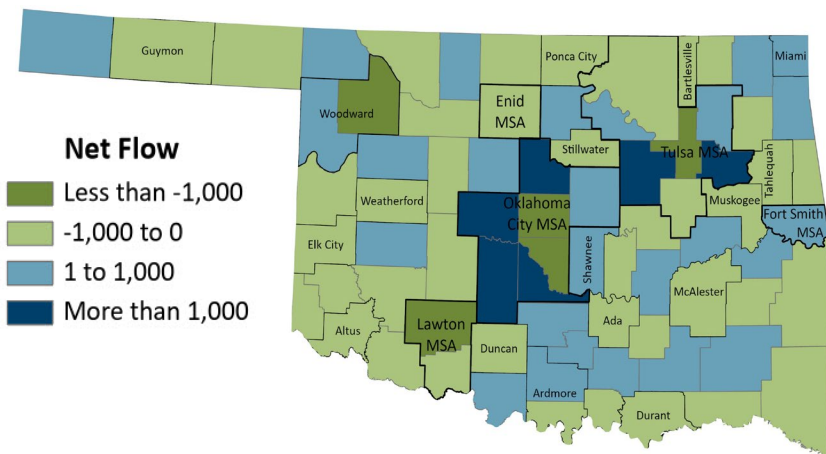
# Ardmore had a large inflow of new residents from other states since 2020, as well as from other parts of Oklahoma

## Oklahoma Net Domestic Migration During 2020 – 2023 by County

### Migration from/to Other States Only



### Migration within Oklahoma Only



**Net Flow**

- Less than -1,000
- 1,000 to 0
- 1 to 1,000
- More than 1,000

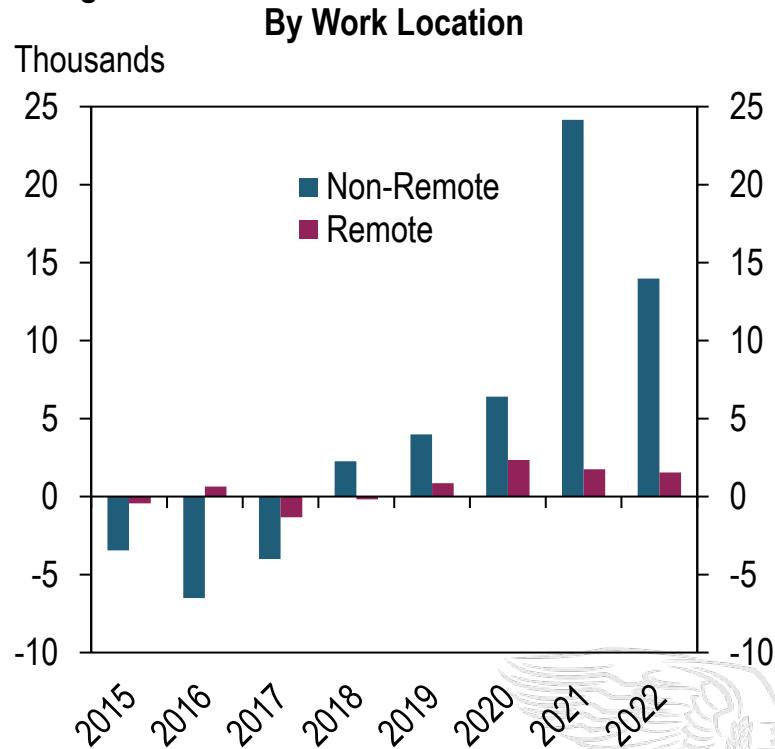
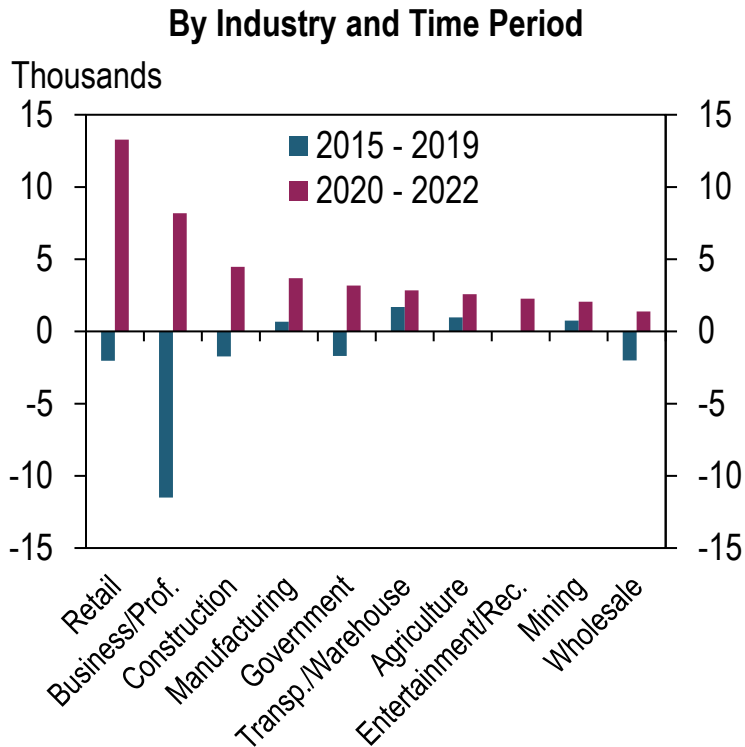
Note: Sample is limited to age 25+.  
 Source: FRBNY Consumer Credit Panel/Equifax, authors' calculations





All industries and occupations had a net gain of residents since 2020, reversing some previous trends, with sizable numbers of college grads

### Oklahoma Net Domestic Migration



## Summary

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# Questions?

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