

U.S. and Oklahoma Economic Outlook

Logan County Economic Development Council

March 28, 2024

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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.



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
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 - **David Nimmo**, CEO, Chickasaw Nation Industries, Norman
 - **Rebecca Thompson**, CFO, AAON, Inc., Tulsa
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 - **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 (10th District):**
 - **Barry Anderson**, President, F&M Bank, Guthrie
 - **Jerold Phillips**, COO, Citizens Bank, Ardmore



Overview

- U.S. economic growth remained solid in late 2023 and 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

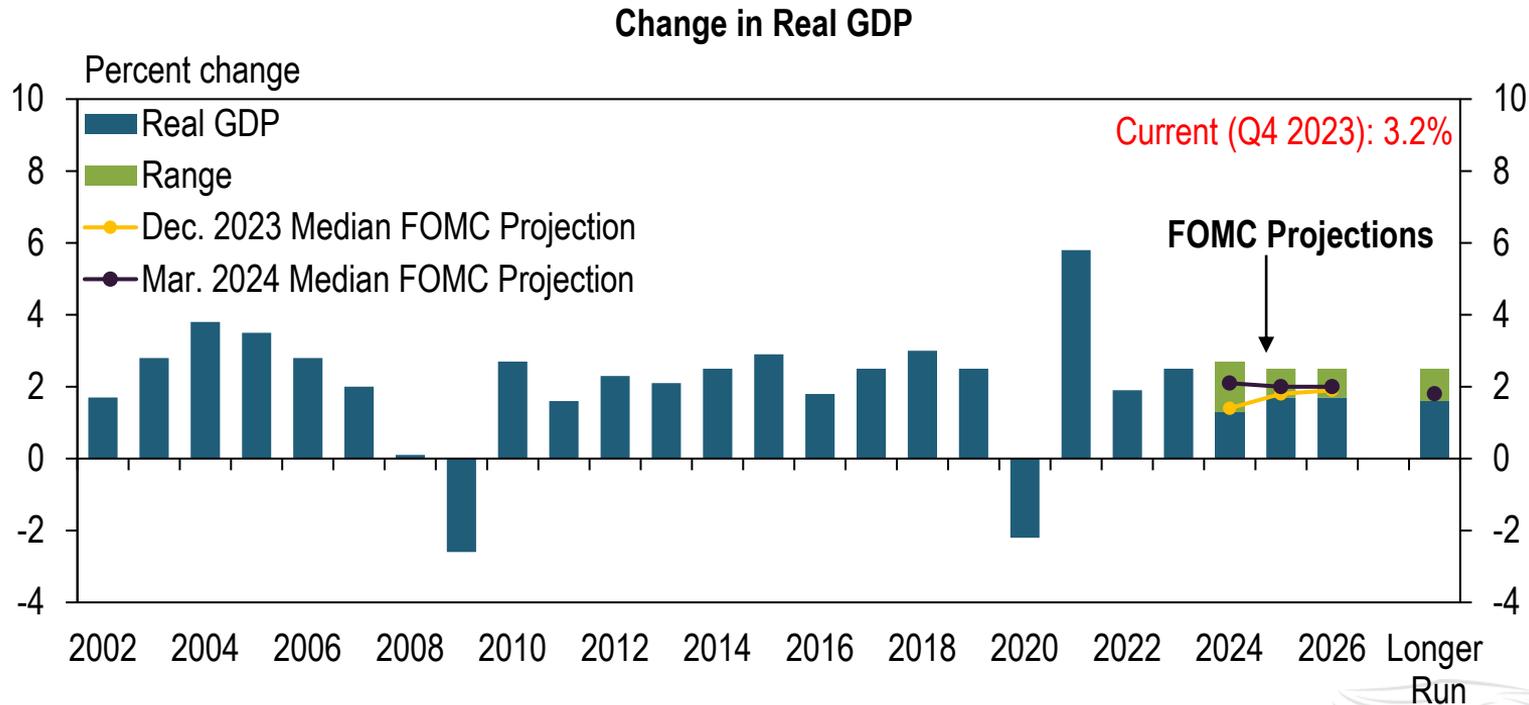


U.S. GDP growth exceeded estimates in Q4, and 2024 employment growth has only slowed slightly

Quarterly U.S. Economic Growth

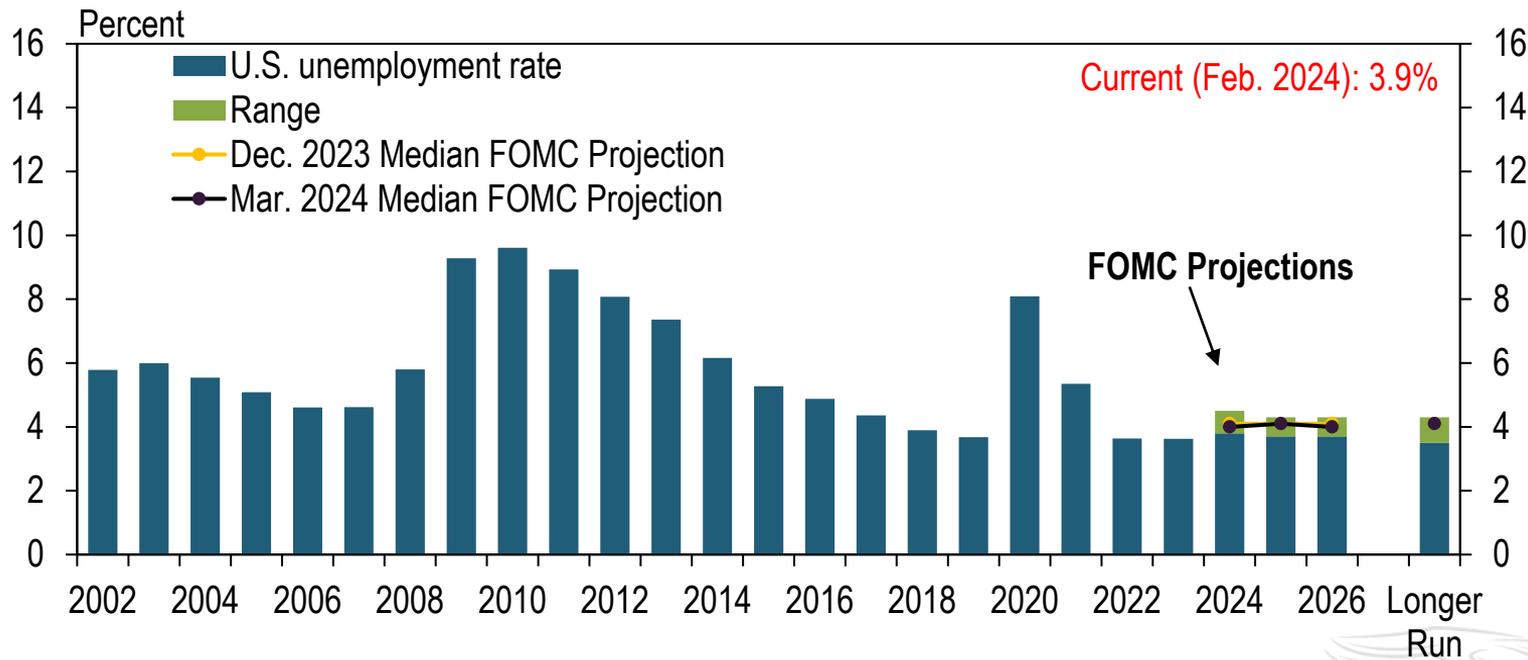


U.S. GDP growth is now expected to remain solid in 2024 and be around the longer-term trend in 2025 and 2026

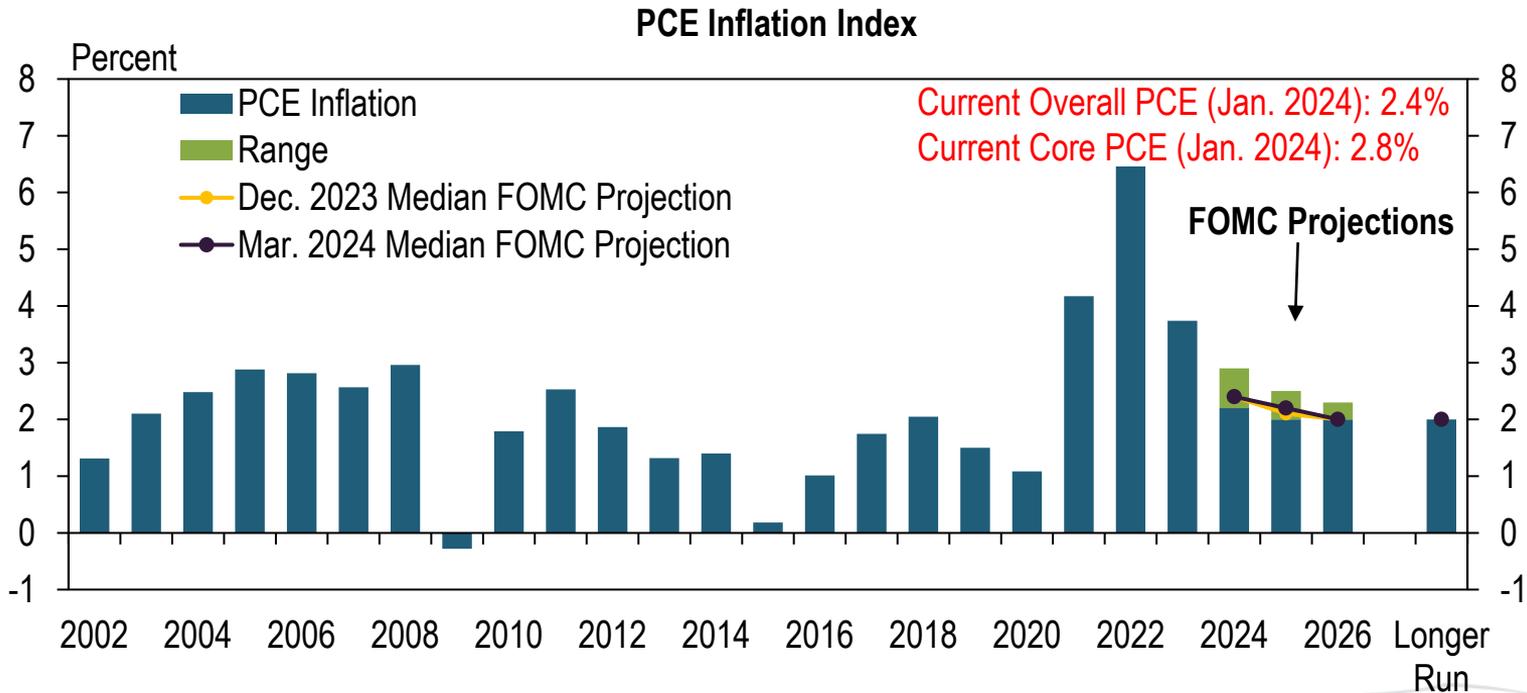


U.S. unemployment remains historically low and is projected to be near current levels in coming years

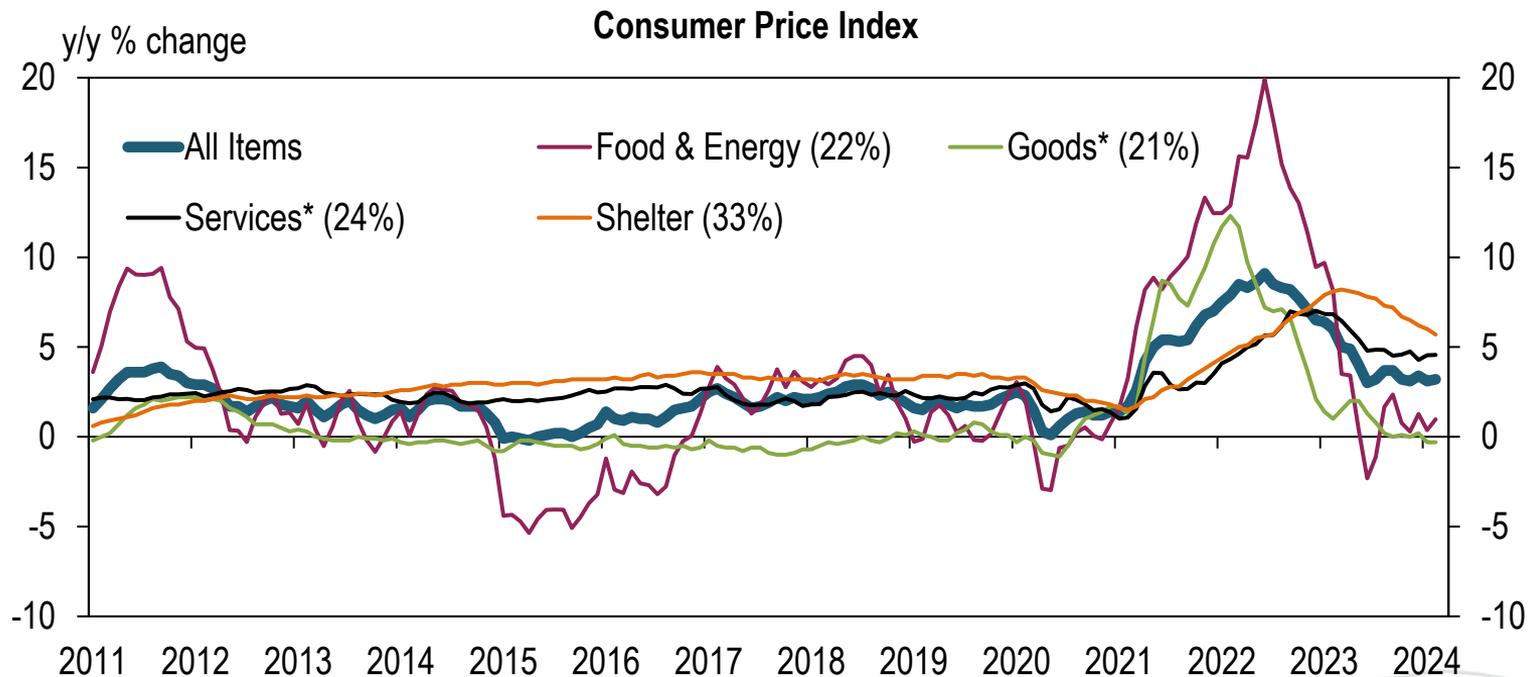
U.S. Unemployment Rate



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



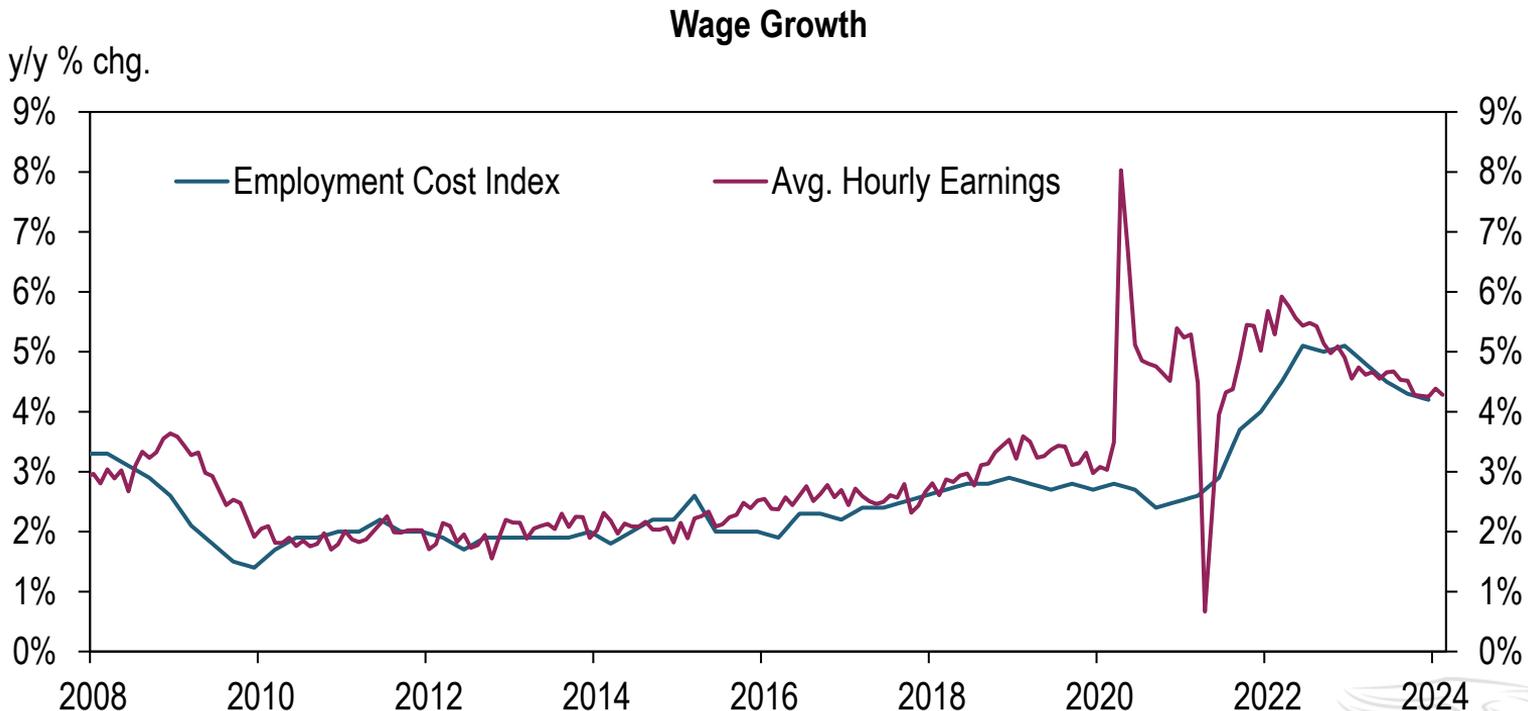
CPI inflation ticked back up to 3.2% in February, as energy and goods prices fell but shelter and services remain elevated



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

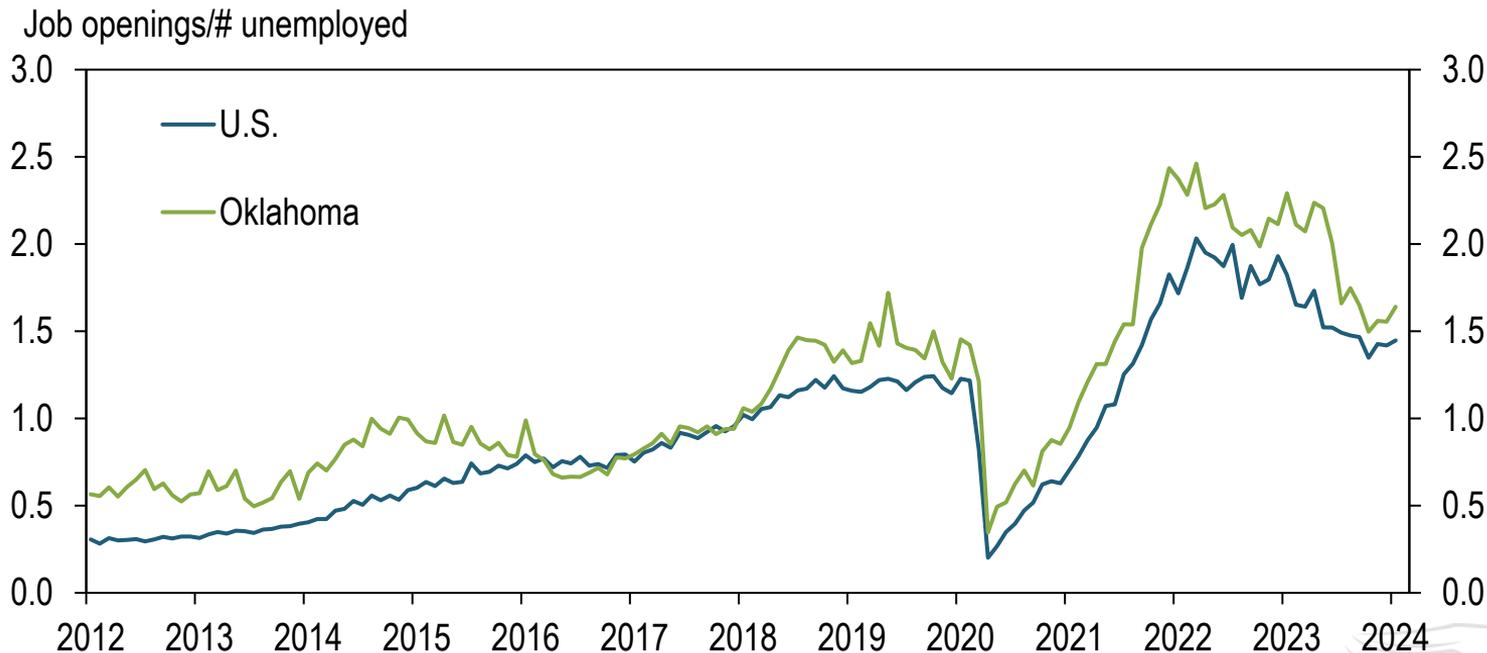


Wage growth is a key factor keeping services inflation high, and has come down moderately from recent highs

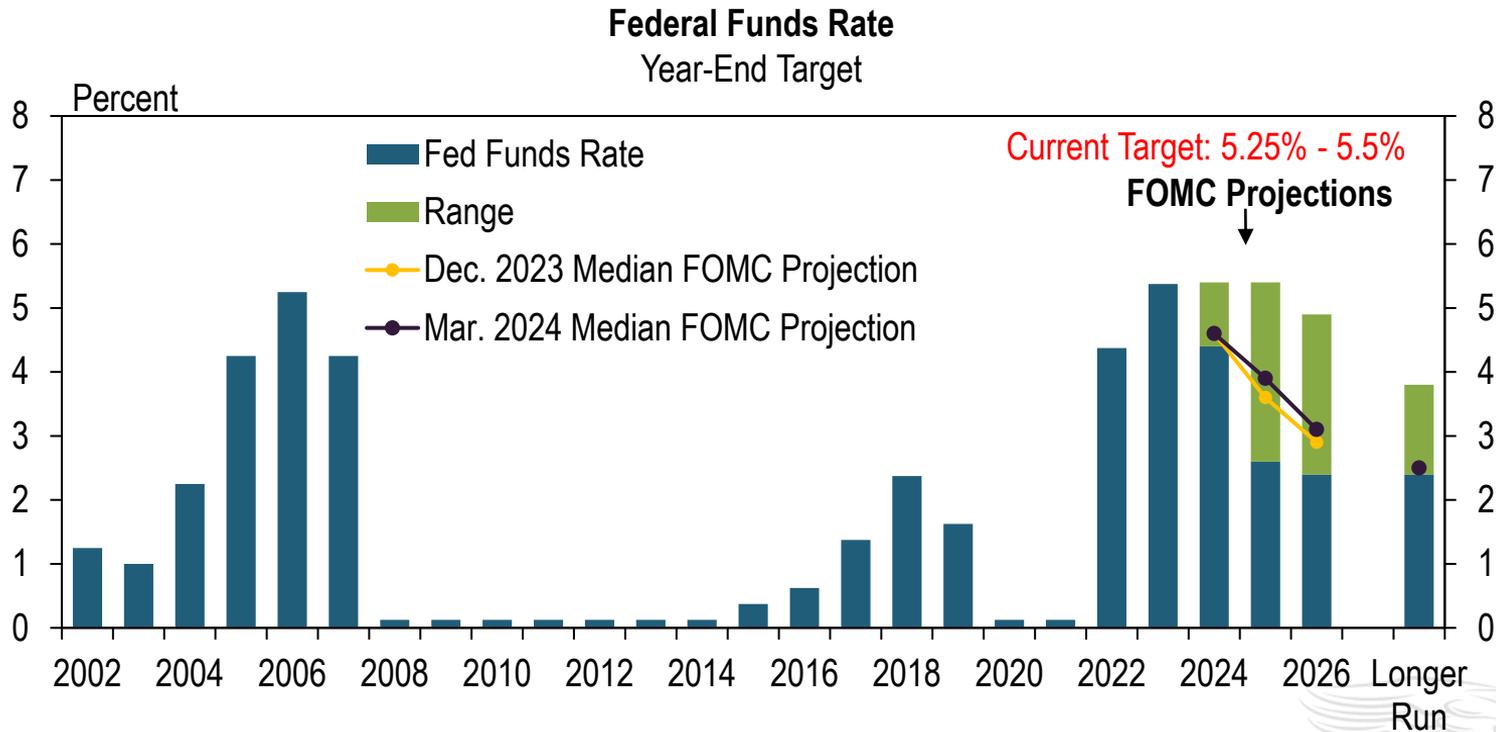


Job openings still greatly exceed unemployed workers, but have fallen slightly, helping ease wage pressures

Job Openings/Unemployment Ratio

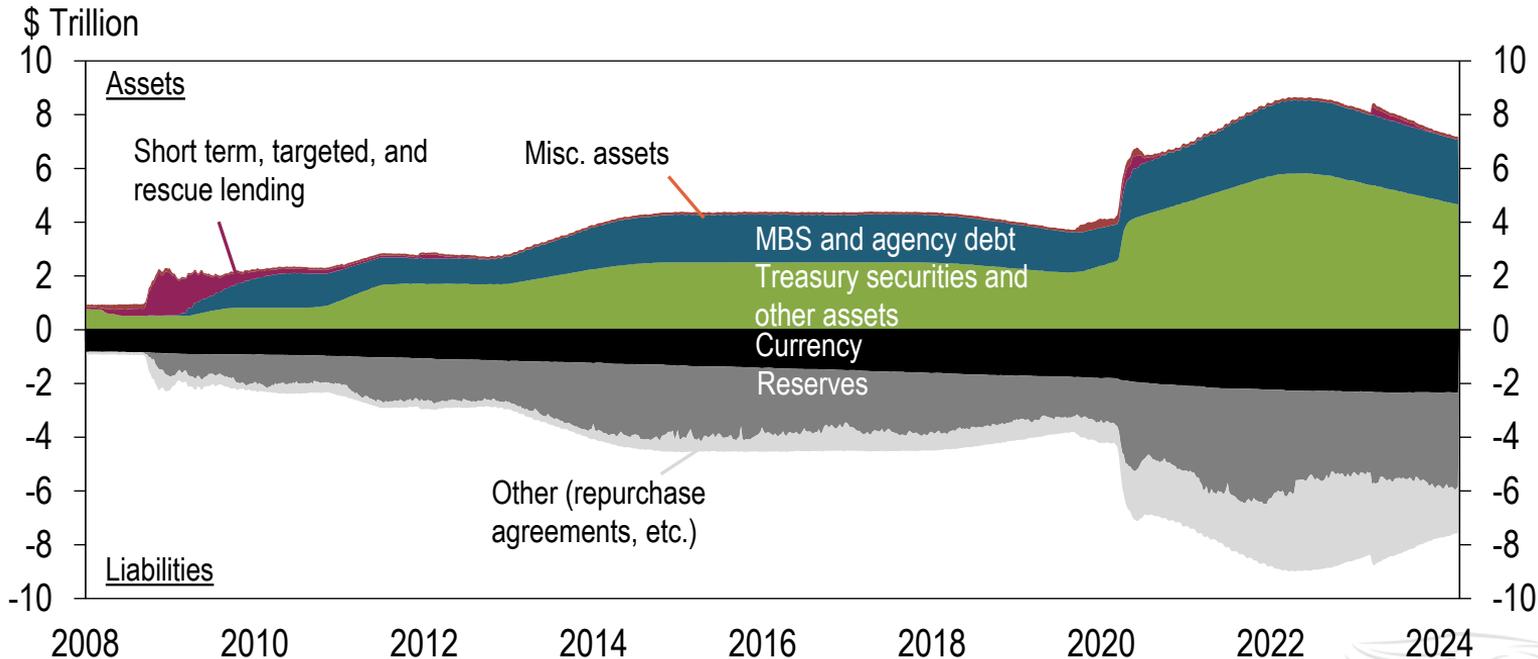


The Fed held the federal funds rate steady again in January, after raising future projections somewhat in March

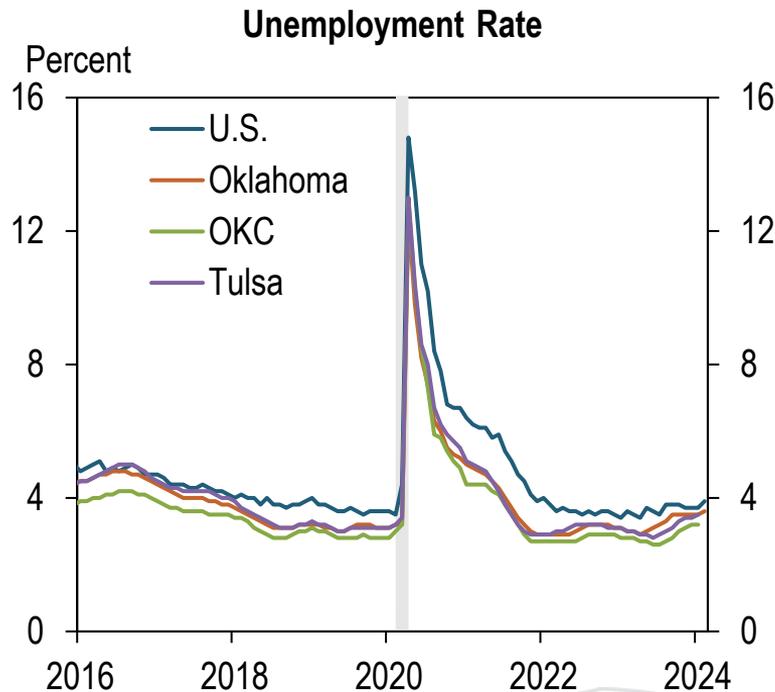
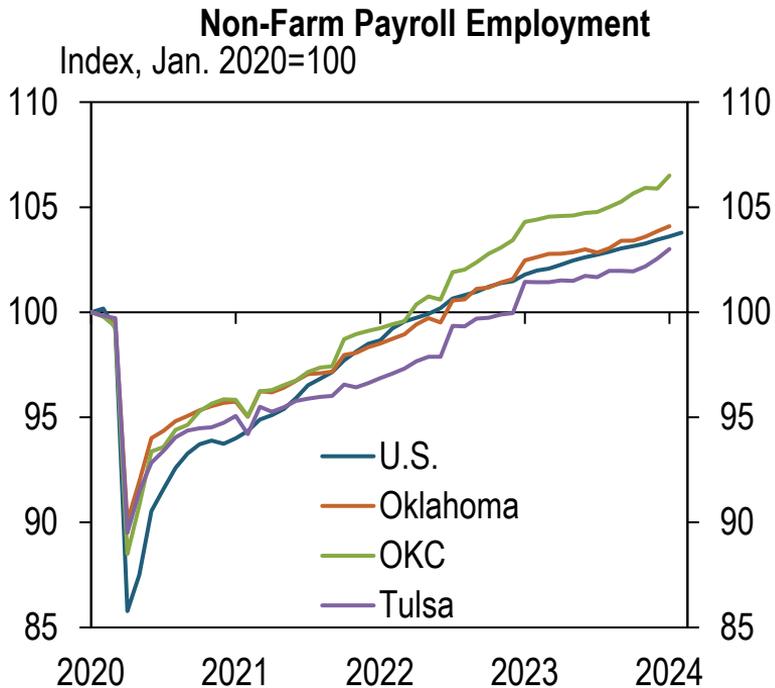


The Fed also continues to reduce its balance sheet of high-quality securities

Federal Reserve Balance Sheet

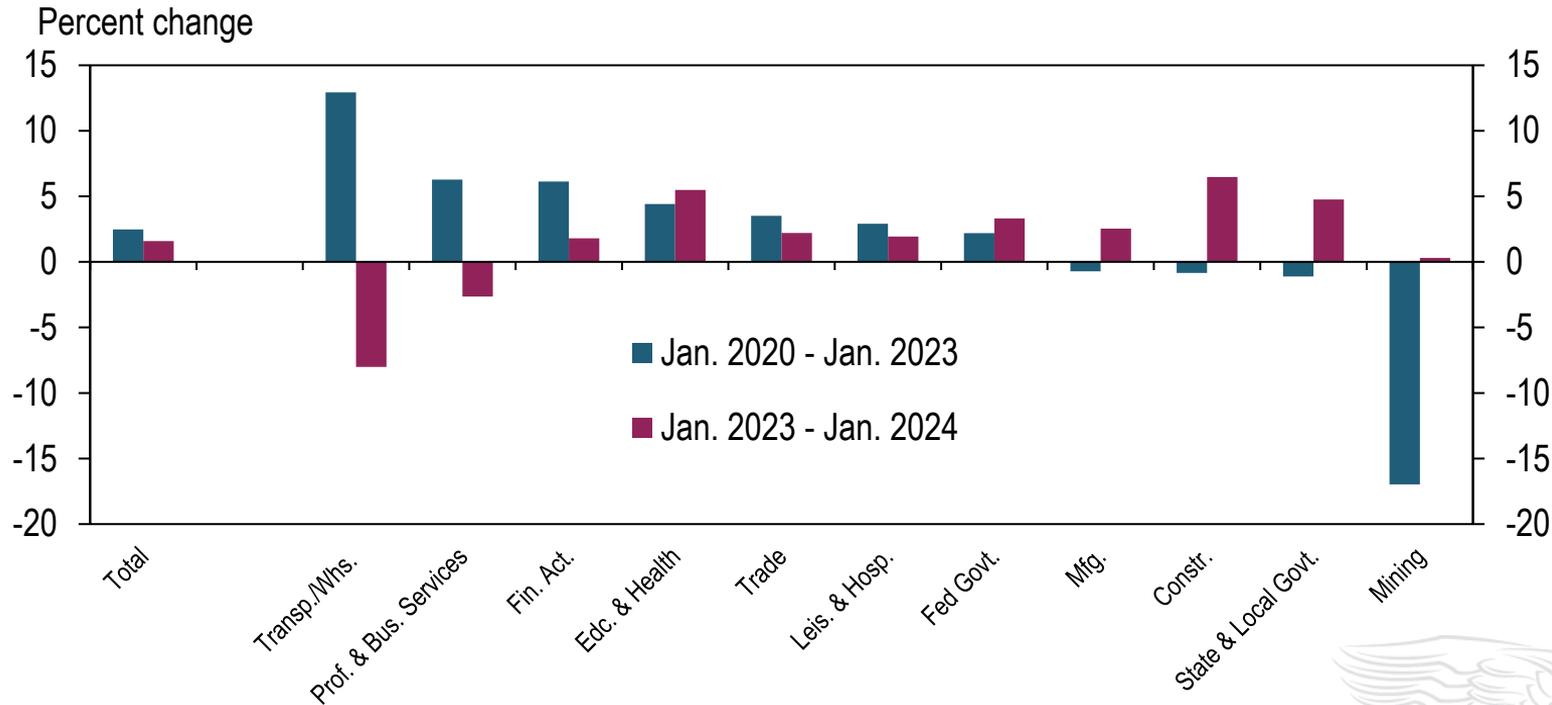


Jobs in Oklahoma have leveled off in recent months above pre-pandemic levels, while unemployment remains very low



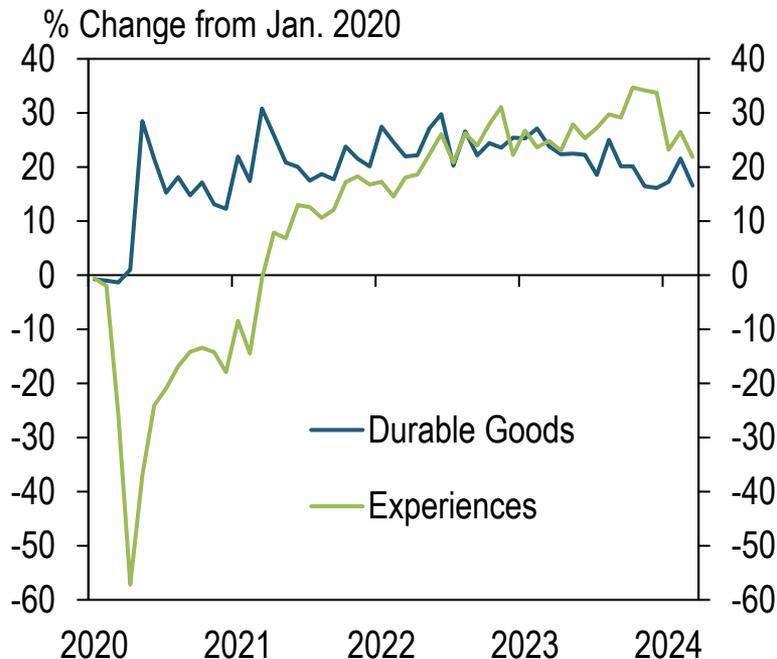
Most Oklahoma sectors added jobs over the past year, but job growth varies widely relative to pre-pandemic levels

Oklahoma Job Growth by Industry

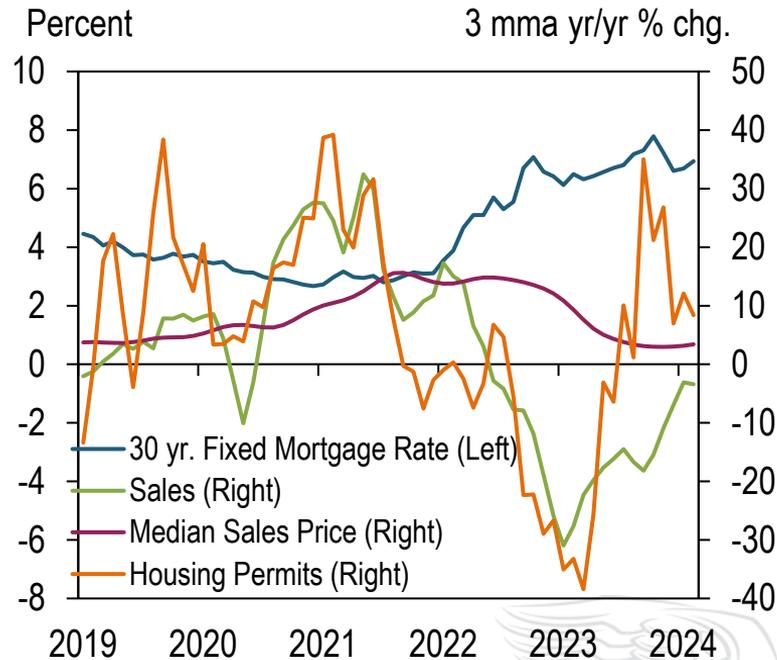


Consumer spending on “experiences” in Oklahoma remains strong while purchases of goods have slowed, as has housing

Oklahoma Nominal Consumer Spending Growth

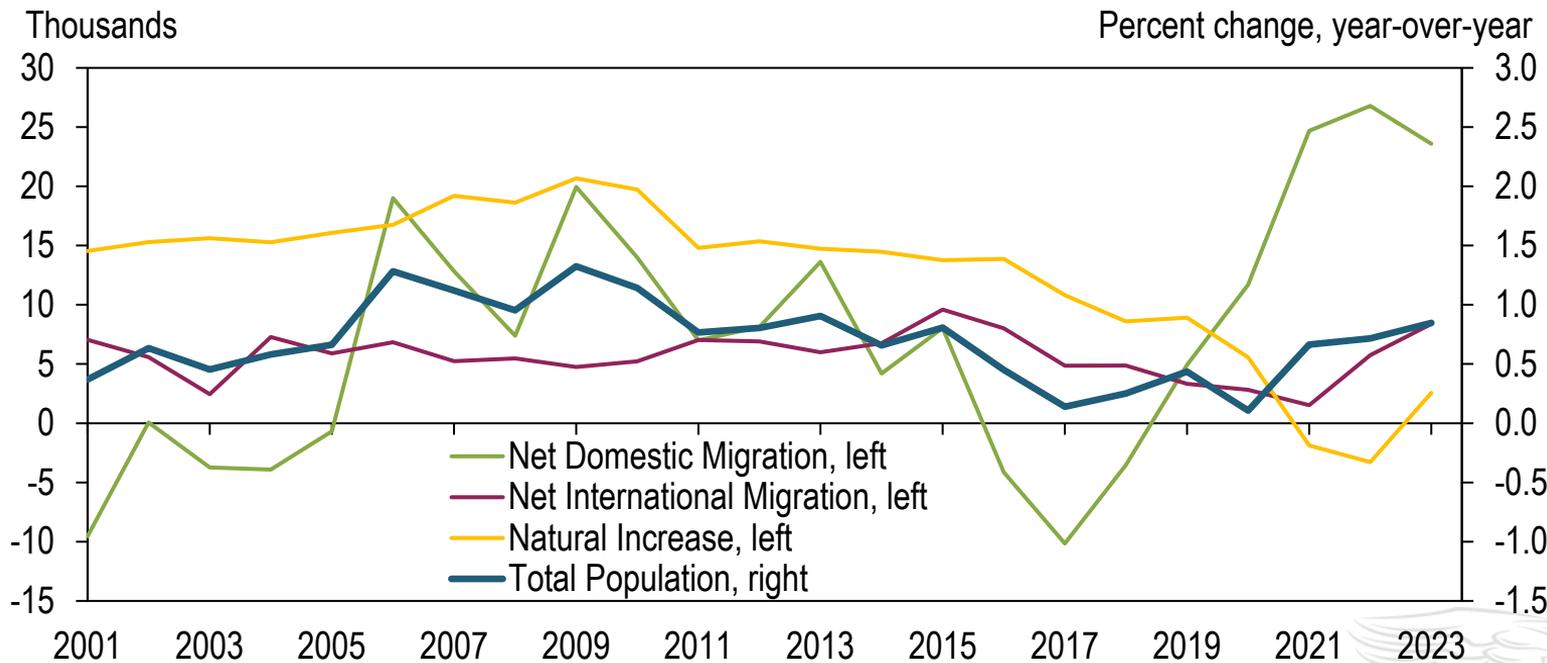


Oklahoma Housing Market Indicators



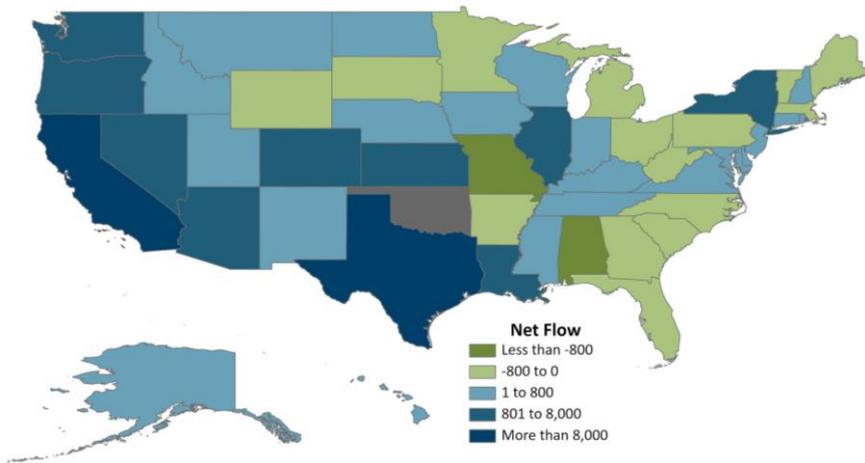
Oklahoma's population grew in 2023 again, primarily due to elevated domestic migration, but also with increases in other components

Oklahoma Population Change by Component

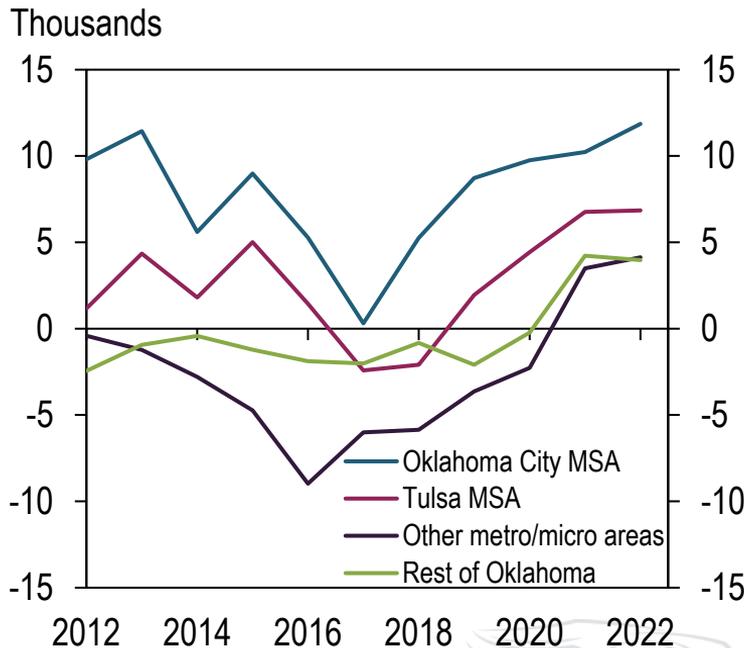


Many people moved to OK from CA and TX since the pandemic, mostly to the metros but to many other parts of the state, too

Migration to Oklahoma During 2020 - 2023



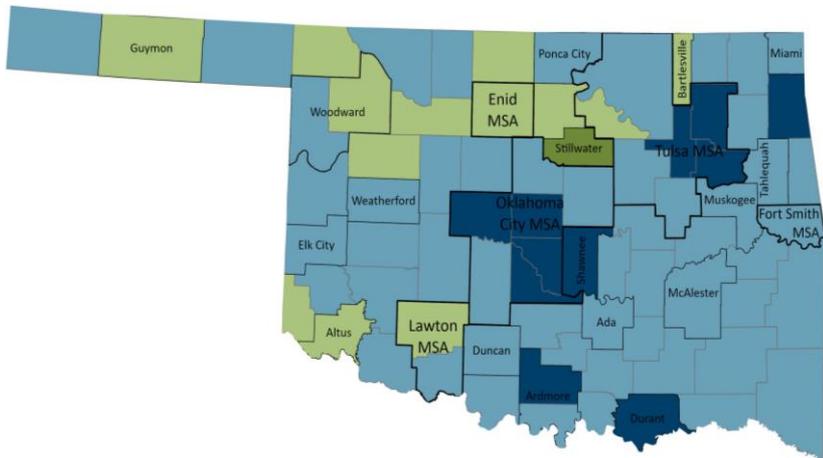
Oklahoma Net Domestic Migration



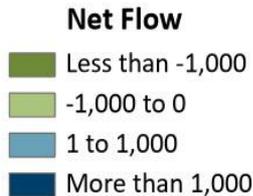
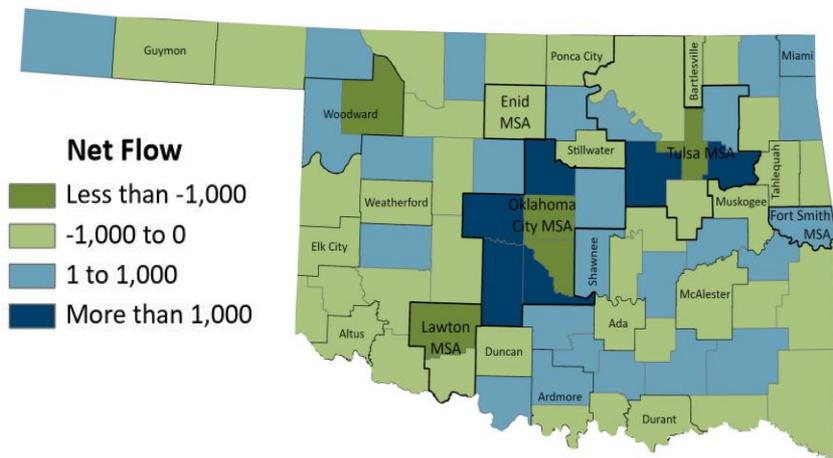
Most parts of Oklahoma gained residents from other states on net, but suburban counties saw the most growth

Oklahoma Net Domestic Migration During 2020 – 2023 by County

Migration from/to Other States Only



Migration within Oklahoma Only

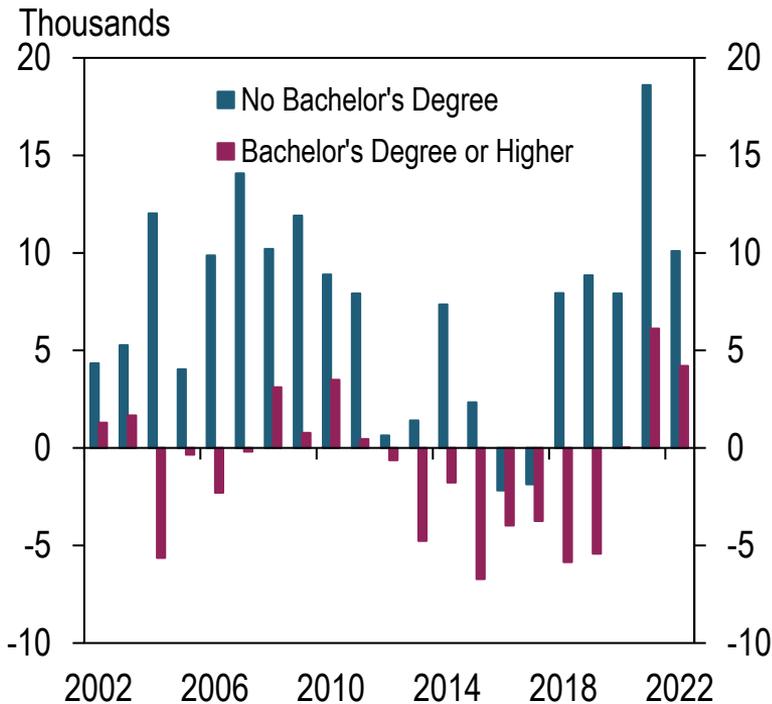


Note: Sample is limited to age 25+.
 Source: FRBNY Consumer Credit Panel/Equifax, authors' calculations

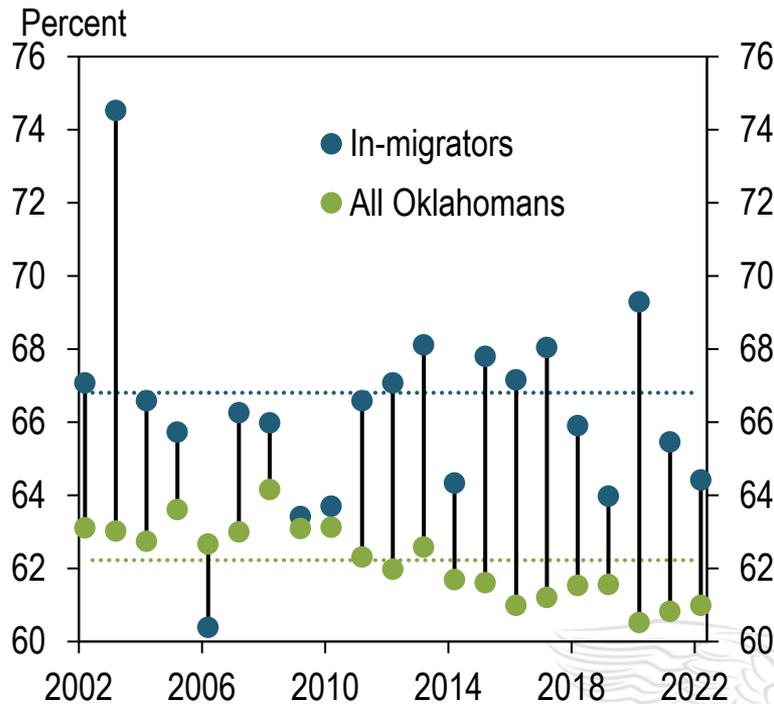


Oklahoma also finally had net inflow of prime-age college graduates in recent years, but has not yet fully made up for “brain drain” losses from the 2010s

Net Domestic Migration by Educational Attainment



Average Labor Force Participation Rate

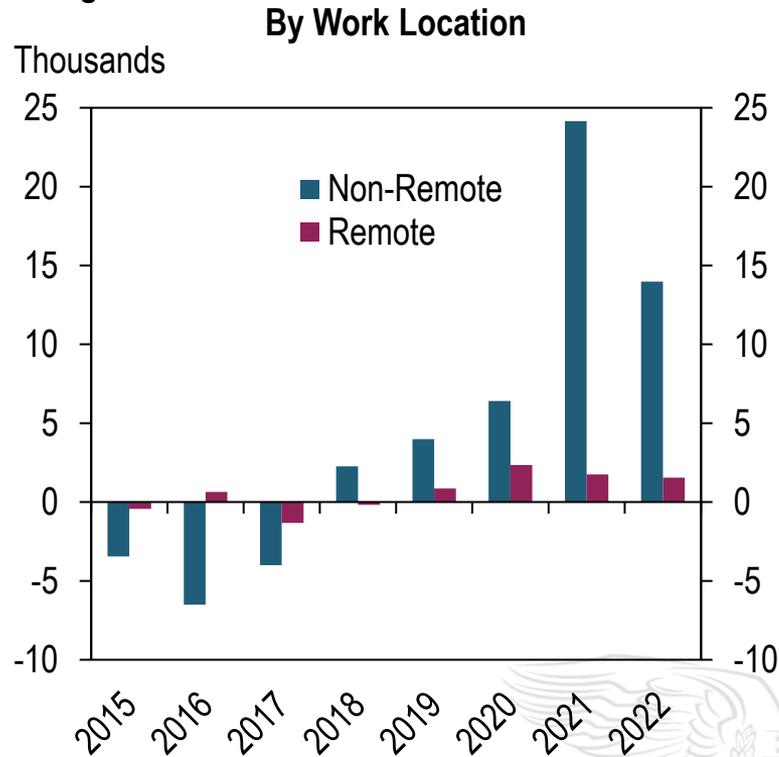
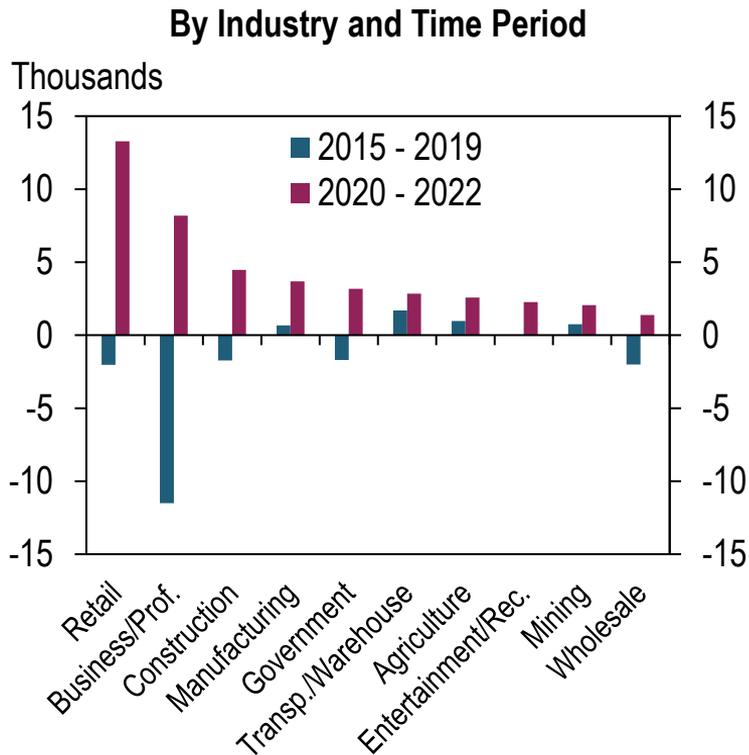


Notes: The sample is limited to those age 25+ who reported educational attainment. Cumulative change is relative to 2000.
 Source: ACS 1-year estimates/IPUMS USA, University of Minnesota, www.ipums.org, authors' calculations



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



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