

1st Quarter 2025 Consumer Price Index Report

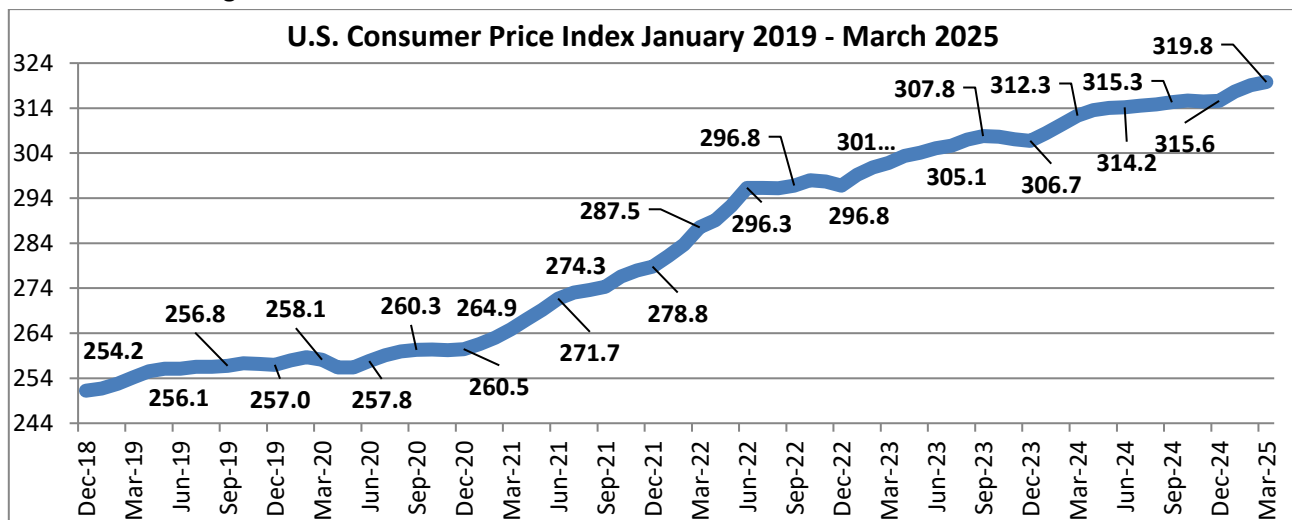
October 2025

Executive Summary

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by American consumers for goods and services. The Consumer Price Index is measured by the U.S. Bureau of Labor Statistics and reported monthly. It is often used as a measure for cost of living and economic conditions. The CPI is based on prices of food, clothing, shelter, fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments.

The 1st quarter average Consumer Price Index (US City Average) increased to 318.9 from its 315.6 level last quarter, indicating there is still strong inflation compared to this time last year. Monthly CPI has generally been trending upwards since November 2016 with periodic declines in December 2017 and 2019. The effects of the COVID-19 pandemic caused the CPI to decline through May 2020. As the economy gradually reopened, prices rose steadily with the CPI reaching 260.5 by December 2020. The effects of the economy reopening, supply chain challenges, the demand for goods, and the effects of variants led prices to increase significantly throughout 2021 with the CPI reaching 278.8 in December 2021. In 2022 & 2023 geopolitical and economic instability led to historically high gas prices. The series of rate hikes that began in spring 2022 allowed the Federal Reserve to strike the delicate balance of decreasing demand and spending without curbing employment and sending the US economy toward a recession. The results were improving economic conditions, which led the Federal Reserve to cut interest rates for the first time in four years, in September 2024 (by 0.5). The federal reserve continued to cut interest rates by 0.25 in November and December 2024. While gas prices have stabilized and levels of inflation are easing, the current levels of inflation (3% in January, 2.8% in February, and 2.4% in March) are still above the level that the Federal Reserve generally considers acceptable. The Federal Reserve doesn't anticipate the US reaching its target inflation rate of 2% until 2026.

The yearly levels of inflation keep trending upwards: 2024 annual average CPI rose to 313.7, compared to the 2023 annual average CPI of 304.7, and 2022 average of 292.7. The current YTD inflation rate is at 1.6% with a 318.9 YTD average CPI.



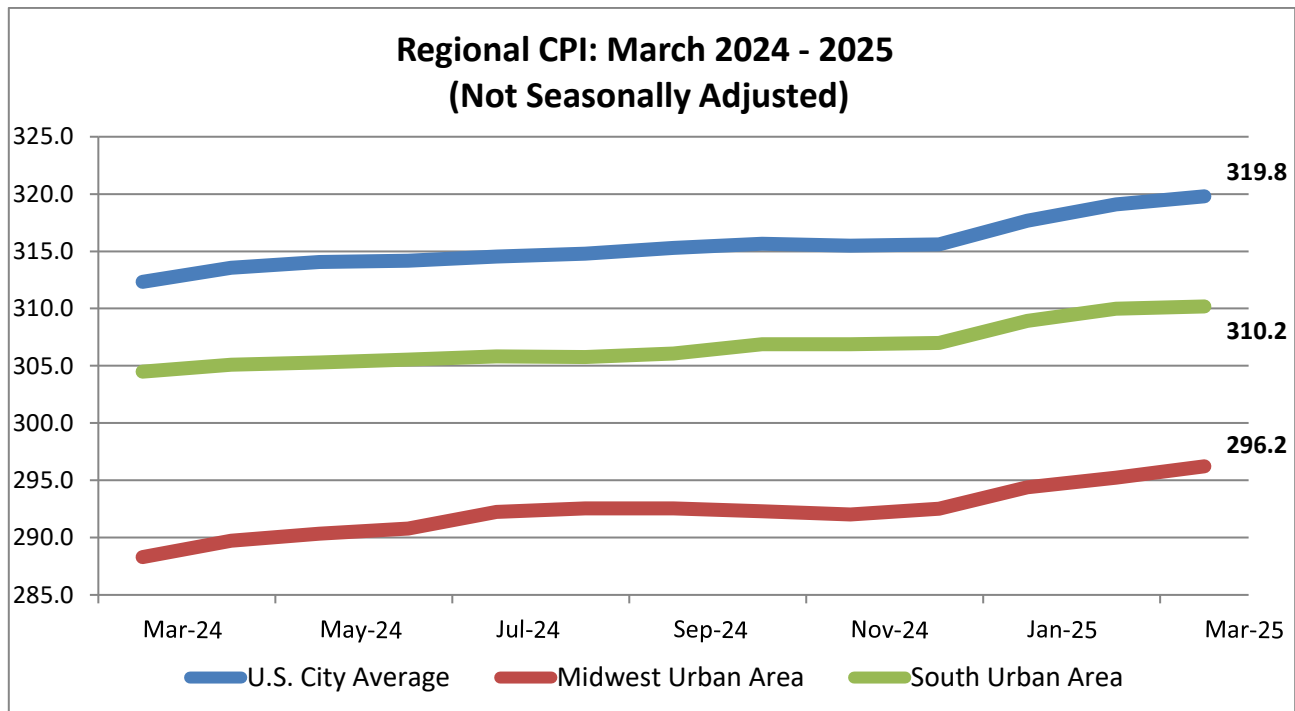
U.S. City Average **Not Seasonally Adjusted** – March 2025 – 319.8

Regional Consumer Price Index

Oklahoma is the most northwestern state in the Southern region, as defined by the Bureau of Labor Statistics. Oklahoma shares many characteristics with the Midwest region, given that it is in such close proximity. The South region is comprised of: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The Midwest region is comprised of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The Midwest and the South Urban Areas' CPIs increased by 2.25% and 1.66%, respectively, over the 12-month period, while the national CPI increased 1.99%. In 2022, gains in the costs of food and rent were primarily driven by the pandemic, the Russian invasion of Ukraine and significant disruptions in the supply chains of many industries that are gradually recovering. In 2025, inflation eased in March mainly due to lower gasoline prices, but tariffs could push it back up in the coming months, with challenges also emerging in areas like groceries. Although prices have generally been stabilizing, over the first quarter of 2025 CPI increased for the U.S. City Average, the Midwest Urban Area, and the South Urban Area. Indicating it might take longer for the US to reach the Fed's target rate than previously anticipated.

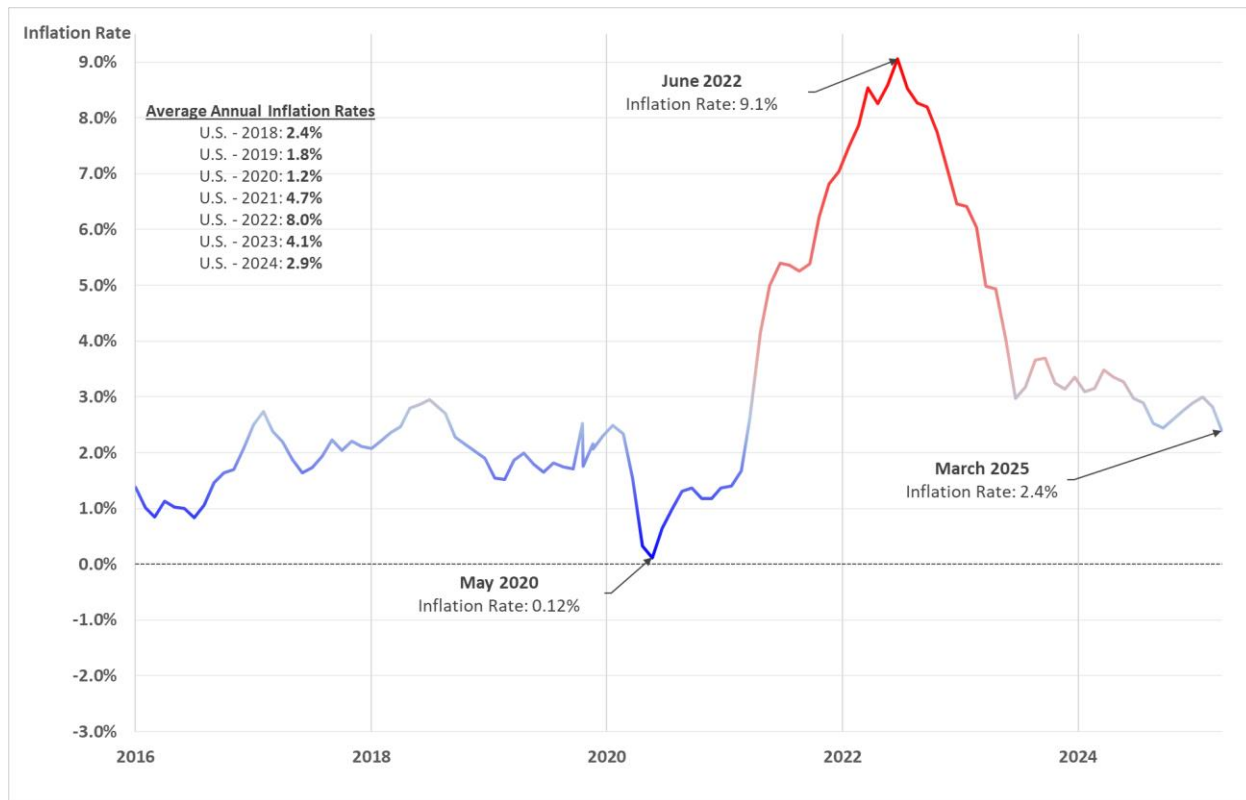
The graph below shows a 12-month moving average for the U.S., as well as the South and Midwest Regions.



12-Month Moving Average: **U.S.** – 315.8, **Midwest Urban Area** – 292.6, **South Urban Area** – 307.0

Inflation Rate (Month over Month)

The inflation rate is a measure of the rise in the general price levels of goods and services over a period of time. The chief measure of price inflation is the percentage change in the Consumer Price Index.



Observations:

From late 2015 to the present, the US has not seen any deflation year over year. However, the Federal Open Market Committee's target of two-percent inflation was only hit once in 2016. In 2017 and 2018, meeting the 2% goal proved to be more successful. Inflation was over the 2% mark for most months in 2017 and remained above 2% throughout 2018. The Federal Reserve continued to raise interest rates in December 2017 and three times in 2018, bumping up target inflation to 2.5% at the end of 2019. The Federal Reserve had to reverse the trend during the pandemic, but as stimulus funds were dispersed and the economy continued to recover, inflation rates were consistently over 2% in 2021, settling at 4.7% for the year. In 2022, high rates were a culmination of an economic recovery peppered by new virus variants, global supply chain issues, labor market issues, and rising gas prices. In 2022, rates reached historic highs (9.1% in June). The Federal Reserve has been trying to counteract inflationary pressures with interest rate increases since Spring 2022. While the job market remained strong and unemployment levels remained low, the Federal Reserve continued to increase interest rates to counteract inflation from 2022 to 2023. In the first quarter of 2025, inflation showed continued signs of cooling, and this decline was partly due to energy prices. Despite cooler-than-expected inflation today, the Federal Reserve will stay cautious. Due to global uncertainties and tariff risks, most expect no rate changes until June or beyond.

Methodology: The graph above illustrates month-over-month inflation levels using the U.S. City Average measure of the CPI. For example, the March 2025 inflation level of 2.4% was calculated by comparing the CPI of the preceding March (2024) to the March 2025 figure.

Consumer Price Index - All Urban Consumers - Not Seasonally Adjusted- All Items														
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average YTD	Inflation Rate YOY
2016 U.S. City Average	236.9	237.1	238.1	239.3	240.2	241.0	240.6	240.9	241.4	241.7	241.4	241.4	240.0	1.3%
2016 Midwest Urban Area	223.3	223.2	224.6	225.6	226.5	227.8	226.8	227.1	227.6	227.4	226.7	226.8	226.1	0.8%
2016 South Urban Area	229.5	229.6	231.0	232.0	232.9	233.8	233.3	233.5	234.1	234.3	234.0	234.2	232.7	1.1%
2017 U.S. City Average	242.8	243.6	243.8	244.5	244.7	245.0	244.8	245.5	246.8	246.7	246.7	246.5	245.1	2.1%
2017 Midwest Urban Area	228.3	228.6	228.8	229.7	229.7	229.8	229.8	230.4	231.0	230.7	231.1	230.5	229.9	1.7%
2017 South Urban Area	235.5	236.1	236.2	236.7	236.8	237.3	236.9	237.9	239.6	239.1	238.9	238.5	237.5	2.0%
2018 U.S. City Average	247.9	249.0	249.6	250.5	251.6	252.0	252.0	252.1	252.4	252.9	252.0	251.2	251.1	2.4%
2018 Midwest Urban Area	232.0	232.5	232.9	233.9	235.1	235.5	235.3	235.3	235.5	235.7	234.3	233.5	234.3	1.9%
2018 South Urban Area	239.8	241.1	241.6	242.5	243.3	243.8	243.8	243.6	243.6	244.2	243.5	242.2	242.7	2.2%
2019 U.S. City Average	251.7	252.8	254.2	255.5	256.1	256.1	256.6	256.6	256.8	257.4	257.2	257.0	255.7	1.8%
2019 Midwest Urban Area	233.8	235.4	236.8	237.5	238.2	238.3	238.8	238.8	238.8	239.2	238.9	238.7	237.8	1.5%
2019 South Urban Area	242.6	243.9	245.6	246.8	246.7	246.5	247.3	247.0	246.9	247.4	247.4	247.3	246.3	1.5%
2020 U.S. City Average	258.0	258.7	258.1	256.4	256.4	257.8	259.1	259.9	260.3	260.4	260.2	260.5	258.8	1.2%
2020 Midwest Urban Area	240.0	240.4	239.2	263.5	237.3	239.3	240.4	241.4	241.9	241.7	241.3	241.5	242.3	1.9%
2020 South Urban Area	248.0	248.4	248.1	246.3	245.7	247.2	248.6	249.6	250.2	250.5	250.3	250.7	248.6	1.0%
2021 U.S. City Average	261.6	263.0	264.9	267.1	269.2	271.7	273.0	273.6	274.3	276.6	277.9	278.8	271.0	4.7%
2021 Midwest Urban Area	242.6	244.5	246.2	248.2	250.6	253.0	254.7	255.1	255.1	257.8	258.9	259.6	252.2	4.1%
2021 South Urban Area	252.1	253.4	255.3	257.2	259.3	261.7	263.0	263.7	264.6	267.2	268.4	269.3	261.3	5.1%
2022 U.S. City Average	281.1	283.7	287.5	289.1	292.3	296.3	296.3	296.2	296.8	298.0	297.7	296.8	292.7	8.0%
2022 Midwest Urban Area	261.7	264.0	267.3	268.6	272.7	277.1	276.5	275.9	276.5	276.9	276.4	275.2	272.4	8.0%
2022 South Urban Area	271.6	274.7	278.6	279.9	283.3	287.4	287.6	287.2	287.7	288.8	289.0	288.2	283.7	8.6%
2023 U.S. City Average	299.2	300.8	301.8	303.4	304.1	305.1	305.7	307.0	307.8	307.7	307.1	306.7	304.7	4.1%
2023 Midwest Urban Area	277.3	278.7	280.3	281.9	282.7	283.7	284.6	285.1	285.3	285.0	284.5	283.9	282.8	3.8%
2023 South Urban Area	290.4	292.3	293.4	295.3	295.9	296.8	297.3	299.0	299.7	299.4	298.9	298.8	296.4	4.5%
2024 U.S. City Average	308.4	310.3	312.3	313.5	314.1	314.2	314.5	314.8	315.3	315.7	315.5	315.6	313.7	2.9%
2024 Midwest Urban Area	284.7	286.3	288.3	289.7	290.4	290.8	292.3	292.6	292.5	292.3	292.0	292.5	290.4	2.7%
2024 South Urban Area	300.4	303.1	304.5	305.1	305.3	305.6	305.8	305.8	306.1	306.9	306.9	307.0	305.2	3.0%
2025 U.S. City Average	317.7	319.1	319.8										318.9	1.6%
2025 Midwest Urban Area	294.4	295.2	296.2										295.3	1.7%
2025 South Urban Area	308.9	310.0	310.2										309.7	1.5%

The table above, All Items Consumer Price Index for All Urban Consumers (CPI-U) is the Bureau of Labor Statistics' broadest and most comprehensive index. The base index year is 1982-1984 = 100. Source: U.S. Bureau of Labor Statistics, www.bls.gov/data