March 2026

THE MAINSTREET ECONOMIC REPORT

A monthly survey of community bank CEOs, and chief loan officers

Welcome to Creighton's March Bank CEO Report covering February 2026 survey results. The overall February reading from bank CEOs and bank executives in 10 Rural Mainstreet States sank below growth neutral. Bank executives reported falling farmland prices. Furthermore, ag equipment sales declined for the 30th straight month. Thank you for your input. Ernie.

Rural Mainstreet Index Falls Below Growth Neutral:

Bankers Urge Congress to Provide More Farm Support

February-at-a-Glance:

- The region's overall or Rural Mainstreet Index sank below growth neutral after two straight months above the threshold.
- Three of four bank CEOs urge Congress to provide more financial support to farmers.
- Farm loan delinquency rates are plateauing at a very modest rate of less than 1.5%.
- According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first 11 months of 2025, compared to the same period in 2024, fell from $11.5 billion in 2024 to $10.8 billion in 2025, for a decline of 6.6%.
- Between 2024 and 2025 agriculture and livestock exports, Nebraska expanded by 35.1% and Illinois plummeted by 34.9%.
- The farm equipment sales index sank below growth neutral for the 30th straight month.

(Continued next page)
(Tables on final page)

Data Centers, Not in My Backyard… But Apparently Not in Your Electric Bill Either

. Rising fears that data centers will drive electricity prices sharply higher have become a growing source of local resistance across the United States. According to Data Center Watch, concerns about grid strain and higher utility bills have helped block or delay more than $64 billion in proposed data center projects. In many communities, data centers have emerged as the latest "NIMBY" (Not In My Back Yard) flashpoint as residents and local officials worry about their potential impact on power systems and household electricity costs.

Despite these concerns, the number of U.S. data centers expanded rapidly over the past several years. Facilities increased from 26,397 in 2019 to 55,259 in 2025—an increase of 109.3% in just five years. Over roughly the same period, however, electricity prices rose only modestly. U.S. residential electricity prices increased by 6.0%, commercial prices by 7.8%, and industrial prices by 7.2%.

State-level growth also varied widely. On a per-capita basis, North Dakota experienced the fastest expansion in data centers, rising by 410.4%, while Nevada recorded the smallest increase at 6.5%. Overall, statistical evidence presented in the accompanying table shows little relationship between data center expansion and electricity prices, with a correlation coefficient of only +0.127. These findings suggest that fears linking data center growth to soaring electricity costs are unsupported by 2019-24 data. Ernie Goss

Table 1: Percent change in data centers and electricity prices by state, 2019-2024

States with greatest increase in Data Centers (DC)	% increase in DC per capita	Growth in Electricity Prices	States with smallest increase in Data Centers (DC)	% increase in DC per capita	Growth in Electricity Prices
North Dakota	410.4%	-12.2%	Massachusetts	112.5%	38.7%
New Mexico	351.4%	-0.4%	Minnesota	111.5%	10.6%
Kansas	300.7%	6.0%	D.C.	108.7%	42.6%
Maryland	293.6%	39.2%	Texas	108.5%	11.9%
Connecticut	287.5%	36.7%	Oregon	107.8%	25.4%
Maine	262.9%	52.2%	Tennessee	106.4%	17.8%
Wyoming	248.6%	12.5%	Delaware	103.7%	34.2%
New Hampshire	248.5%	24.0%	New York	102.9%	38.1%
Hawaii	242.0%	29.6%	Pennsylvania	100.3%	31.4%
Idaho	216.4%	14.6%	Utah	90.0%	18.8%
Rhode Island	209.8%	30.2%	Louisiana	88.2%	10.0%
Alabama	204.8%	21.4%	Alaska	83.3%	3.8%
Arkansas	199.1%	12.7%	Indiana	81.5%	14.2%
Mississippi	193.3%	18.1%	Virginia	77.0%	14.9%
Oklahoma	187.4%	9.7%	Illinois	75.3%	28.2%
Vermont	180.2%	23.7%	Florida	73.5%	19.6%
South Dakota	177.0%	8.6%	Iowa	72.3%	-2.8%
Kentucky	173.3%	21.7%	California	70.8%	48.7%
Montana	163.4%	16.5%	Wisconsin	70.1%	13.9%
Nebraska	159.3%	-5.6%	New Jersey	59.6%	20.7%
South Carolina	157.9%	8.4%	Arizona	30.2%	16.3%
Ohio	150.2%	20.7%	Washington	27.8%	27.0%
West Virginia	145.5%	32.5%	Michigan	25.0%	20.2%
Missouri	140.8%	5.0%	Colorado	9.7%	16.3%
Georgia	140.8%	14.1%	Nevada	6.5%	18.6%
North Carolina	116.1%	23.5%	All states	146.3%	19.7%
Average top half	**213.9%**	**17.8%**	**Average bottom half**	**76.1%**	**21.6%**

Sources of data: Data Centers from U.S. BLS; Electricity prices from Energy Information Agency (2019-24)

BULLISH NEWS

- The New York Federal Reserve estimates Q1 GDP growth to come in at an OK 2.2% (annualized). Atlanta Fed's Q1 GDP forecast is 2.1%.
- Average hourly earnings for all private workers rose by 0.4% in February to $37.32.
- The Case-Shiller National House Price Index rose for a 5th straight month by 1.3% for the 12 months ending in December. Prices are being supported by the sale of higher end priced houses.
- ISM's manufacturing reading climbed above growth neutral for January.

BEARISH NEWS

- U.S. payroll employment slumped by 92,000 in February.
- Blackrock is limiting withdrawals after its credit fund was hit with redemption requests. Private credit is the next "black swan," that will roil financial markets over the next 6 months.
- GDP growth in QIV 2025 was a dismal 1.4%. Job growth when finalized will show that employment gains were worse.
- Almost 33% of the world's fertilizer transits through the Strait of Hormuz, where traffic has all but halted. Quotes for fertilizer have increased by 15% - 25% since the start of the Iran conflict.

Main$treet on Your $treet

The overall Rural Mainstreet Index (RMI) dropped below growth neutral 50.0 for February, according to the latest monthly survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy.

Overall: The region's overall reading for February fell to 47.9 from 52.0 in January. This marks the 12th time since January 2025 that the index has moved below the growth neutral threshold. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral.

Due to weakness in the farm economy, especially for grain, approximately 75% of bankers support additional Congressional financial support for the agriculture sector. Pullbacks in farm exports for 2025 continue to undermine the regional farm economy

Jim Eckert, Executive VP and Trust Officer of Anchor State Bank in Anchor, Illinois, said, "Our area of Central Illinois is in a drought. Drainage tiles which ALWAYS run are not passing any water. We will need timely rains to raise a decent crop in 2026."

According to the February survey, farm loan delinquency rates are plateauing at a very modest rate of less than 1.5%.

Farming and ranchland prices: After rising above growth neutral in December, the farm and ranchland index fell below the threshold for the last two months with a February index of 45.5, down from January's 46.0.

According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first 11 months of 2025, compared to the same period in 2024, fell from $11.5 billion in 2024 to $10.8 billion in 2025, for a decline of 6.6%. Between 2024 and 2025, Nebraska was the leading state with an expansion of 35.1%, and Illinois was the lagging state with a drop of 34.9%.

Farm equipment sales: The farm equipment sales index sank to a very weak 16.7 from 18.8 in January. This is the 30th straight month that the index has fallen below growth neutral. Lower interest rates and the $12 billion of federal farm support have yet to stimulate farm equipment sales.

Banking: The February loan volume index dropped to 54.3 from January's solid 62.0. The checking deposit index fell to 60.9 from 66.0 in January. The region's index for certificates of deposits (CDs) declined to 50.0 from 54.0 in January.

Hiring: The new hiring index for February fell to 49.1 from January's 50.0. "Job gains for non-farm rural employers have remained soft for the last several months," said Goss.

Confidence: Rural bankers remain pessimistic about economic growth for their area over the next six months. The February confidence index rose to 45.8, its highest reading since March 2022 and up from 44.0 in January. Despite $12 billion of federal farm support, weak grain prices and negative farm cash flows, combined with tariff retaliation concerns, continue to weigh on banker confidence.

Home and retail sales: February home sales dropped to 43.2 from 48.1 in January. Regional retail sales sank to 42.1 from 48.1 in January.

Below are December state reports:

Colorado: The state's Rural Mainstreet Index (RMI) for February dropped to 47.0 from 53.9 in January. The farm and ranchland price index for February sank to 44.9 from January's 46.2. The state's new hiring index fell to 48.5 from 50.2 in January. According to the latest trade data from the ITA, Colorado exports of agriculture goods and livestock for the first 11 months of 2025 stood at $376.9 million, compared to $410.9 million for the same period in 2024, for an 8.3% decline.

GOSS EGGS

RECENT DUMB
Economic Steps, Inactions, and/or Lies

New Virginia Governor Serves Up an Economic "Nothing Berger"

Newly elected Virginia Governor Abigail Spanberger, after making economic affordability a centerpiece of her 2025 winning Democrat campaign, submitted, or supported, several dozen tax increase bills to the legislature after only a month in office!

Spanberger, in her campaign, promised relief from high housing costs, rising energy bills, soaring food costs and other everyday expenses. Nothing like being a termed limited politician to open the spending floodgates and turn a blind eye to campaign promises.

Former Republican Governor Glen Younkin left Spanberger billions in surpluses over his four years in office, 2022-26.

Among Spanberger and her Democrat legislative colleagues 50 tax proposals:
***a 10% state tax on incomes above $1 million and 8% for incomes over $600,000.**
***the income tax hikes would make Virginia second highest among its neighbors. Only DC would exceed with North Carolina's and West Virginia's rate less than half of Virginia's.**
***a new 3.8% net investment income tax on top of current capital gains tax. This would make Virginia's the second highest in the nation.**

Only 3 states have increased income tax rates since 2021—Maryland, Massachusetts and New York. Now that is some fine company for VA. (hello Tennessee, here we come).

4 OF 5 GOSS EGGS

Illinois: The state's February Rural Mainstreet Index (RMI) declined to 45.8 from 50.1 in January. The farm and ranchland price index for February fell to 43.8 from January's 46.0. The state's new hiring index for February decreased to 47.3 from January's 50.0. According to the latest trade data from the ITA, Illinois exports of agriculture goods and livestock for the first 11 months of 2025 stood at $3.1 billion, compared to $4.8 billion for the same period in 2024, for a 34.9% decline.

Iowa: February's RMI for the state sank to 46.5 from 52.7 in January. Iowa's farm and ranchland price index for February fell to 44.4 from January's 46.1. Iowa's new hiring index for February slumped to 47.9 from January's 49.0. According to the latest trade data from the ITA, Iowa exports of agriculture goods and livestock for the first 11 months of 2025 stood at $1.7 billion, compared to $1.3 billion for the same period in 2024, for a 32.5% expansion.

Kansas: The Kansas RMI for February declined to 47.2 from 50.7 in January. The state's farm and ranch land price index climbed to 45.1 from January's 41.4. The new hiring index for Kansas increased to 48.7 from January's 48.5. According to the latest trade data from the ITA, Kansas exports of agriculture goods and livestock for the first 11 months of 2025 stood at $1.5 billion, compared to $1.2 billion for the same period in 2024, for a 21.9% increase.

Minnesota: The February RMI for Minnesota dropped to 49.4 from January's 55.2. Minnesota's farm and ranch land price index rose to 47.2 from 46.4 in January. The new hiring index for February increased to 51.4 from 50.4 in January. According to the latest trade data from the ITA, Minnesota exports of agriculture goods and livestock for the first 11 months of 2025 stood at $934.0 million, compared to $938.9 million for the same period in 2024, for a 0.5% decline.

Missouri: The February RMI for the state decreased to 53.0 from 56.2 in January. The farm and ranchland price index for February improved to 50.7 from January's 46.5. The state's new hiring gauge for February rose to 54.7 from January's 50.5. According to the latest trade data from the ITA, Missouri exports of agriculture goods and livestock for the first 11 months of 2025 stood at $867.3 million, compared to $884.7 million for the same period in 2024, for a 2.0% decline.

Nebraska: The state's Rural Mainstreet Index for February fell to 45.0 from January's 49.2. The state's farm and ranchland price index for February declined to 43.1 from January's 44.2. Nebraska's new hiring index declined to 46.5 from January's 48.1. According to the latest trade data from the ITA, Nebraska exports of agriculture goods and livestock for the first 11 months of 2025 stood at $1.2 billion, compared to $871.5 million for the same period in 2024, for a 35.1% increase.

North Dakota: The state's overall RMI for February decreased to 46.9 from 53.4 in January. The state's farm and ranchland price index for February was unchanged from 44.2. The state's new hiring index fell to 48.4 from 50.2 in January. According to the latest trade data from the ITA, North Dakota exports of agriculture goods and livestock for the first 11 months of 2025 stood at $960.2 million, compared to $1.0 billion for the same period in 2024, for a 5.0% decline.

South Dakota: The February RMI for South Dakota sank to 47.2 from January's 54.2. The state's farm and ranchland price index fell to 45.2 from 46.3 in January. South Dakota's February new hiring index decreased to 48.7 from 50.3 in January. According to the latest trade data from the ITA, South Dakota exports of agriculture goods and livestock for the first 11 months of 2025 stood at $149.6 million, compared to $125.6 million for the same period in 2024, for a 19.1% increase.

Wyoming: The overall RMI for Wyoming for February slumped to 46.2 from January's 52.5 (revised). The February farm and ranch land price index sank to 44.2 from 46.1 in January. Wyoming's new hiring index declined to 47.6 from January's 50.1. According to the latest trade data from the ITA, Wyoming exports of agriculture goods and livestock for the first 11 months of 2025 stood at $8.4 million, compared to $4.0 million for the same period in 2024, for a 111.9% increase.

Tables 1 and 2 summarize the survey findings. Next month's survey results will be released on the third Thursday of the month, March 19, 2026.

THE OUTLOOK. Congressional Budget Office. Projections-at-a-Glance.

Deficits are large by historical standards. "The deficit totals $1.9 trillion in fiscal year 2026 and grows to $3.1 trillion in 2036. Relative to the size of the economy, the deficit is 5.8% percent of gross domestic product (GDP) in 2026 and increases to 6.7% in 2036. Deficits averaged 3.8% of GDP over the last 50 years.

The U.S. Economy. Output growth strengthens in calendar year 2026 because of provisions in the 2025 reconciliation act and the rebound in economic activity following the lapse in discretionary appropriations last year. That growth moderates in later years. Real GDP growth in 2026 is projected to be stronger in the current projections, partly because of the effects of the 2025 reconciliation act. In later years, output growth is generally the same as it was in CBO's January 2025 projections, reflecting factors that both increase and decrease economic activity.

The labor market gradually improves in 2026 as output growth strengthens. Employment growth rebounds as the 2025 reconciliation act's effects increase overall economic activity. The unemployment rate remains steady at 4.6 percent this year and then declines through 2036.

Inflation, as measured by the price index for personal consumption expenditures, slows from 2.8 percent in 2025 to 2.7 percent in 2026. Inflation returns to a rate roughly in line with the Federal Reserve's long-run goal of 2 percent in 2030 and stabilizes thereafter.

Interest rates declined in 2025 as the Federal Reserve cut the federal funds target rate by 0.75 percentage points. That rate is expected to continue to decline this year and to stabilize thereafter. The interest rate on 10-year Treasury notes rises gradually through 2027 and remains relatively stable in later years. https://www.cbo.gov/publication/62105

BANKER READING ROOM

The future of banking: How AI is reshaping the industry

Fully embracing AI could drive a 15-percentage-point improvement in your bank's efficiency ratio.

Artificial intelligence (AI) is redefining the future of banking. It is a profound technological advancement catalyzing structural transformation across the industry. As AI, including generative AI (GenAI), scales from experimentation to implementation to enterprise-wide reinvention, it's creating dual tailwinds directly impacting bank efficiency ratios: 1) Growing revenue by meeting the right customers with the right message at the right time

2) Cost transformation through intelligent automation and agile operations

For banking and capital markets executives, this marks a profound change where the efficiency ratio is no longer a backward-looking performance metric. It's becoming the most telling forward-looking indicator of your bank's ability to leverage AI innovation to compete, grow and endure.

Banks that embrace AI could drive up to a 15-percentage-point improvement in their efficiency ratio.

https://tinyurl.com/54jehjt8

KEEP AN EYE ON

1. The Federal Reserve Open Market Committee (FOMC) meets on March 17/18. Listen for Powell to identify changes to the Fed's bond buying (formerly QE). The Fed is buying approximately $50 billion per month. These purchases are intended to put a lid on long-term interest rates.

2. Keep an eye on the U.S. estimated U.S. budget deficit. The Iranian conflict will push an already too high deficit even higher, likely exceeding $2 trillion.

3. The personal consumption expenditures (PCE) was released this morning (i.e. after this newletter was put together). It is a very consequential release. Any value above 2.8% YOY is a problem.

STATISTIC(S) OF THE MONTH

80%

Approximately, 80% of Medical Degree granting universities grade basic science and clinical skill courses on pass/fail, discouraging the pursuit of excellence. Universities have also dropped SAT and ACT scores as a metric for entrance. How is that working out? Horribly, I can tell you!

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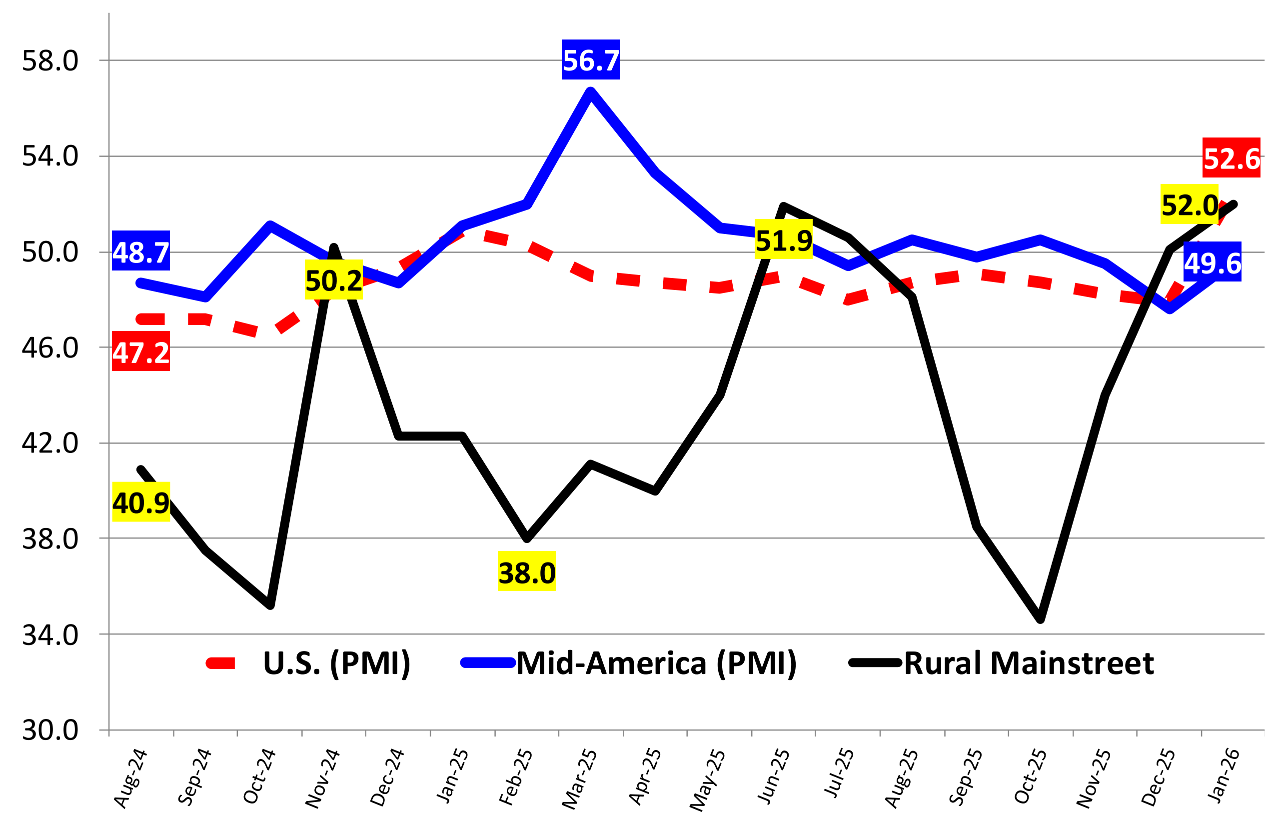
News media assets & headshots: https://bit.ly/MidAmericaBCIJanuary2026Assets

This month's survey results will be released on the third Thursday of the month.

The Rural Mainstreet Economic Report March 2026

Economic Indicators for U.S., Rural Mainstreet, & Mid-America

Creighton & U.S. PMIs, last 18 months (50.0 = Growth Neutral)



SURVEY RESULTS

Table 1: Rural Mainstreet Economy Last 2 Months & One Year Ago: (index > 50 indicates expansion)			
	Feb. 2025	Jan. 2026	Feb. 2026
Area Economic Index	38.0	52.0	47.9
Loan Volume	60.4	62.0	54.3
Checking Deposits	58.7	66.0	60.9
Certificates of Deposit and Savings Instruments	62.5	54.0	50.0
Farmland Prices	40.0	46.0	45.5
Farm Equipment Sales	18.2	18.8	16.7
Home Sales	37.0	48.1	43.2
Hiring	43.5	50.0	49.1
Retail Business	28.3	48.1	42.1
Confidence Index (area economy six months out)	40.0	44.0	45.8

Table 2: The Rural Mainstreet Economy, February 2026					
	Percentage of Bankers Reporting				
	Strongly Disagree	No Opinion	Agree	Strongly Agree	
The ICBA is urging Congress to pass additional financial relief for U.S. farmers. Do you:	4.0%	21.0%	49.2%	25.8%	
	Percentage of Bankers Reporting				
	Little or No Change	1% to 4%	5% to 10%		
Farm loan delinquency rates for your bank over the past six months are:	65.2%	30.4%	4.4%		
	Percentage of Bankers Reporting				
	Data Security & Other Areas	Marketing	Lending	Communications with Customers	Internal Staff Effectiveness
Where do you expect AI to have the greatest impact on your banking operations:	9.0%	13.6%	13.8%	22.7%	40.9%