

Fed's 'no move' still points to lower inflation

The Federal Reserve should not succumb to pressures and lower rates too soon

When 2024 began, the question on financial experts' minds was: "When will the Federal Reserve cut rates?"

However, as inflation has remained more persistent than many anticipated, rate cut expectations have moved further out, and there even has been some talk among investors of the Fed hiking rates again.



BRIAN HENDERSON

Yet all this focus on what the Fed will do next belies the point that each Fed decision of "no move" on rates keeps applying pressure on inflation — and the overall economy.

The current Federal Funds rate range of 5.25% to 5.5% is considered to be "restrictive," in that it is meant to slow U.S. economic growth.

The interest rates charged to consumers and businesses on debt tend to go up and down along with the overnight interest rate that banks charge each other to borrow money, which rises and falls based on the Fed's decisions. The Fed's actions at this time are designed to slow spending and bring down inflation.

However, since March 2022, when the Fed began raising rates from near-zero to the highest level in 16 years, the economy didn't react entirely as one might expect.

For instance, despite the high-rate environment, the economy accelerated in 2023, and the labor market has remained resilient.

Still, the fact that the economy grew by its slowest pace in nearly two years during the first quarter of 2024 is a reminder that these high interest rates do dampen demand and economic growth.

The Fed has a history of keeping rates too high for too long, which tends to result in a financial market event or a recession.

The longer the Fed keeps rates at this level, the higher the probability that such an event will occur, although I still believe that a recession is unlikely at this point.

Avoiding an 'echo wave' of inflation

Nevertheless, even with these latest GDP numbers, the Fed should not succumb to pressures and lower rates too soon.

That was the Fed's mistake in the late 1970s, which led to inflation rebounding and the Fed having to reverse course and raise rates even more.

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COURTESY PHOTOS, FREESE ARCHITECTURE

A Freese Architecture-designed house features massive amounts of glass on the front, including under a central gable.

'Midwest Modern'

Freese Architecture marks 30 years with intended connections to nature

MICHAEL DEKKER
Tulsa World

Brian Freese believes it is imperative for people to experience the outside as well as the inside of their homes or offices.



Freese

"I think that being outside is medicine and being in nature is medicine," he said.

Freese is not a professional biologist or a park ranger; he's an architect, and he's been using that philosophy in his designs for decades.

A fourth-generation Tulsan, he is principal and owner of Freese Architecture, which is marking 30 years this year.

His commercial buildings and residential homes are characterized by semi-open, roofless



A house designed by Freese Architecture is characterized by a semi-open, roofless space and lots of windows to connect the interior with the natural surroundings.

spaces in central areas, lots of windows for natural light, and native materials from Oklahoma and the Midwest.

Among the dozens of projects his firm has designed or remodeled are Sharp Memorial Chapel at the University of Tulsa; Gre-narch, a mixed-use 70-unit apartment building downtown; and many large private residences.

He has coined his style "Mid-

west Modern," in which he uses natural materials and design "that reflects and responds to the local climate, geography, history and culture."

"I came up with the term because I thought I have to be able to simply and succinctly describe to potential clients what I mean when I say a 'modern' home or a 'modern' building in this part of the country," he said.

"I have found that the word

'modern' can be very off-putting to some people because they think of it as an LA modern or a New York modern," he said.

"I just really pondered about it for a long time, ... and I pitched it, and it was like a light bulb. And every time I use it, I see a change in a person's expression."

"One of the things that I think makes my firm unique is we think of the outdoor spaces as as critically important as the indoor spaces," he said.

The firm was founded in January 1994, originally under the name Brian Lloyd Freese Architecture. It was rebranded as Freese Architecture in 2007, better aligning with its modern design aesthetic, he said.

The firm has been widely featured in publications including Architectural Digest, Western Art & Architecture, Dwell, Design Bureau and Oklahoma Magazine and in books on architecture with national and international distribution.

Asked to describe his creative process, Freese said:

"I think one of the unique things about the brain of an

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BUSINESS BRIEFS

Tulsans win \$50,000 as part of 'Idea Challenge'

Nearly two dozen Tulsans were awarded a total of \$50,000 in prize money for entrepreneurship as part of the second Tulsa Idea Challenge.

Designed to encourage innovation in Tulsa, the workshop and competition held at the University of Tulsa recently helped more than 200 participants learn how to collaborate and transform an idea into action, a news release says.

Participants were randomly paired and worked together as teams over two days to learn how to identify a problem, break it down and create an actionable

plan.

Among the awards to winning teams:

■ Grand Prize: \$25,000 — Impact Echo by Mason Harmon and Chalon Jones — a platform that combines voicemail and AI to streamline donor retention.

■ Judge's Favorite: \$7,500 — Sugar Cane Shields by Denia Shed and Michelle Simmons — an eco-conscious disposal system for excess hair dye, reducing a reported 42,000 pounds of daily waste polluting local waterways with harsh chemicals.

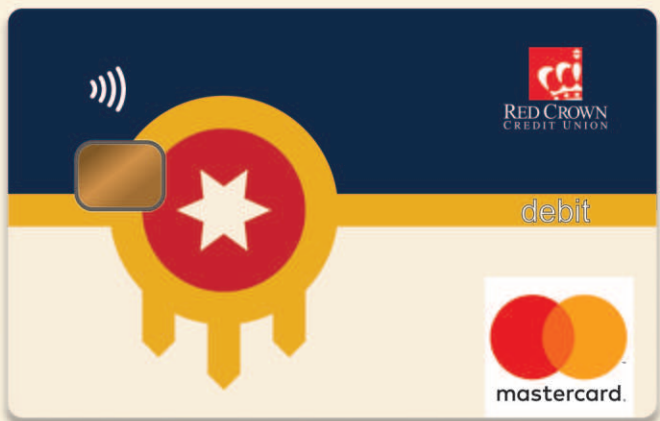
■ Most Collaborative Partnership: \$7,500 — Salvador Segovia and Cheryl Hayes — a resource



COURTESY

Participants in the second Tulsa Idea Challenge, held at the University of Tulsa recently, won a total of \$50,000.

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Freese

From E1

architect is that we are both taught — and we are wired — to use both lobes of the brain.

“So when we receive information from clients, we are thinking from a rational, logical perspective and also from a creative, artistic perspective.

“Function rules,” he said. “Function always rules. So it is my job as a design professional to take all the information a client gives me and, first, think about the logical, rational assembly of the rooms and spaces — that maximize their functional needs — and then artistically, at the same time, imaging those spaces and the feel of them. The natural light that comes in, the views.”

For example, he said, when he purchased his current office at 1634 S. Boston Ave., it was relatively nondescript. He changed it by adding a roofless entryway with a fountain and other features.

“So I created this central (office) space, which is a transition from the street to the sidewalk to this (open fountain) to the front door. That sequence of spaces ... we notice it subconsciously. And we notice how we feel as we transition



COURTESY, FREESE ARCHITECTURE

The Greenarch mixed-use development downtown is among Freese Architects’ projects.

from space to space, ... even in this little building,” he said.

A project he cited as one of his most high-profile was the renovation and reconstruction of some areas of Sharp Memorial Chapel at the University of Tulsa in the mid-2000s.

“It’s become one of the most popular venues on the campus for formal affairs because of its glass on both walls, two stories high, and it has a wonderful view onto the campus courtyard that they share with McFarlin Library, and then a private courtyard on the

other side,” he said.

While the firm has designed many commercial buildings and other projects for schools and other institutions, its main focus is residential homes, ranging from about 6,500 to 10,000 square feet.

His homes include many in the Tulsa area and into Missouri and Texas, many of which have received awards for design excellence.

“Even though Tulsa has grown, I like the fact that it still feels like a small city,” he said. “It’s a livable city. And a 20-minute drive, and I’m in the country. How about that?”

Freese Architecture, which he described as “a small, very comfortable firm,” currently has three architects, an office manager and a business manager, Freese’s wife, Judy Freese.

“I started my firm before we were married. We already knew we were going to get married. She had known for a while about my plans. We had a conversation about her being the business manager. She has a very strong business background.

“She agreed, on one condition,” he said.

“She said, ‘I am not your secretary. I will never type for you, but, yes, I will help you run your business.’

“And I think during the early years of this firm I would not have survived without her — absolutely.”

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Inflation

From E1

Today’s Fed wants to avoid such an “echo wave” of inflation, which is why it has not taken

the “stop-and-go” approach of some of its predecessors.

The fact is that inflation is still above the Fed’s 2% target, even though it has declined significantly since its peak of 9.1% in June 2022.

There has been some talk that the Fed should adjust its target, which was officially set by the Fed itself in 2012, but that would be a mistake.

If the Fed were to waver even a little bit from its commitment to

that target, it would not sit well with the bond market.

Inflation expectations would rise, and it would increase the probability of a second “echo wave” of inflation.

In other words, we would be

right back where we started — in a situation undesirable for everyone

Brian Henderson is chief investment officer for BOK Financial. He began his financial career in 1991.

Briefs

From E1

directory with local services, support groups and activities to facilitate connections between individuals with autism and networks.

■ Best Experimenters: \$4,000 — Progress Passport by Sara Gayle and Chris Walonski — an educational and resource-based platform that “gamifies” the process of reintegration for formerly incarcerated women.

■ Most Novel Idea: \$1,000 — Michael Walker and Samuel Gabor.

■ Tulsa Impact Idea: \$1,000 — David Fickes and Alex Dipboye.

■ Best AI Idea: \$1,000 — Talk Switch by Nathaniel Floyd and Tahlia Roper.

■ Best Health and Wellness Idea: \$1,000 — Danielle Anderson and Vanessa Boshuizen.

■ Best Social Impact Idea: \$1,000 — Talk2Me by Sarah Dennis and David Cardamone.

■ Best Consumer Product Idea: \$1,000 — Jessica Paige and

Nicole Newton.

The Tulsa Idea Challenge, held at TU on May 4-5, was presented by 36 Degrees North, Builders + Backers and Tulsa Remote. More information is available at tulsasideachallenge.com.

ONE Gas reports Q1 income of \$99.3 million

ONE Gas released its first-quarter financial results last week, with net income of \$99.3 million, or \$1.75 per diluted share, compared with \$102.6 million, or

\$1.84 per diluted share, in the first quarter 2023.

“While weather across the company’s service areas was 9 percent warmer than normal, the impact on operating income was mitigated by weather normalization mechanisms,” the report says.

For the seventh consecutive year, ONE Gas was awarded the American Gas Association Safety Achievement Award for excellence in employee safety.

The board of directors declared a quarterly dividend of \$0.66 per

share (\$2.64 annualized), payable on June 4, to shareholders of record at the close of business on May 20.

“Efficient capital execution and our focus on safe operations position us well to serve a growing customer base,” said Robert S. McAnnally, president and chief executive officer. “Based on our first quarter results, we remain on track to achieve the midpoint of our 2024 financial guidance.”

— From staff reports

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