July 2026

THE MAINSTREET ECONOMIC REPORT

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

Welcome to Creighton's July Bank CEO Report covering June 2026 survey results. The overall June reading from bank CEOs and bank executives in 10 Rural Mainstreet States rose to its highest level in three years. Bank executives reported stronger farmland prices with ag equipment sales declining for the 34th straight month.
Thank you for your input. Ernie.

Rural Mainstreet Index Expands to Three-Year High: Tariffs Are Top Banker Issue

June-at-a-Glance:

- The region's overall reading climbed to its highest level since July 2023.
- More than half of bank CEOs reported that small business growth in their service area was stable while four of ten indicated modest business declines.
- When asked to name the top federal action needed to drive farm and ranch income higher:
  - *Nearly 41.9% named lowering global tariffs;
  - *Approximately 26.3% reported passage of a 5-year farm bill.
  - *Roughly 16.0% identified another federal bridge assistance
  - *Approximately 15.8% identified approving the use of year round E-15.
- Bank CEOs estimated average cash rent per acre for farmland at $251 per acre almost flat from June 2022's value of $250 per acre.
- According to the most recent trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, climbed by 4.8% to $3.86 billion.
- ITA data indicate that the regional export of agriculture goods and livestock to China for the first four months of 2026 compared to the same period in 2024 remained down by 68.0%.

(Continued next page)
(Tables on final page)

Since 2022, Gold Has Outshined Both S&P and Bitcoin

On February 24, 2022, Russia invaded Ukraine. Since then, the price of gold, an assumed safe-haven asset, has soared by 116.8%, the price of stocks (including dividends), as measured by the S&P 500, expanded by a strong 75.8%, and Bitcoin climbed by 66.1%. During this four year plus period, a $1,000 investment in the ultimate safe haven asset, the 10-year U.S. Treasury bond, earned a puny 8.4%, but with the return guaranteed and no default risk.

What are the factors that accounted for the differential growth rates, past and present? In a multiple regression analysis which can be viewed at *******, I estimated the relationship between the return on each asset and the factors linked to the returns.

Table 1 below summarizes the impact of factors on each asset between 1990 and 2026 for gold and S&P and 2021 and 2026 for bitcoin. As listed, other factors unchanged, a 1% increase in the CPI boosts gold prices by 1.4%, but had no statistically significant impact on the value of the S&P and Bitcoin.

Importantly, as presented, a 1% increase in annualized GDP reduces gold prices by 2.8%, but increases the value of the S&P 500 by 2.1% and the price of Bitcoin by 4.2%. On the other hand, a 1% increase in the federal debt boosts gold prices by 1.1%, but cuts the Bitcoin price by 1.9%..

Another very important factor pushing gold prices higher has been the unprecedented central bank buying of precious metals, primarily gold. For example, this buying by the European Central Bank (ECB) and the Peoples Bank of China (PBOC), took place, and will continue to take place irrespective of economic parameters.

Table 1: Impact of quarterly changes of factors on gold, bitcoin and S&P 500

	Impact of factor change on:		
Factor change	Gold price	S&P	Bitcoin price
1% increase in CPI	1.4% increase	No impact	No impact
1% increase in value of U.S. dollar	1.5% decline	1.4% increase	No impact
1% increase in money supply	0.6% increase	No impact	No impact
1% increase in U.S. federal debt	1.1% increase	No impact	-1.9% decline
1% increase in GDP	2.8% decline	2.1% increase	4.2% gain
1 percentage point increase in 10-year U.S. Treasury yield	No impact	0.4% increase	No impact
1 percentage point increase in Corporate BAA yield	0.5% increase	4.0% decline	No impact

Source: Log-linear regressions 1990 – 2026 for gold and S&P, 2021 – 2026 for Bitcoin
Note: "No Impact" indicates no statistically significant impact.
View regressions at:

BULLISH NEWS

- U.S. GDP growth for Q1, 2026 was revised from 1.6% to 2.1% (annualized and seasonally adjusted).
- The New York Federal Reserve estimates Q2 GDP growth to come in at an OK 2.7% (annualized).
- The Atlanta Federal Reserve estimates Q2 GDP at 1.2% (annualized & seasonally adjusted). Not good but better than a fall.
- ISM's & Creighton's June manufacturing readings climbed above growth neutral into a solid range.

BEARISH NEWS

- The Case-Shiller National House Price Index rose for a 9th straight month but by only 0.8% for the 12 months ending in April.
- U.S. BLS household data indicated that the economy lost 512,000 jobs in June. The establishment data indicated that the economy added 57,000 jobs. Neither is good and correct.
- The Consumer Price Index increased 0.5% in May. For the 12 months ending in June the CPI climbed by 4.2%.
- Average hourly earnings expanded in by 3.5% in June from 12 months earlier, or below the rate of inflation.
- The June labor participation rate stood at 61.5%. Too many workers on the sidelines.

Main$treet on Your $treet

According to the June survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy, the overall Rural Mainstreet Index (RMI) expanded above growth neutral after four straight months below the threshold.

Overall: The region's overall reading for June climbed to 52.6, its highest level since July 2023, and up from May's 45.7.

More than half, or 52.6%, of bankers reported that small business growth in their service area was stable while 42.1% indicated modest declines. The remaining 5.3% reported modest growth for small business in their area.

When asked to name the top federal action needed to drive farm and ranch income higher, 41.9% named lowering global tariffs; Approximately 26.3% reported passage of a 5-year farm bill as the number one needed action; Roughly 16.0% identified that another federal bridge assistance as the greatest need and; the remaining 15.8% identified a year round E-15 as the top policy changed needed by farming and ranching growth.

Farming and ranchland prices: For a second consecutive month, the farm and ranchland index increased, rising to 55.3 from 50.1 in May. Though farm and ranchland values have been holding up much better than farm income, weak farm income, lower farm liquidity, and tougher credit standards have restrained farmland values.

Bank CEOs estimated average cash rent per acre for non-irrigated farmland at $251 per acre which is essentially flat from June 2022's value of $250 per acre.

Jim Eckert, Executive VP and Trust Officer of Anchor State Bank in Anchor, Illinois, reported that, "Rains in the last few days have improved our farmers' attitudes and prospects for a good crop."

Continuing Eckert contended that ".......low commodity prices are dimming profitability, and we are becoming nervous about the viability of some of our weaker producers."

According to the most recent trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, climbed by 4.8% to $3.86 billion. Regional exports of agriculture goods and livestock to China for the first four months of 2026 compared to the same period in 2025 rose by 126.5% to $260.0 million. Even so, 2026 exports of agriculture goods and livestock for the first four months to China continue to lag that for 2024 for the same time-period.

Farm equipment sales: The June farm equipment sales index increased to a weak 28.9 from May's 18.2. "This is the 34th straight month that the index has fallen below growth neutral. The 2026 conflict in Iran and tariffs on imported steel/aluminum has created even more volatility in the agricultural sector, impacting agricultural equipment sales by tightening farmer operating margins via increasing input costs.

Banking: The June loan volume index rose to a strong 76.3 from 67.4 in May. The checking deposit index climbed to 57.9 from 54.3 in May. The region's index for certificates of deposits (CDs) plummeted to 47.4 from 60.9 in May.

Hiring: The new hiring index for June increased to 47.4 from 43.5 in May. The rural job market for farms, ranches and non-farm rural employers has remained weak for the last several months. In June, only 10.5% of bankers reported an upturn in hiring for the month.

Confidence: Rural bankers remain pessimistic about economic growth for their area over the next six months. The June economic confidence index moved to 42.1 from 34.8 in May. "In spite of the potential for year round E-15 ethanol sales, weak grain prices, higher input prices and expected negative

GOSS EGGS

RECENT DUMB Economic Steps, Inactions, and/or Lies

New York: Where the Market Economy Goes to Die?

Over the past year, New York City voters have elected self-described Social Democrats to the Mayor's office and to three Congressional seats. Newly minted Mayor Zohran Mamdani, who majored in African Studies, minored in government, and co-founded Students for Justice in Palestine at Bowdin College in 2014, leads this anti-market parade.

As evidenced by his plans to improve the City's public housing, there are most likely no economics classes on his transcript as he spearheads expanding and "improving" the City's public housing.

New York's City Housing Authority (Nycha) estimates that it will cost $78 billion, or $440,000 per unit, to bring every residence up to Mamdani's standards. According to the Wall Street Journal (WSJ), it cost Nycha $1,973 per apartment just to install LED lights. But New York taxpayers should not fret—Between 2022 and 2025, the federal government provided 75% to 80% of the operating budget of the City's housing authority.

Finally to top his anti-market housing policies, Mamdani proposed to train public housing residents to launch home based child-care businesses. Will Nycha oversee these businesses similar to its oversight of rental units? "Where's my little Johnny? He just left for the coast."

As a result of previous non-market Mayors implementing non-market solutions, New York City's population has continued to decline through domestic outmigration, losing approximately 311,200 residents in 2021, 218,300 in 2022, & 160,000 in 2023.

These departures reflect dissatisfaction with the city's high costs, taxes, and increasingly interventionist economic policies. Expect more and more New Yorkers to move from a city that embraces failing Social Democrat economic policies.

5 OF 5 GOSS EGGS

farm cash flows continued to weigh on banker confidence.

Home and retail sales: Weak income from grain, combined with escalating input costs, spilled over into the housing and retail sales markets. June home sales increased to 50.0 from May's 47.8. The regional retail sales index increased slightly to 42.1 from to 41.3 in May.

Below are the state reports:

Colorado: The state's Rural Mainstreet Index (RMI) for June improved to 52.3 from May's 48.6. The farm and ranchland price index for June improved to 54.9 from May's 53.4. The state's new hiring index increased to 47.1 from 44.7 in May. According to trade data from the ITA, Colorado exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, fell by 16.7% to $121.8 million.

Illinois: The state's May Rural Mainstreet Index (RMI) expanded to 53.1 from 41.4 in May. The farm and ranchland price index for June increased to 55.8 from May's 45.1. The state's new hiring index for June climbed to 47.9 from May's 37.3. According to trade data from the ITA, Illinois exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, expanded by 6.5% to $1.02 billion.

Iowa: June's RMI for the state rose to 52.3 from May's 44.3. Iowa's farm and ranchland price index for June expanded to 54.9 from 48.4 in May. Iowa's new hiring index for June improved to 47.1 from May's 40.3. According to trade data from the ITA, Iowa exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, climbed by 4.9% to $729.1 million.

Kansas: The Kansas RMI for June improved to 55.1 from May's 54.3. The state's farm and ranchland price index dropped to 58.2 from climbed to 60.1 in May. The new hiring index for Kansas fell to 49.9 from May's 50.6. According to trade data from the ITA, Kansas exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, climbed by 51.7% to $729.9 million.

Minnesota: The June RMI for Minnesota climbed to 53.1 from May's 49.4. Minnesota's farm and ranchland price index climbed to 55.8 from 42.8 in May. The new hiring index for June increased to 47.9 from 35.8 in May. According to trade data from the ITA, Minnesota exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, climbed by 22.9% to $360.2 million.

Missouri: The June RMI for the state climbed to 52.9 from 40.0 in May. The farm and ranchland price index for June rose to 55.6 from May's 43.4. The state's new hiring gauge for June increased to 47.7 from 35.8 in May. According to trade data from the ITA, Missouri exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, fell by 13.2% to $184.0 million.

Nebraska: The state's Rural Mainstreet Index for June improved to 52.2 from 51.4 in May. The state's farm and ranchland price index for June rose to 54.8 from 51.8 in May. Nebraska's new hiring index dropped to 47.0 from 47.7 in May. According to trade data from the ITA, Nebraska exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, sank by 15.0% to $381.7 million.

North Dakota: The state's overall RMI for June increased to 50.7 from 42.8 in May. The state's farm and ranchland price index for June increased to 53.0 from 46.8 in May. The state's new hiring index rose to 45.5 from 38.8 in May. According to trade data from the ITA, North Dakota exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, declined by 20.8% to $235.1 million.

South Dakota: The June RMI for South Dakota climbed to 54.7 from 45.7 in May. The state's farm and ranchland price index climbed to 57.7 from May's 52.3. South Dakota's June new hiring index increased to 49.5 from 44.8 in May. According to trade data from the ITA, South Dakota exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, fell by 50.4% to $31.7 million.

Wyoming: The overall RMI for Wyoming for June increased to 49.3 from 44.4 in May. The June farm and ranchland price index climbed to 51.3 from 50.3 in May. Wyoming's new hiring index increased to 44.0 from May's 42.5. According to trade data from the ITA, Wyoming exports of agriculture goods and livestock for the first four months of 2026, compared to the same period in 2025, expanded by 74.4% to $6.5 million.

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

THE OUTLOOK. **Vanguard (June 17, 2026).** ***Our economic outlook for the U.S.*** "Trajectory of inflation to constrain policy. We expect price pressures to keep the Fed constrained, even as near-term dynamics are heavily influenced by one-off factors. Near the halfway point of the year, our U.S. economic outlook remains constructive, supported by exceptional strength in AI-led business investment, a firmer-than-expected pace of job creation, and a consumer who has remained resilient despite higher energy prices and cooling wages".

"That said, price pressures have reemerged as a factor, and we have upgraded our year-end core inflation estimate above 3%. This upward revision is driven by sticky services inflation and a range of potential one-off factors, including the lingering effects of tariff pass-through, energy price increases owing to the conflict in the Middle East, and the likely overstatement of AI-related category inflation."

"We continue to view the labor market as fundamentally healthy. We anticipate a summer slowdown in hiring activity, which could bias the unemployment rate upward. However, such a development would be driven by non-fundamental factors such as catch-up from mild winter weather in much of the country and revisions to new business creation. Looking further out, we expect the unemployment rate to stabilize in the mid-4% range and be consistent with full employment."

https://tinyurl.com/2x2s4ryj

BANKER READING ROOM

Crisis Protection Drives Gold Demand

"Gold custody is one of several financial services the Federal Reserve Bank of New York provides to central banks, governments and official international organizations on behalf of the Fed System."

"The New York Fed's gold vault is on the basement floor of its main office building in Manhattan. Built during the construction of the building in the early 1920s, the vault provides account holders with a secure location to store their monetary gold reserves."

"None of the gold stored in the vault belongs to the New York Fed or the Federal Reserve System. The New York Fed acts as the guardian and custodian of the gold on behalf of account holders, which include the U.S. government, foreign governments, other central banks, and official international organizations. No individuals or private sector entities are permitted to store gold in the vault."

"Much of the gold in the vault arrived during and after World War II as many countries wanted to store their gold reserves in a safe location. Holdings in the gold vault continued to increase and peaked in 1973, shortly after the United States suspended convertibility of dollars into gold for foreign governments."
https://www.newyorkfed.org/aboutthefed/goldvault.htm

KEEP AN EYE ON

1. The Federal Reserve Open Market Committee (FOMC) meets July 28/29. Listen for Warsh to identify changes to the Fed's bond buying (formerly QE). There will be no change in rates but listen to Warsh's post-meeting discussion (very, very big deal for the bond market).

2. Keep an eye on Case-Shiller home price index to be released on June 30. I expected the year-over-year average price to be falling, but that has not happened. A month-over-month gain would be an important and positive signal for the housing market. I remain pessimistic on the U.S. housing market.

3. On August 7 the U.S. BLS releases its jobs report for July. Also on August 28, the BLS releases its Q1, 2026 employment data (QCEW). This data is used to revise and correct monthly employment data. Given past corrections, both releases will be closely watched.

- **STATISTIC(S) OF THE MONTH**

19.1 million

As of Feb. 2026, the number of Obamacare policyholders declined to 19.1 million from 22.1 million 12 months earlier.

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Media assets: https://drive.google.com/drive/folders/18Fkrwwa-R646e0tg1Si6IVyNyiLVTQil?usp=sharing

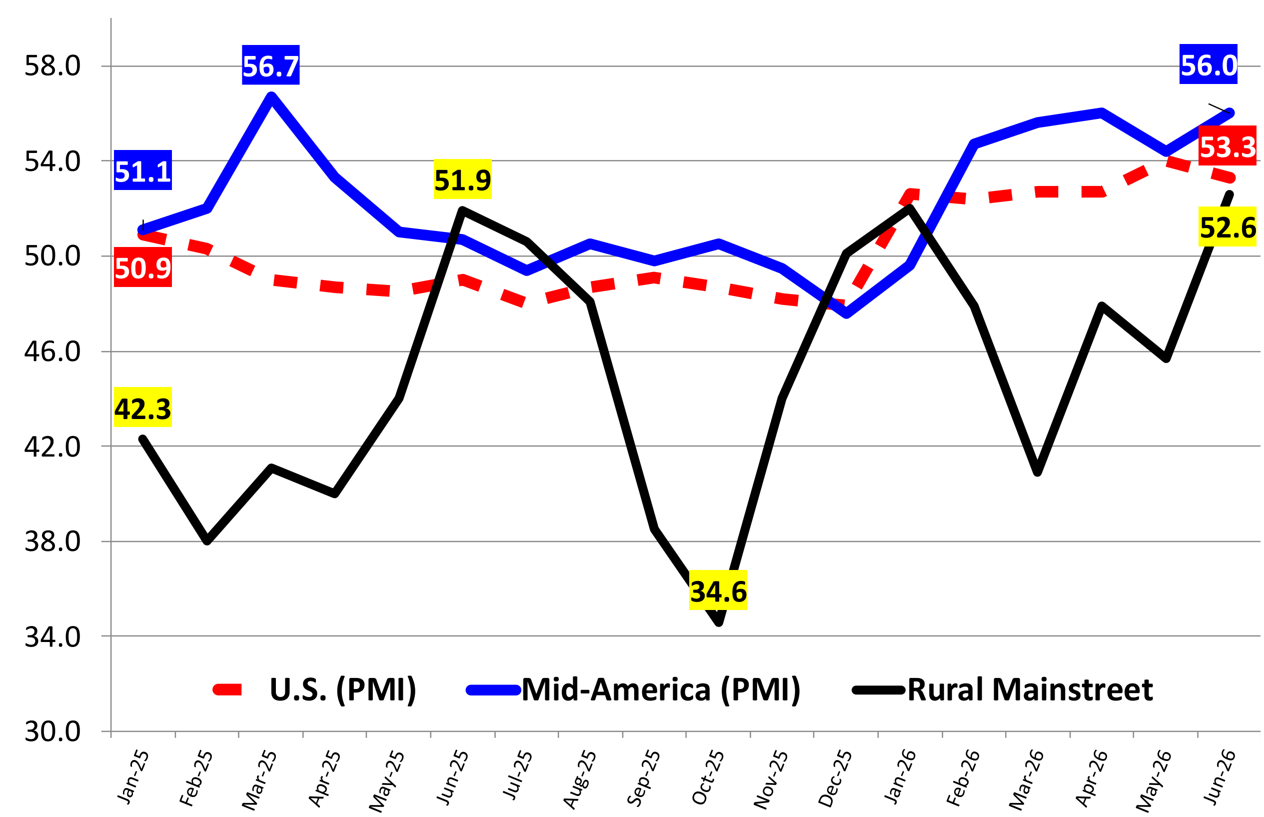
Rural Banker Survey: https://erniegoss.substack.com/p/june-2026-rural-mainstreet-index

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

The Rural Mainstreet Economic Report July 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)			
	June 2025	May 2026	June 2026
Area Economic Index	51.9	45.7	52.6
Loan Volume	73.1	67.4	76.3
Checking Deposits	40.4	54.3	57.9
Certificates of Deposit and Savings Instruments	50.2	60.9	47.4
Farmland Prices	40.9	50.1	55.3
Farm Equipment Sales	22.7	18.2	28.9
Home Sales	51.9	47.8	50.0
Hiring	52.0	43.5	47.4
Retail Business	44.2	41.3	42.1
Confidence Index (area economy six months out)	37.0	34.8	42.1

Table 2: The Rural Mainstreet Economy, June 2026				
	Percentage of Bankers Reporting			
	Moderate decline	Stable	Moderate growth	
How are small businesses in your community performing revenue wise?	42.1%	52.6%	5.3%	
	Percentage of Bankers Reporting			
	Passage of Year round E-15	Another federal Farm assistance program	Passage of 5-Year farm bill	Administration Negotiating lower tariffs
Which of the following would you expect to have the greatest positive impact on farming and ranching in your area:	15.8%	16.0%	26.3%	41.9%

	Percentage of Bankers Reporting				
	Less than $100	$151 to $250	$251 to $300	$301 to $350	$351 to $400
What is the average yearly cash rent per acre for non-irrigated, non-pasture farm/ranch land in your area?	15.7%	15.9%	36.8%	26.3%	5.3%