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COLLECTORATE

THE RESILIENT CONSUMER VERSUS UNBRIDLED UNCERTAINTY UPDATE TO THE 2025 OUTLOOK

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The year ahead is likely to bring moderate growth, avoid a recession, and make continued progress on inflation. But too much uncertainty remains to declare the year ahead uneventful. Caution is encouraged as household balance sheets in particular remain precariously exposed to external shock.

2025 Outlook January 1st, 2025

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Equities Priced to Perfection?

Households and businesses appear to be in good shape and can service their debt, which is at manageable levels overall. In terms of financial-sector leverage, high levels of capital and liquidity in the banking system are a key source of resilience.

While the unusually large savings balances built up during the pandemic have shrunk for many households, strong labor income growth continues to underpin consumer spending.

Valuations are elevated in a number of asset classes, including equity and corporate debt markets, where estimated risk premia are near the bottom of their historical distributions, suggesting that markets may be priced to perfection and, therefore, susceptible to large declines, which could result from bad economic news or a change in investor sentiment.

- Federal Reserve Governor Lisa D. Cook,
At the Seventh Conference on Law and Macroeconomics, University of Michigan Law
School, Ann Arbor, Michigan
January 6th, 2025

The U.S. Economy Is Regaining Its Swagger

Consumers are spending again after the spring's tariff chill. But some expect growth to be slow.

By [Rachel Wolfe](#) and [Konrad Putzier](#)

16 hours ago

Appeared in the Jul 21, 2025, print edition as 'Economy Shows Swagger As Tariff Fears Ebb'



U.S. Leading Indicators Show Economic Clouds Gathering

The U.S. economy is set to slow, leading economic indicators say, with the impact of tariffs becoming more pronounced in the second half of the year through higher prices.

By [Ed Frankl](#)

2 hours ago



ECONOMY

Consumer confidence for May was much stronger than expected on optimism for trade deals

TUE, MAY 27TH 2025



ECONOMY

Trump hails 'positive' step in U.S.-EU trade negotiations as...

TUE, MAY 27TH 2025



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MARKETS

Trump clears Nippon merger with U.S. Steel

SAT, MAY 24TH 2025

ECONOMY

The low-end consumer is about to feel the pinch as Trump restarts student loan collections

FRI, MAY 16TH 2025

ECONOMY

Consumer sentiment slides to second-lowest on record

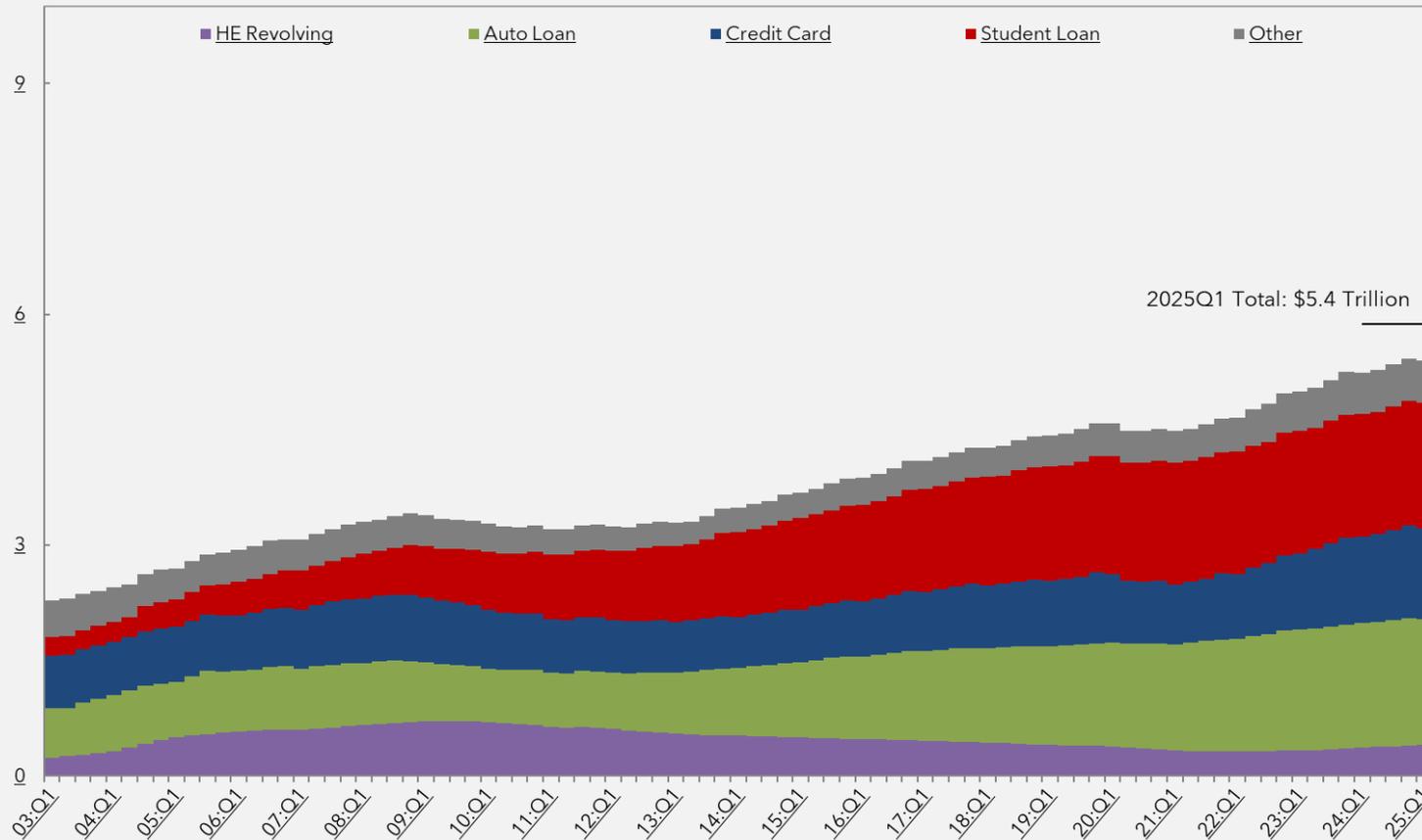
FRI, MAY 16TH 2025

- On May 27th consumer confidence was much stronger than expected, which was good news because...
- On May 16th consumer sentiment slid to the second-lowest on record



Total Debt Balance and its Composition

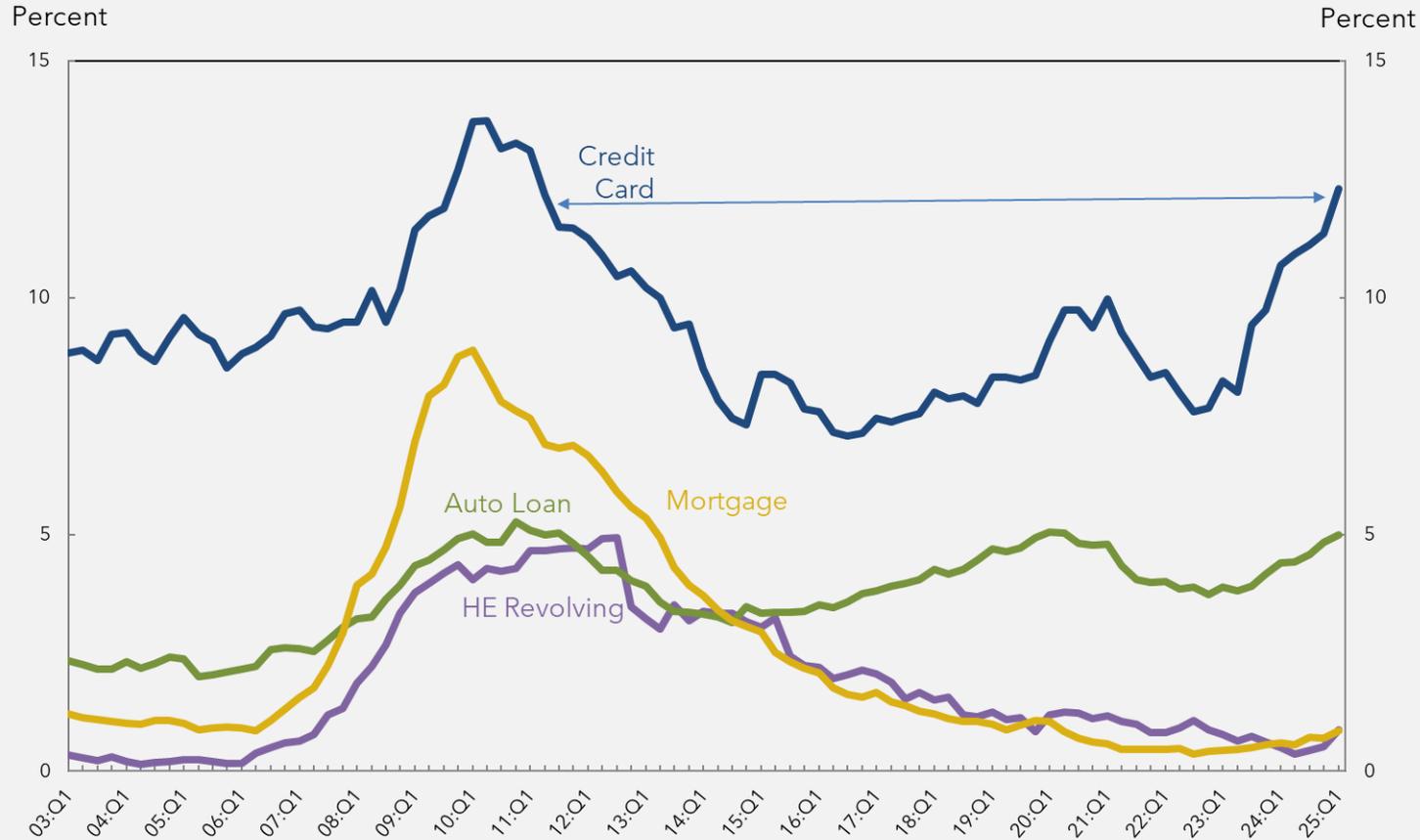
Trillions of Dollars



Source: New York Fed Consumer Credit Panel/Equifax

- Total consumer debt hit a record \$5.4 trillion in early 2025, with credit card and auto loan balances driving the sharpest growth

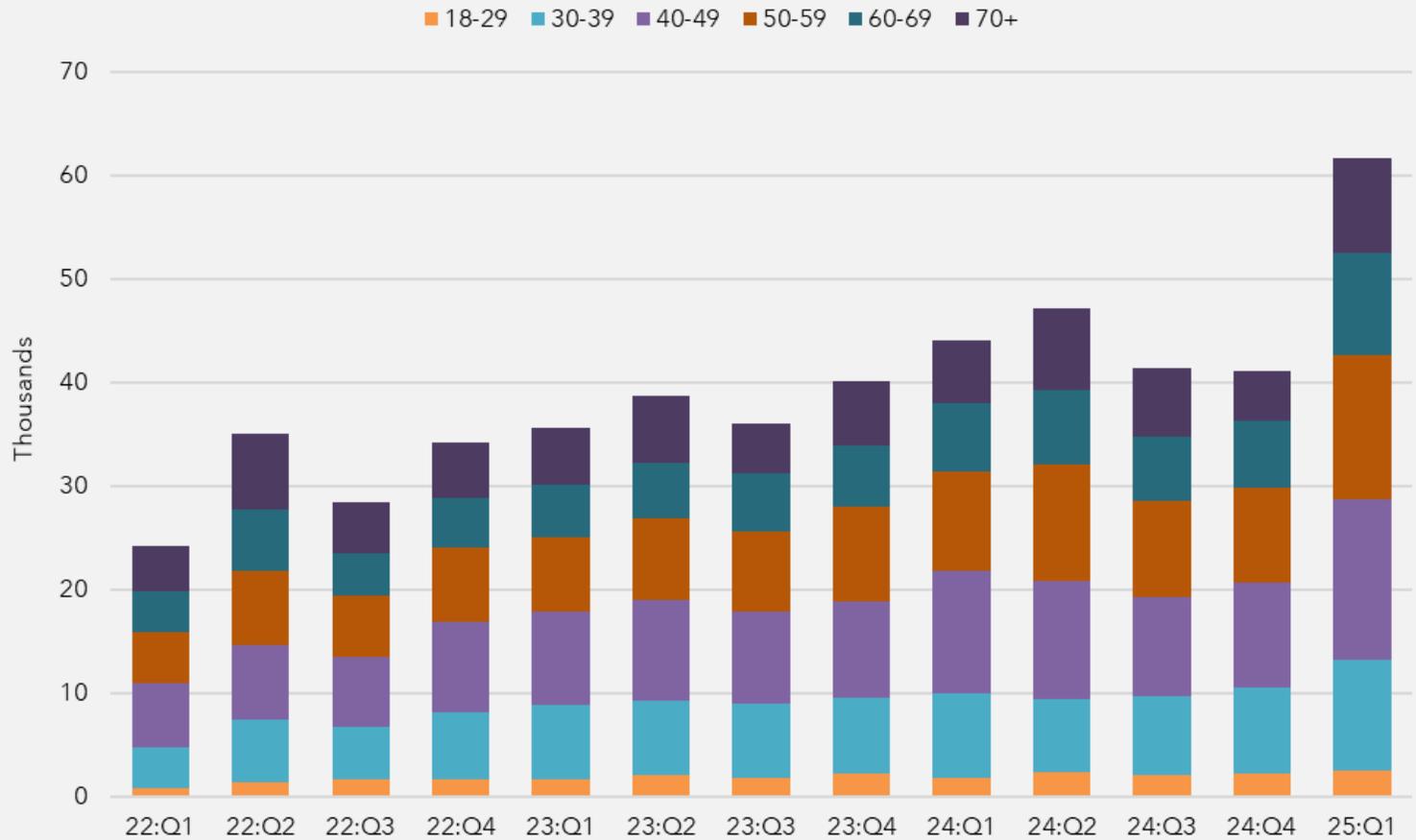
Percent of Balance 90+ Days Delinquent by Loan Type



Source: New York Fed Consumer Credit Panel/Equifax

- Delinquencies on credit card and auto loans are rising sharply in 2025, signaling growing financial strain for consumers; meanwhile, mortgage delinquencies remain historically low.

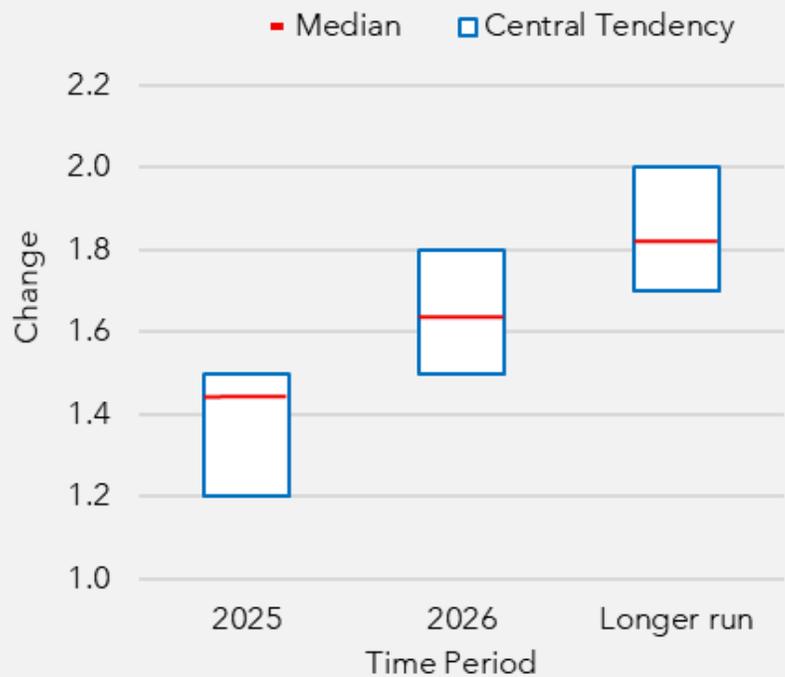
New Foreclosures by Age



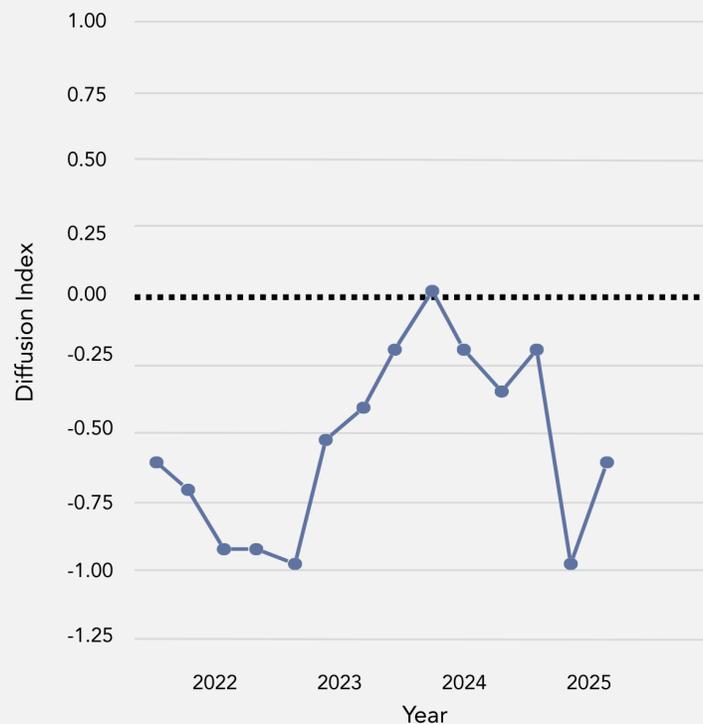
Source: New York Fed Consumer Credit Panel/Equifax

- Foreclosures surged to a new high in Q1 2025, with older age groups—especially those 50 and up—driving the increase, signaling mounting financial pressure among aging homeowners.

2025 FOMC Projections: real GDP

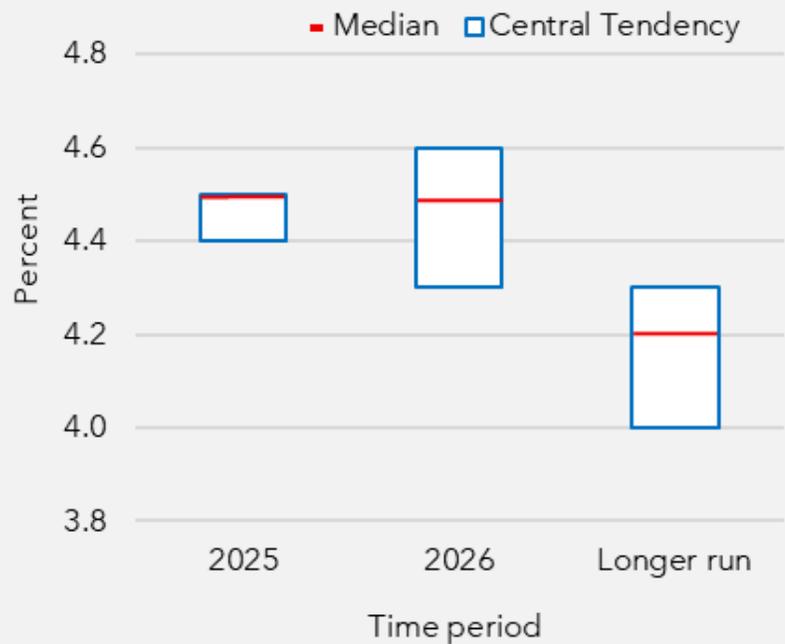


Diffusion Index: Change in real GDP

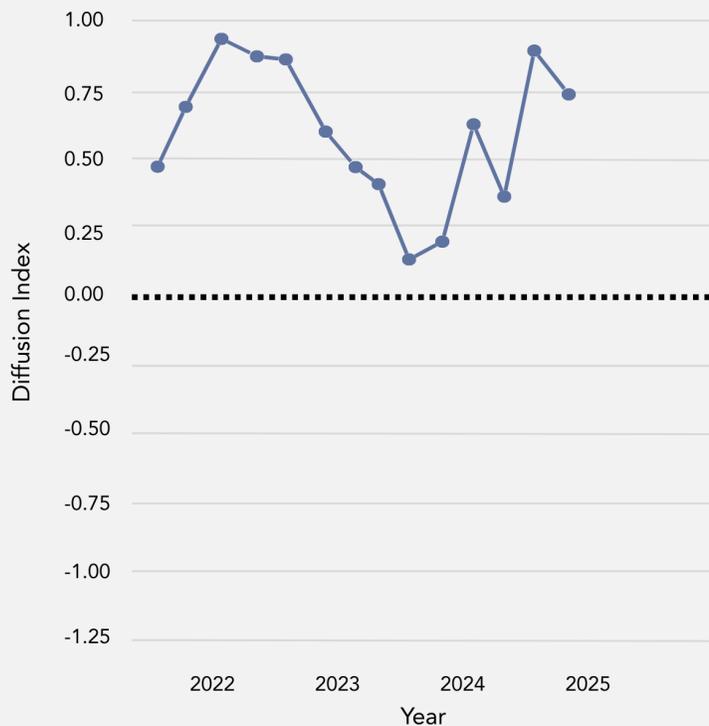


- Committee members have a median expectation of 1.4% growth for real GDP in 2025 with most voices in the room expecting year-end growth in the range of 1.2% to 1.5% (central tendency).

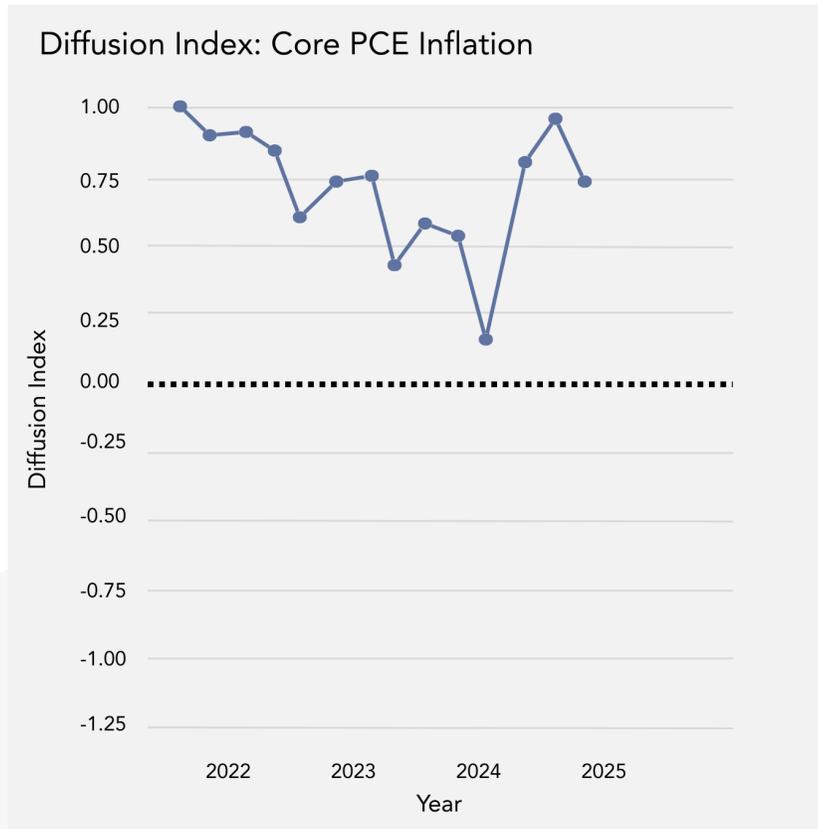
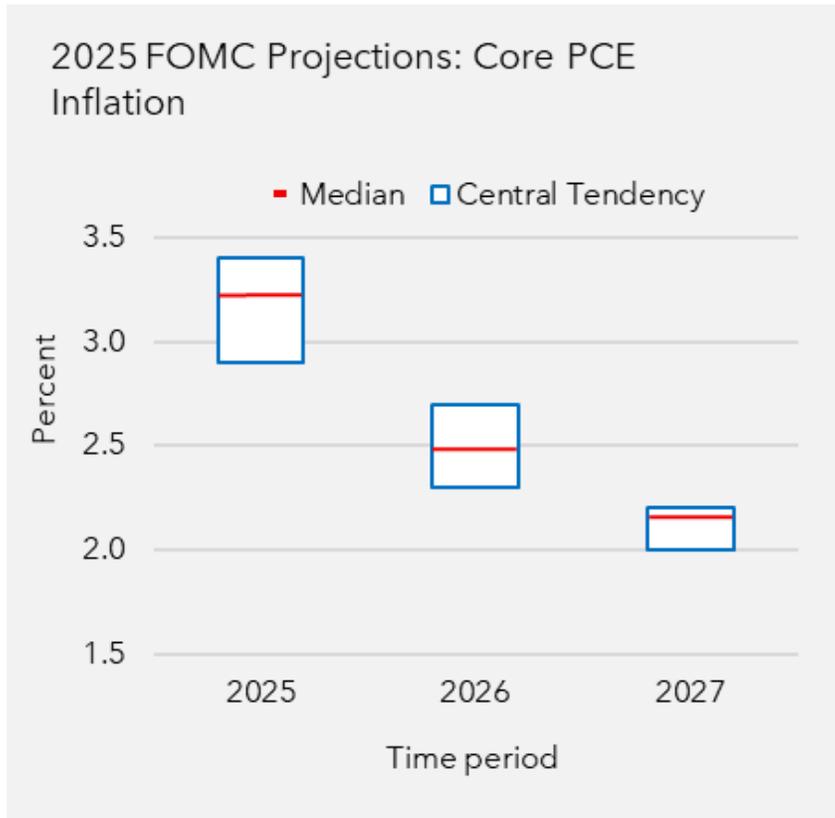
2025 FOMC Projections: Unemployment



Diffusion Index: Unemployment rate

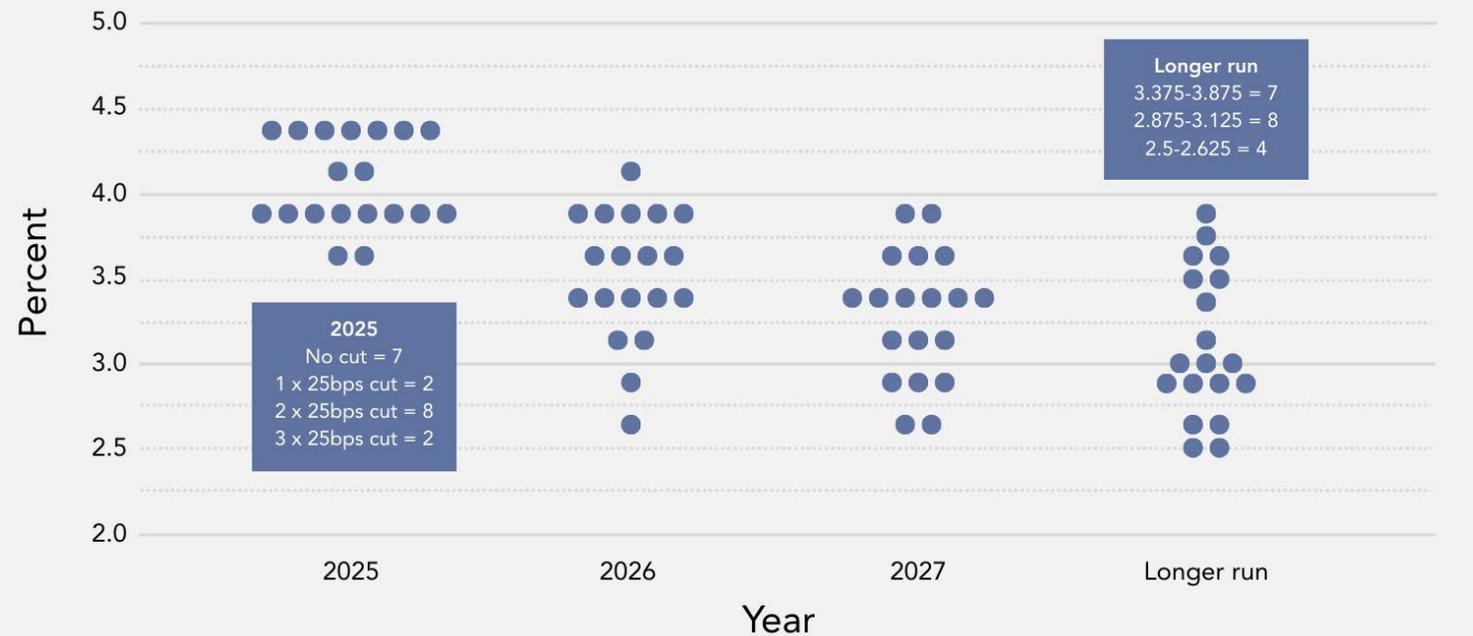


- As of May, twelve states are experiencing an unemployment rate at or above 4.8%.
- The excess demand for labor has dissipated, leaving job searchers with fewer options and less negotiating power.



- Persistent inflation and concerns that broad increases in tariffs will accelerate inflation gives policymakers pause.
- Indeed, committee members expect inflation to remain well above the 2% policy target throughout the year and end the year above 3%.

FOMC Fed Funds Rate Assessments



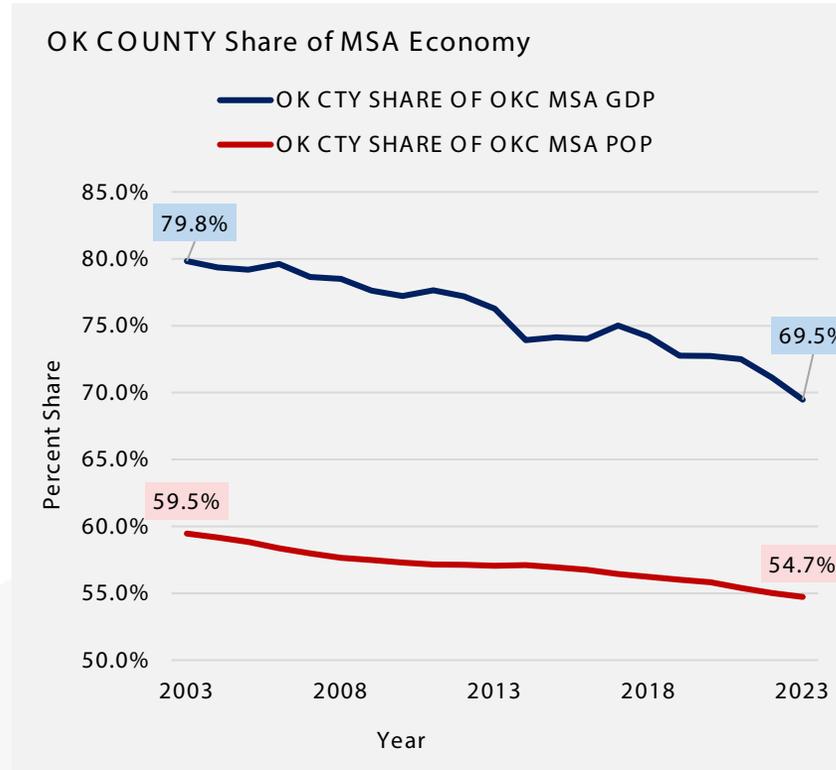
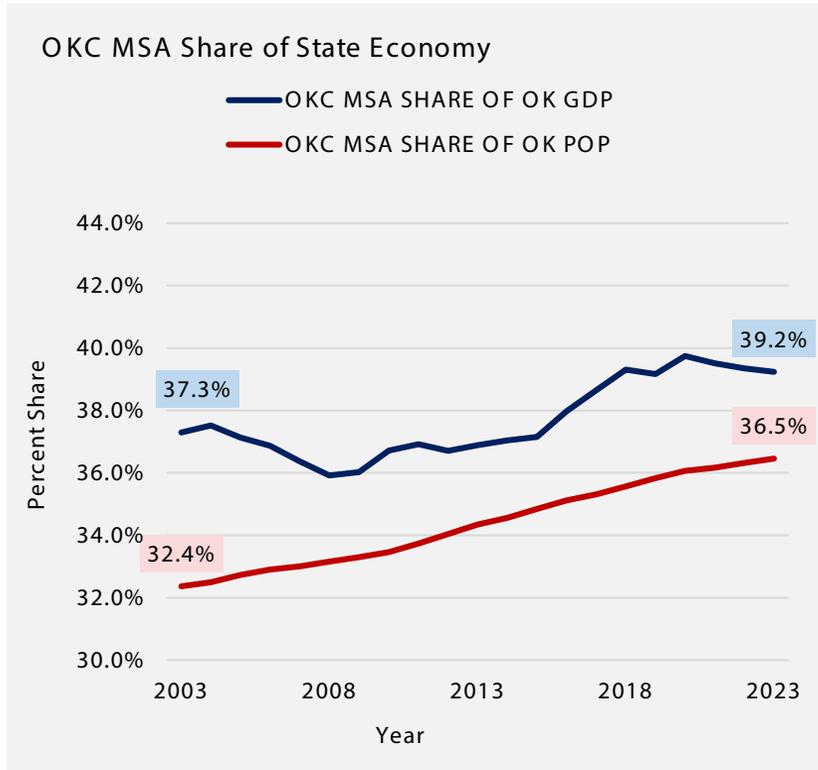
- Twelve of seventeen members expect at least one interest rate cut and ten of nineteen foresee at least two interest rate cuts and most appropriate.
- There continues to be a predisposition to continue rate cuts on the path to policy normalization.
- The hesitancy, to the extent that it is best described as hesitancy, is rooted in the uncertain inflationary effects of a looming tariff regime change.

A Quote From the Chicago Federal Reserve Bank President Austan Goolsbee

“ I've got to wait until that noise kind of dies down, that anxiety dies down, before I'm gonna be comfortable that we are back on the old golden path, as I called it, to a stable soft landing. If we, every six weeks, have to revisit whether we're about to have some big supply shock, that's messy at the least.”

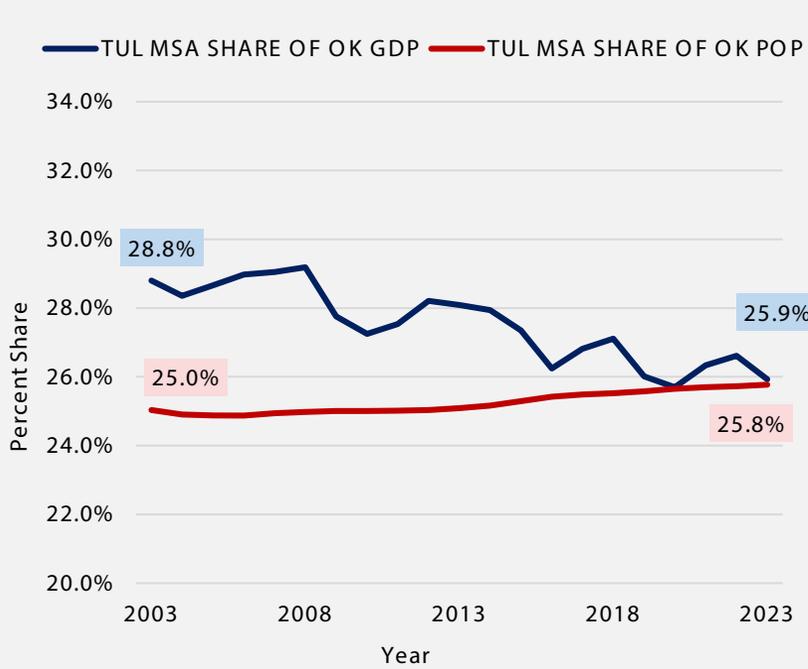
Moody's Talks: Inside Economics podcast, July 11th, 2025



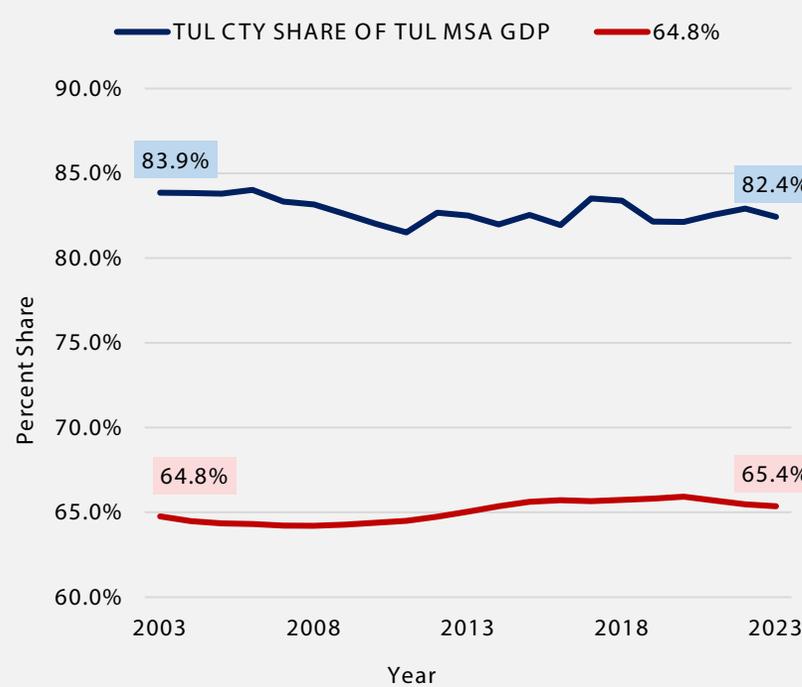


- The OKC MSA accounts for a larger share of state GDP and POP
- But Oklahoma County accounts for less of the MSA population and GDP as edge counties (Canadian and McLain) expand
- Urbanization pulls are natural for the OKC MSA geography, but dense central city pulls will require thoughtful development and policies

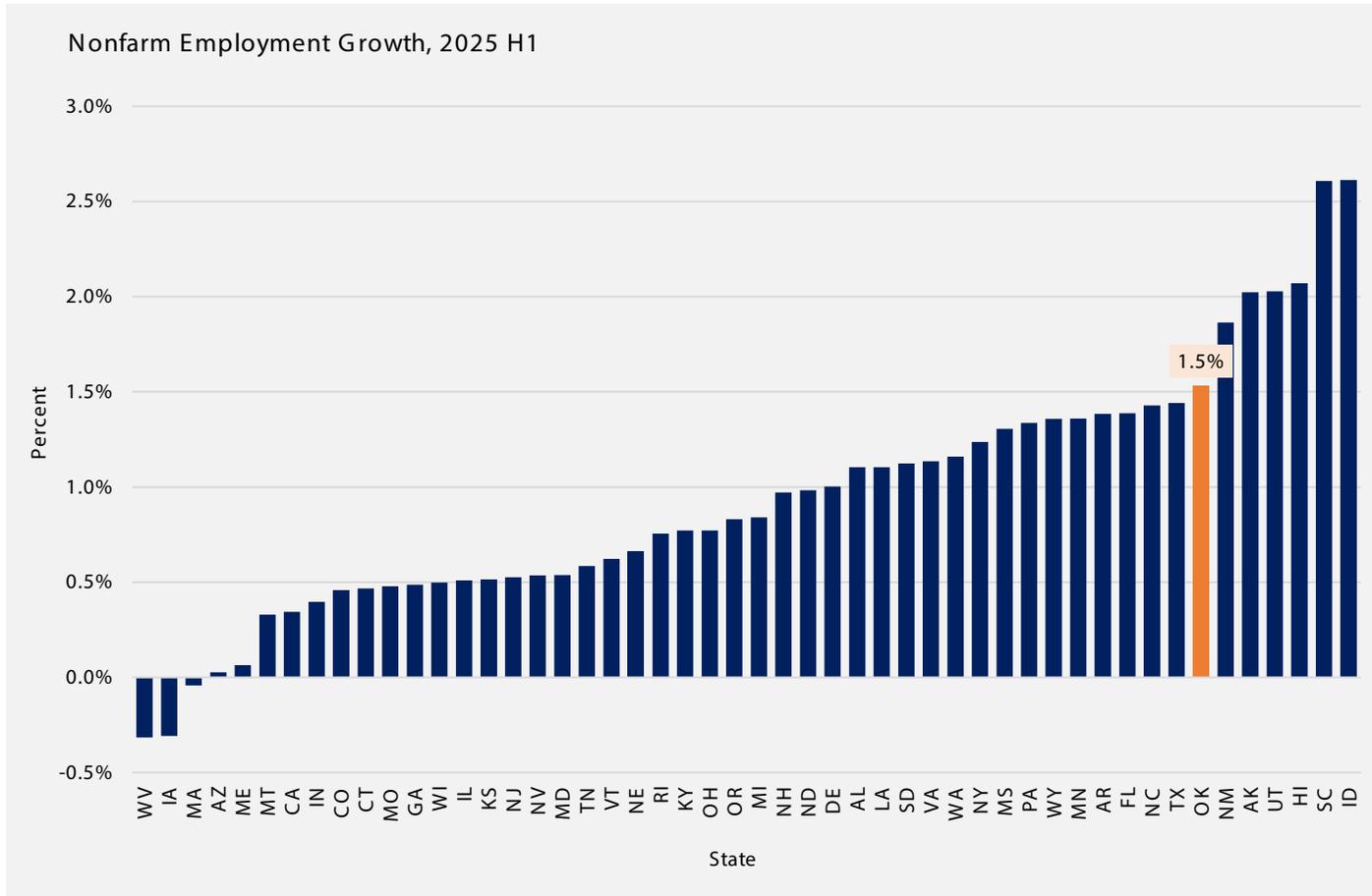
TUL MSA Share of State Economy



TUL COUNTY Share of MSA Economy

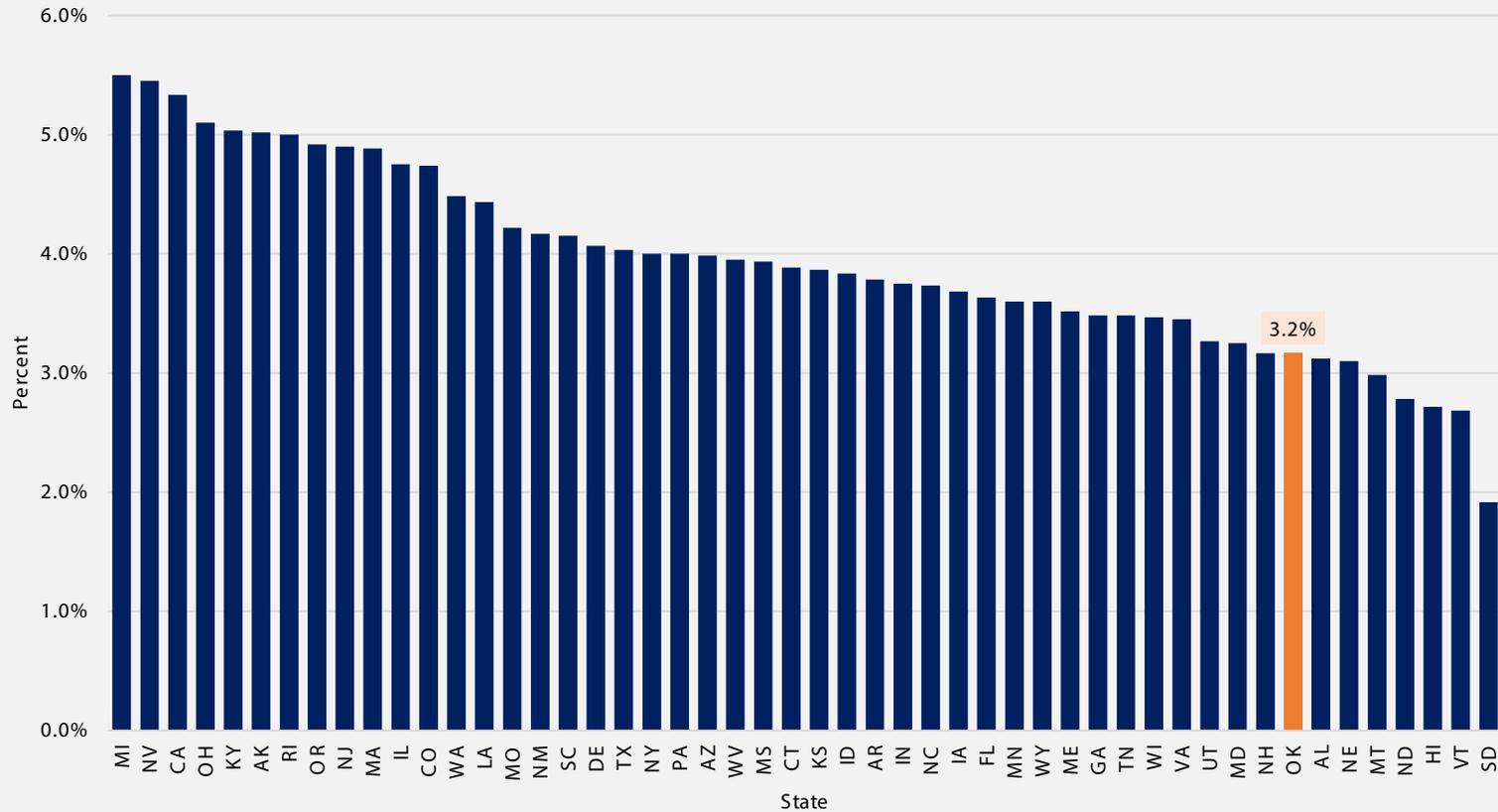


- The TUL MSA accounts for less of the state's economy and a constant share of the state population
- But TUL County accounts for more than 80% of MSA GDP and 65% of MSA POP
- The geography and history of Tulsa more naturally invites and maintains density



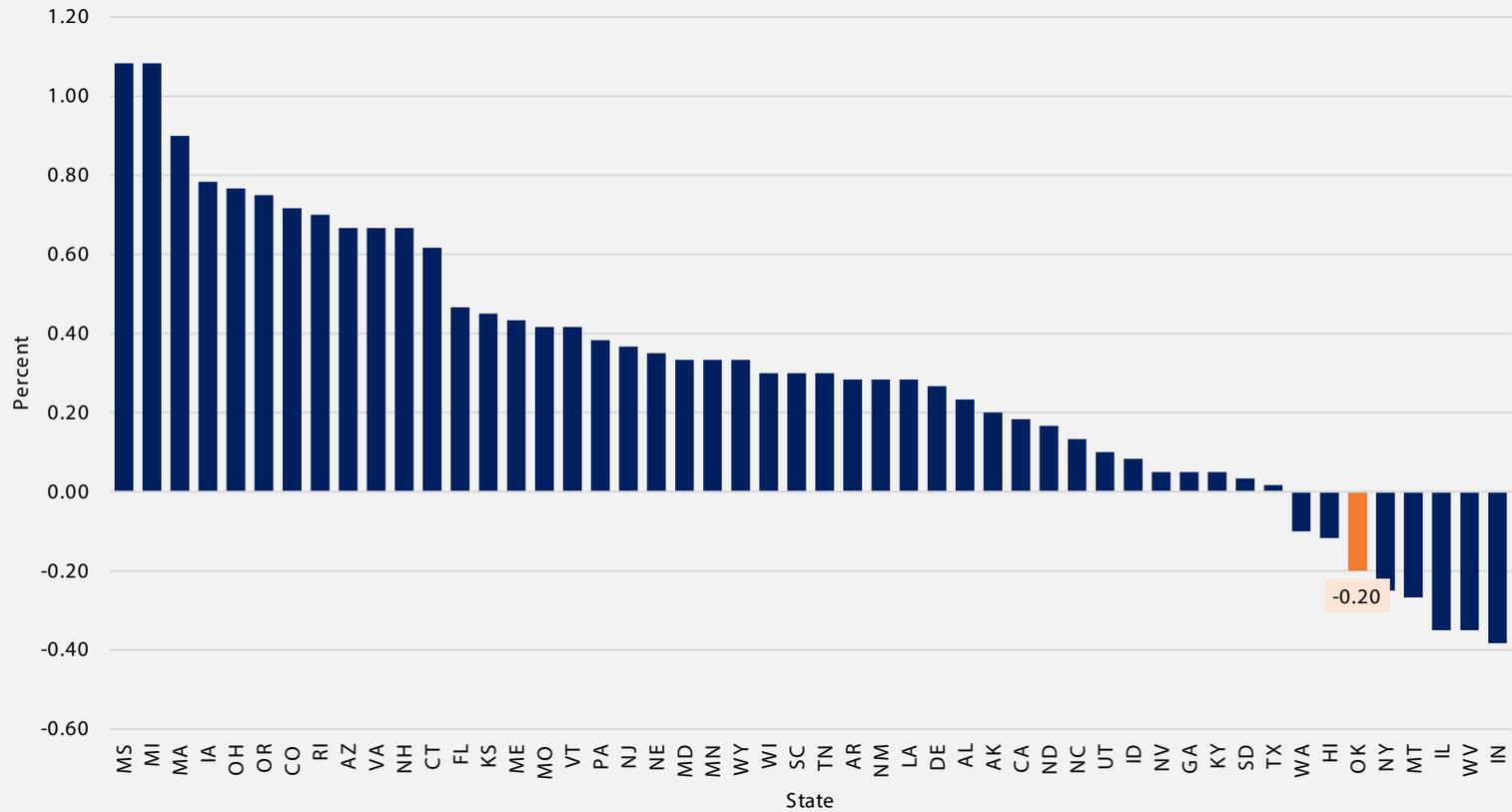
- Oklahoma nonfarm employment growth is tracking just below that expectation at 1.5% and trails only six states for the fastest pace of job growth.

Unemployment Rate, 2025 H1



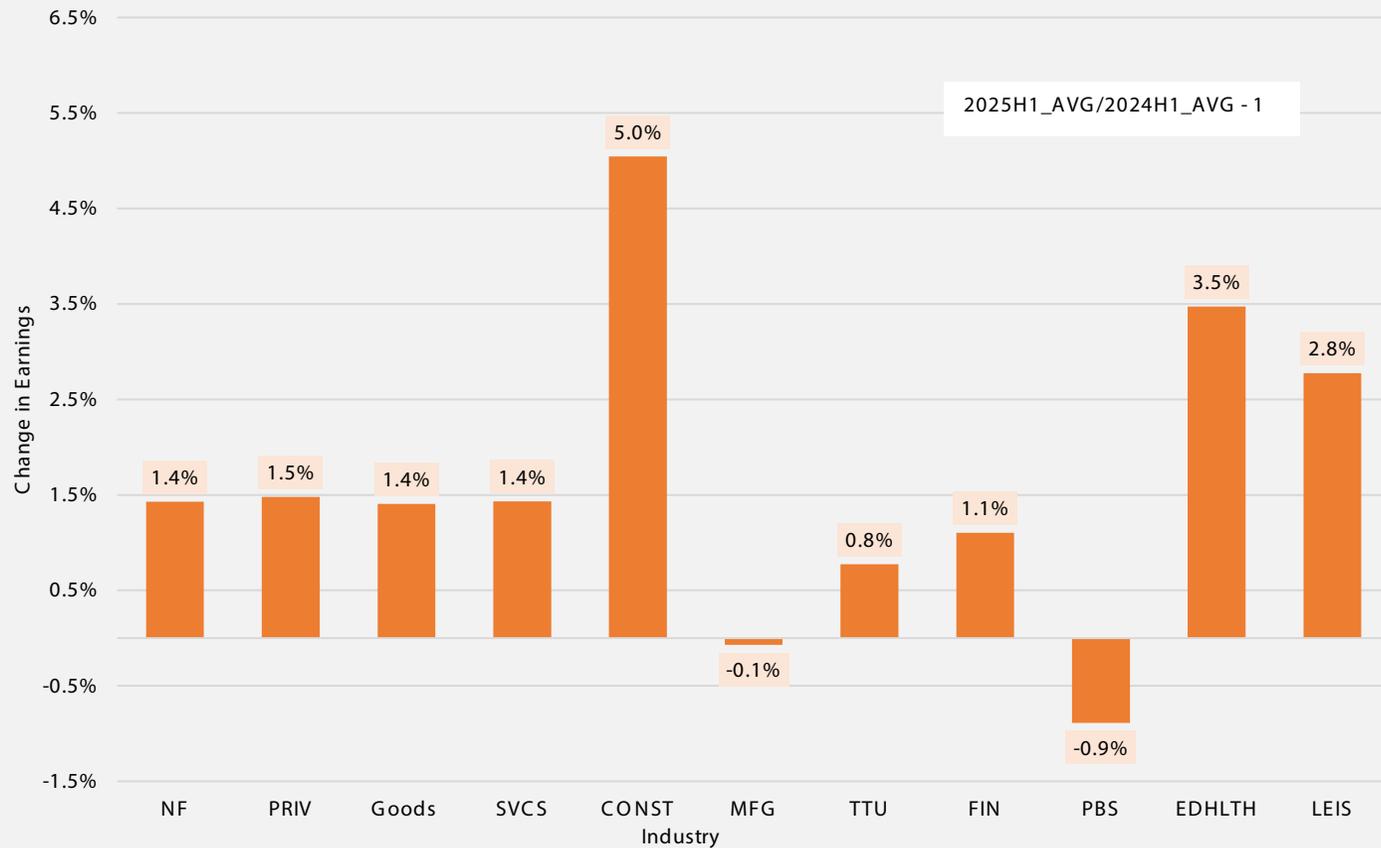
- Oklahoma has the 8th lowest unemployment rate and is one of only eight states to experience a lower unemployment rate when compared to the first half of 2024.

Unemployment Rate Change, 2025H1 - 2024 H1



- Oklahoma is one of only 8 states to experience a decline in unemployment rate relative to the start of 2024

Oklahoma Labor Market Summary



- The job growth to date is largely tracking expectations with strong gains in the health care and leisure hospitality sectors joined by strength in the construction sector.
- The lack of significant job gains in the manufacturing sector has been a disappointment as has been the lack of growth in professional and business services.
- However, offsetting strength in the trade sectors and financial services are a welcomed upside surprise.

A Quote From Mark Zandi, Moody's Analytics Chief Economist

“

The economy is on the precipice of recession. That's the clear takeaway from last week's economic data dump. Consumer spending has flatlined, construction and manufacturing are contracting, and employment is set to fall. And with inflation on the rise, it is tough for the Fed to come to the rescue.

Mark Zandi on X, August 1, 2025

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Postscript Thoughts

Households chase amenities

- Community outlook can be linked to the outlook for a base healthcare set of amenities and then consumer amenities in recreation, transportation, and education (see Edmond as a case study)

Commuting patterns link community markets

- Can link underbanked market to banked market or banked market to banked market; could be helpful to think about some markets as pairs rather than standalone markets

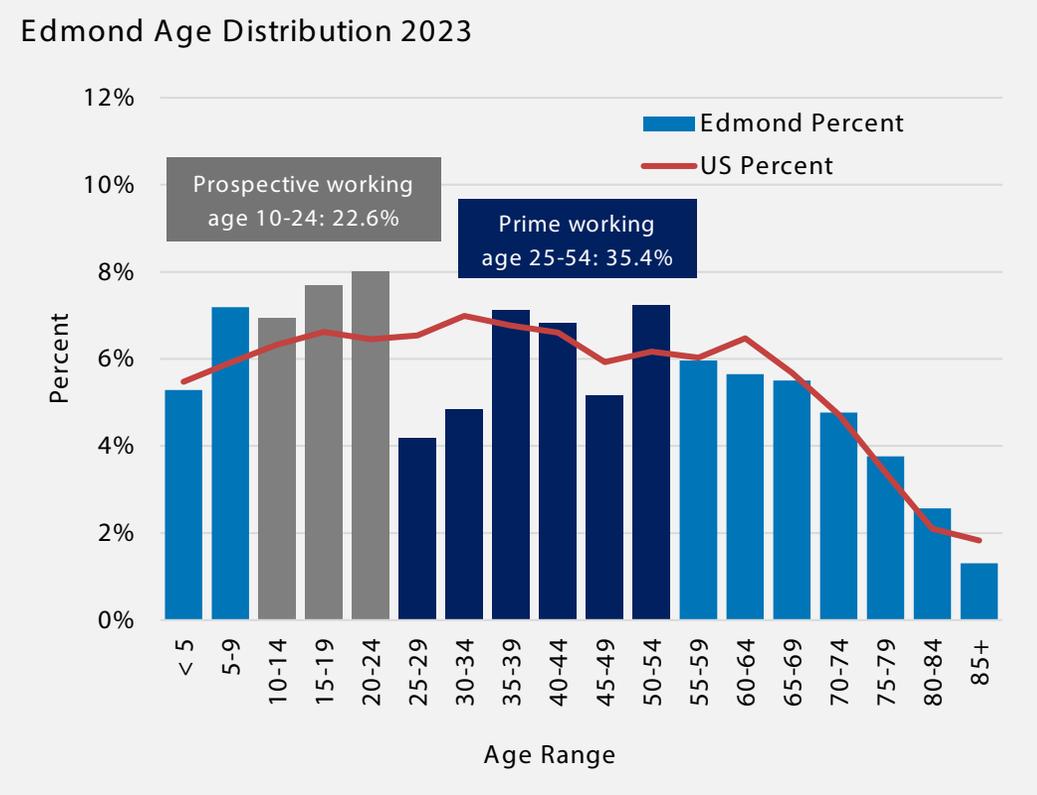
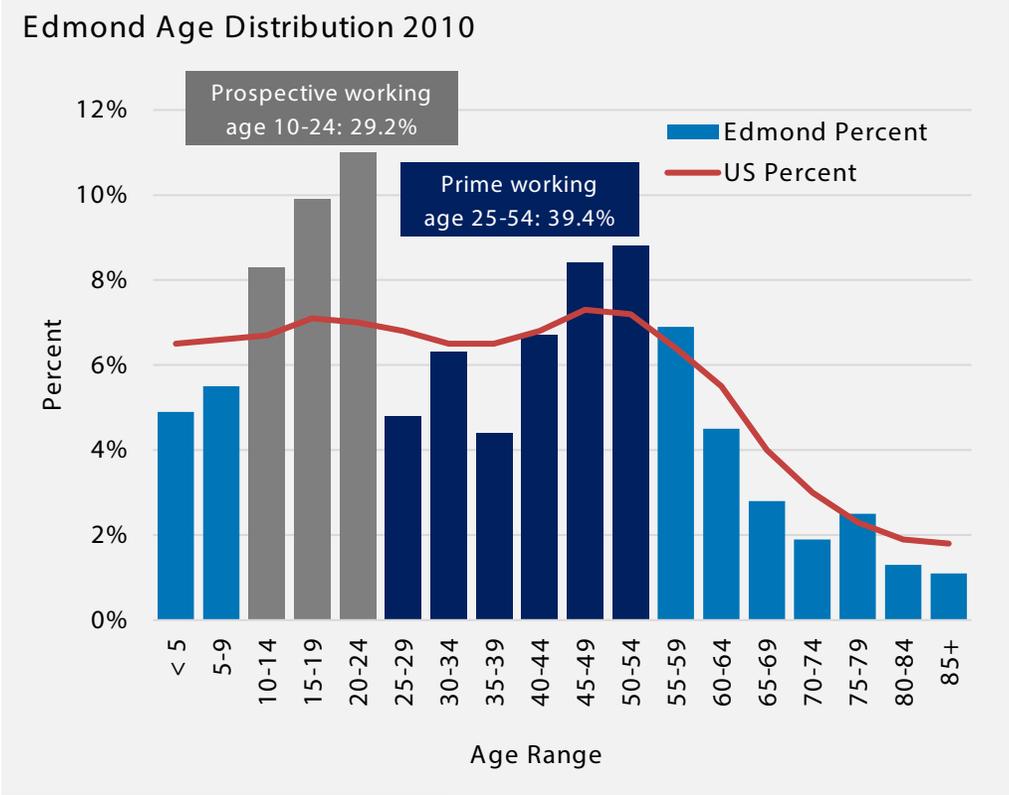
Ag Economy

- High beef prices, low crop prices, and record farm incomes (?)

Bond Yields

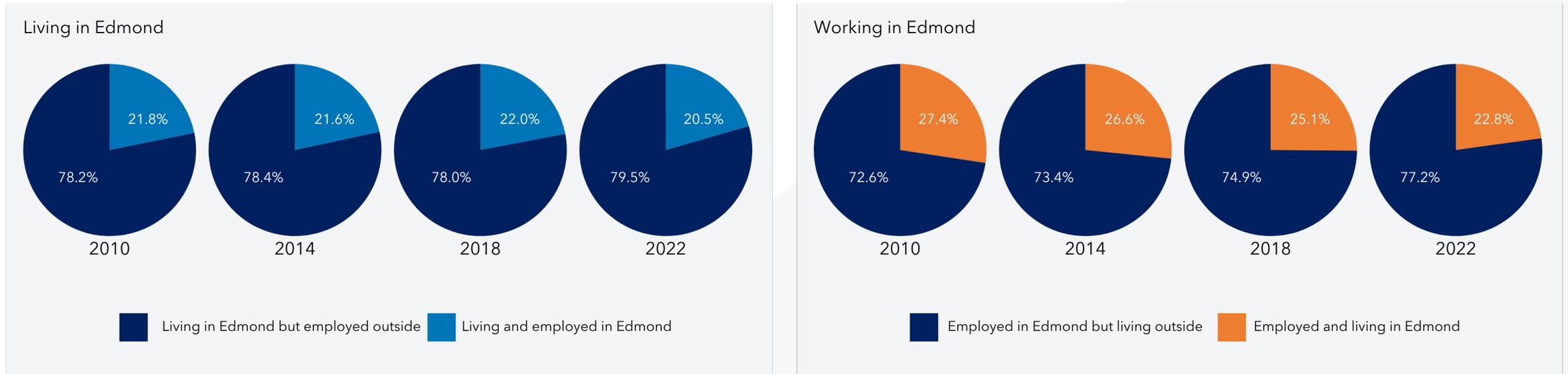
- Lack of appetite from foreign buyers of long-term debt put a floor under 10-year yields
- Will an outright recession drive demand and yields lower?
- Will financial repression?

Edmond Resident and Commuter Patterns



- Edmond population demographics are slowly aligning with the MSA distribution but remain skewed toward the young and upper-working-age professionals and under-represented by young professionals

Edmond Resident and Commuter Patterns



- Edmond is not unlike other edge cities that see two distinct populations daily. Nearly 80% of workers who live in Edmond commute out and are employed outside Edmond while 77% of those employed in Edmond commute into Edmond for work.