October 2026

# THE MAINSTREET ECONOMIC REPORT

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



**Welcome to Creighton's October CEO Report covering September 2026 survey results.**

**I am sorry for the delay in this month's survey.**

**The overall September reading from bank CEOs and bank executives in 10 Rural Mainstreet States sank below growth neutral for the 4th time in the past 6 months.**

**Thank you for your input. Ernie.**

## Rural Mainstreet Index Falls Below Growth Neutral: More Than 3 of 4 Bankers Reported Tariff Negatives

September-at-a-Glance:

- The region's overall reading fell below growth neutral for the fourth time in the past six months.
- Approximately 79.0% reported that tariffs were having a negative impact on the agriculture and live-stock economy.
- For the 37th straight month, the farm equipment sales index fell be-low growth neutral.
- Pessimism from higher fuel and fertilizer costs offset the optimism stemming from higher grain prices across the 10-state region's bankers.
- According to trade data from the International Trade Association (ITA), regional exports of agricul-ture goods and live-stock for the first seven months of 2026 were

**(Continued next page)**

## Presidents of the 21st Century Economy: Paradise or Purgatory?

To no one's surprise, the appraisal of the U.S. economy depends heavily on the as-sessor's politics. According to the Leader of House Democrats, Hakeen Jeffries, "Donald Trump and Republicans have broken the economy and the American people are paying the price." On the other hand, President Trump recently stated that, "We have the greatest econ-omy in history, and people are gonna start to see it." Who is right? As economists are fond of saying, it depends on what you measure.

While it is the case that U.S. GDP growth is currently more than double the economic expansion of the seven nations of the G7, the economy is more than GDP. . Much like a lender's measure of the economic integrity of a borrower, the assessment of the U.S. economy depends on many factors including wages, wage growth, spending , spending growth, debt, growth of debt, inflation, and debt.

Tables 1 and 2 examine these measures across the five presidential administrations since 2000, with historical comparisons extending back to the second half of the 20th century. The results illustrate why economic assessments can differ so dramatically. An administration may experience robust GDP and employment growth while simultaneously confronting ele-vated inflation. These measures introduce an equally important question: How much of today's economic prosperity is being financed by tomorrow's taxpayers? Ultimately, the distance be-tween economic paradise and purgatory cannot be measured by GDP alone. Ernie Goss.

**Table 1: The economy under each U.S. president 2000 – August 2026**

| President | Score | Compound annual growth (CAGR) GDP (inflation adjusted) | Jobs | Wages | Inflation rate (CPI) | Change in Unemployment rate |
|---|---|---|---|---|---|---|
| Bush Jr. | 19 | 1.9% (5) | 0.4% (3) | 3.3% (3) | 2.3% (3) | 3.3% (5) |
| Obama | 13 | 2.0% (3) | 0.9% (2) | 1.9% (5) | 1.7% (1) | -2.61% (2) |
| Trump 1 | 16 | 1.9% (4) | 0.5% (5) | 5.8% (2) | 1.9% (2) | 2.0% (3) |
| Biden | 12 | 3.3% (1) | 2.7% (1) | 3.0% (4) | 4.9% (5) | -2.60% (1) |
| Trump 2 | 15 | 2.1% (2) | 0.3% (4) | 7.8% (1) | 3.1% (4) | 0.1% (4) |
| 1950 - 1999 | | 3.5% | 2.2% | n.a. | 4.0 | n.a. |

Note: Lower score indicates superior performance., n.a. = not available, Source: U.S. BLS and BEA

**Table 2: Spending, savings and debt under each president since 2000**

| | Score | Federal spending as a % of GDP | Federal tax collections as a % of GDP during term | Compound Annual Growth rate in federal debt |
|---|---|---|---|---|
| Bush Jr | 7 | 20.1% (1) | 10.3% (3) | 8.0% (3) |
| Obama | 11 | 23.0% (2) | 9.9% (5) | 8.1% (4) |
| Trump 1 | 13 | 24.3% (4) | 10.0% (4) | 8.6% (5) |
| Biden | 9 | 25.2% (5) | 11.2% (2) | 6.9% (2) |
| Trump 2 | 5 | 24.1% (3) | 11.6% (1) | 5.9% (1) |
| 1959 - 1999 | n.a. | 21.1% | 11.3% | 1966 to 1999 9.1% |

Note: Lower score= superior performance, Sources: Federal Reserve of St. Louis and U.S. Bureau of Economic Analysis

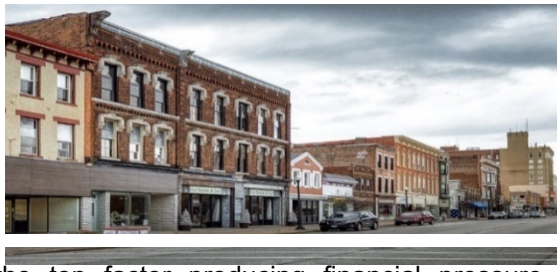
## BULLISH NEWS

- The New York Fed's Nowcast forecasts U.S. GDP growth for Q3, 2026 is a solid 2.6%. The Atlanta Fed's Q3, 2026 GDP growth forecast is 3.5% (both are annualized and seasonally adjusted).
- Manufacturing added 9,000 jobs and is up 72,000 since reaching a low in December 2025.

## BEARISH NEWS

- The Consumer Price index rose 0.6% in September and was 3.7% above the reading 12 months earlier. Electricity prices were 4.4% higher than 12 months earlier.
- Total nonfarm payroll employment increased by only 29,000 in September , and the unemployment rate rose from 4.1% to 4.2%.
- Over the past 12 months, average hourly wages expanded by only 3.0%, or less than inflation.
- The U.S. budget deficit for fiscal 2026 which ended Sept. 30, was $1.993 trillion with spending at $7.4 trillion and revenue at $5.4 trillion.
- The U.S. trade deficit widened to $105.6 billion in August 2026 due to record imports of $420.8 billion.
- Due to higher expected inflation, and expanding federal deficit spending, the yield on the 10-year U.S. Treasury bond rose to 5.22%.

# Main$treet on Your $treet



According to the September survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy, the overall Rural Mainstreet Index (RMI) sank below growth neutral for the fourth time in the past six months.

Readings range between 0 and 100 with 50.0 representing growth neutral.

**Overall:** The region's overall reading for September fell to 44.7 from 50.3 in August.

Pessimism from higher fuel & fertilizer costs exceeded the optimism stemming from higher grain prices across the region's bankers.

Jim Eckert Executive Vice President at Anchor State Bank in Anchor, ILL. reported that, "Corn harvest has begun in our area. Early reports are that corn yields are down at least 10% from 2025."

**Farming and ranchland prices:** For the fourth time in the past five months, the farm and ranchland price index climbed above growth neutral. The farm and ranchland index increased to 50.1 from 47.2 in August. Farm and ranchland values have been holding up much better than farm and ranching income.

Bankers were asked to name the top buyer of farm and ranchland in their area. Overwhelmingly, 89.5% reported existing farmers as the number one customer in the sale of farm and ranchland while the remaining 10.5% identified investors as the second ranking purchaser of ag land. Other buyers such as international customers, institutional purchasers, and beginning farmers were not named by the bankers.

**Farm equipment sales:** The September farm equipment sales index increased to a very weak 25.0 from August's 22.2. This is the 37th straight month that the index has fallen below growth neutral. The 2026 conflict in Iran and tariffs on imported steel/aluminum have created even more volatility and reluctance among farmers and ranchers to purchase new farm equipment.

Bankers were asked to identify the input factors causing greatest financial pressures among agricultural customers. Approximately 52.6% of bankers named higher fertilizer costs while the remaining 47.4% identified soaring fuel costs as the top factor producing financial pressure among agricultural producers.

As stated by Jeffrey Bonnett CEO of Havana National Bank in Havana, ILL, "Current fuel prices and fertilizer prices for 2027 are major concerns."

According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first seven months of 2026 were $6.629 billion, compared to the same period in 2025 of $6.182 billion, for a gain of 7.2%. Even with the expansion, 2026 regional exports of agricultural goods and livestock were 4.4% below 2024 for the same period of time. A 59.9% slide in the 2024-26 export of agriculture and livestock to China was the prime factor accounting for the 2024-26 export slump.

Bank CEOs were asked to assess the impact of tariffs on agriculture producers in their area. Approximately 79.0% reported that tariffs were having a negative impact on the agriculture and livestock economy. The remaining 21.0% stated that tariffs have had little or no impact on farmer and rancher economic conditions.

**Banking:** The September loan volume index dipped to 73.7 from 76.3 in August. The checking deposit index climbed to 52.6 from 39.5 in August. The region's index for certificates of deposits (CDs) fell to 42.1 from August's 55.6.

**Hiring:** The new hiring index for September sank to 49.5 from August's 50.1. The rural job market for farms, ranches and non-farm rural employers has remained weak for the last several months. In September, 5.3% of bankers reported an upturn in hiring by Rural Mainstreet businesses. This was unchanged from the August report.

**Confidence:** Rural bankers remain pessimistic about economic growth for their area over the next six months. The September economic confidence index tumbled to a weak 26.3 from 31.6 in August. Despite improving grain prices, rising trade tensions, and higher input costs, continued to weigh on banker confidence.

# GOSS EGGS

**RECENT DUMB Economic Steps, Inactions, and/or Lies**

## California's Taxation of Billionaires: The Full Employment Act for Accountants and Economists

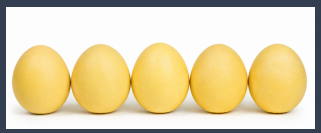
Despite California's top 1% of earners paying nearly 50% of state income taxes, advocates of government expansion demand even more from the state's most successful taxpayers. In November, California voters will face Proposition 40, a proposed one-time 5% tax on billionaires' worldwide net worth, less allowable liabilities. Economists should welcome this fiscal madness which I call the Full Employment Act for Accountants and Economists.

With stocks, patents, artwork, and other assets subject to valuation, the demand for accountants, appraisers, and economists would skyrocket. My advice: Sell your grade-school stick-figure masterpieces before the tax assessors come knocking!

Elon Musk represents one of the most visible targets of this economic jealousy and fiscal profligacy. In 2025 Musk's efforts to curb federal spending through the Department of Government Efficiency (DOGE) sparked fierce opposition, including arson and vandalism targeting Tesla dealerships nationwide.

Not even Musk's SpaceX's successful return of four astronauts stranded in space for nine months could shield Musk from "Musk Derangement Syndrome" MDS)—hostility seemingly driven as much by resentment and jealousy of his extraordinary economic success as by opposition to his attempts to cut federal spending. Musk may set up residency on Mars ASAP. Ernie Goss

**5 OF 5 GOSS EGGS**



**Home and retail sales:** Escalating input costs for fuel and fertilizer, spilled over into the housing and retail sales markets. September home sales index fell to 34.2 from August's 42.1. The regional retail sales index increased to a tepid 41.6 from 41.1 in August.

Below are the state reports:

**Colorado:** The state's Rural Mainstreet Index (RMI) for September sank to 45.0 from August's 51.7. The farm and ranchland price index for September expanded to 50.4 from 48.4 in August. The state's new hiring index declined to 49.8 from 52.5 in August. According to trade data from the International Trade Association (ITA), Colorado exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, fell by $22.9 million for a 10.3% decline. The greatest downturn in Colorado ag exports was to Mexico with a 48.6% fall from 2025 to 2026.

**Illinois:** The state's September Rural Mainstreet Index (RMI) declined to 45.3 from 48.8 in August. The farm and ranchland price index for September rose to 50.8 from August's 46.7. The state's new hiring index for September climbed to 50.2 from 49.6. As reported by Jeff Bonnett, CEO of Havana National Bank in Havana, "With the bump in commodity prices (field corn & soybeans) it will be interesting to see how our ag producers come out financially when this crop year is wrapped up. We are feeling better than we were going into this crop year." According to trade data from the ITA, Illinois exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, expanded by $99.9 million for a 6.5% gain. The greatest upturn in ag exports was to Indonesia with a 30.8% gain from 2025 to 2026.

**Iowa:** September's RMI for the state dropped to 44.6 from 46.2 in August. Iowa's farm and ranchland price index increased to 50.0 from 44.2 in August. Iowa's new hiring index for September climbed to 49.4 from 47.0 in August. According to trade data from the ITA, Iowa exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, expanded by $99.1 million for a 9.1% gain. The greatest upturn in Iowa ag exports was to Japan with a 25.3% gain from 2025 to 2026.

**Kansas:** The Kansas RMI for September fell to 44.9 from August's 51.2. The state's farm and ranchland price index rose to 50.3 from 48.9 in August. The new hiring index for Kansas dipped to 49.7 from 52.0 in August. According to trade data from the ITA, Kansas exports of agriculture goods and livestock for the seven months of 2026, compared to the same period in 2025, soared by $400.5 million for a 47.1% gain. The greatest upturn in Kansas ag exports were to China with a 2,681% gain from 2025 to 2026.

**Minnesota:** The September RMI for Minnesota sank to 45.8 from 53.6 in August. Minnesota's farm and ranchland price index inched higher to 51.3 from August's 51.2. The new hiring index for September declined to 50.7 from 54.4 in August. According to trade data from the ITA, Minnesota exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, climbed by $169.6 million for a 31.1% gain. The greatest upturn in Minnesota ag exports was to Mexico with an 83.5% gain from 2025 to 2026.

**Missouri:** The September RMI for the state fell to 42.8 from 50.5 in August. The farm and ranchland price index for September dropped to 47.4 from 51.3 in August. The state's new hiring gauge for September sank to 47.4 from 50.6 in August. According to trade data from the ITA, Missouri exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, slumped by $77.6 million for a 15.9% fall. The greatest downturn in Missouri ag exports was to Mexico with a 21.4% drop from 2025 to 2026.

**Nebraska:** The state's Rural Mainstreet Index for September dropped to 43.3 from August's 47.9. The state's farm and ranchland price index for September rose to 48.6 from August's 45.8. Nebraska's new hiring index fell to 48.0 from 48.7 in August. According to trade data from the ITA, Nebraska exports of agriculture goods and livestock for the seven months of 2026, compared to the same period in 2025, slumped by $90.4 million for an 11.8% fall. The greatest downturn in Nebraska ag exports was to Canada with a 27.3% drop from 2025 to 2026.

**North Dakota:** The state's overall RMI for September sank to 44.2 from 47.7 in August. The state's farm and ranchland price index for September increased to 49.5 from August's 45.6. The state's new hiring index rose to 48.9 from August's 48.5. According to trade data from the ITA, North Dakota exports of agriculture goods and livestock for the first seven months of 2026, compared to the same period in 2025, slumped by $90.3 million for a 16.0% fall. The greatest downturn in ag exports was to Mexico with a 28.8% drop from 2025 to 2026.

**South Dakota:** The September RMI for South Dakota declined to 45.1 from 50.0 in August. The state's farm and ranchland price index climbed to 50.5 from August's 47.8. South Dakota's September new hiring index dipped to 49.9 from 50.8 in August. According to trade data from the ITA, state exports of agriculture goods & livestock for the first seven months of 2026, compared to the same period in 2025, slumped by $47.4 million for a 46.7% fall. The greatest downturn in ag exports was to Mexico with a 58.5% drop from 2025 to 2026.




## THE OUTLOOK. National Association of Business Economics (NABE): October 2026 Outlook Survey Panel Foresees Another Fed Rate Hike as Economic Growth Firms While Inflation Lingers

**The October 2026 NABE Outlook Survey panel sees an economy that is growing faster and running hotter than it anticipated in June," said NABE Vice President Dr. Nela Richardson, chief economist and ESG officer, ADP.**

**"The median forecast for inflation-adjusted GDP growth in 2026 rose to 2.1%, up from 2.0% in the June 2026 survey, supported by business investment that is now expected to grow 6.7%. Core personal consumption expenditures inflation is expected to reach 3.3% by the fourth quarter of 2026, and the 2027 core inflation forecast was revised higher for a second consecutive survey to 2.4%. Following the Federal Open Market Committee's September rate hike, panelists now expect one more 25-basis-point increase before year-end, to a midpoint of 4.125%, and no rate cuts through 2027. In June, the panel expected the Fed to hold steady this year and begin cutting in the second quarter of 2027."**

**"The labor market continues to outperform expectations, as panelists raised their projection for average monthly job growth in 2026 to 71,000, and lowered their unemployment rate forecast to 4.2%," added NABE Outlook Survey Chair Yelena Maleyev, CBE, senior economist, KPMG. https://tinyurl.com/a97tj8bh**

## BANKER READING ROOM

**•"Banks beat the correction as Citigroup and Goldman post blowout Q3 result"**

**"Citigroup's fixed-income desk posted its best third quarter in a decade, Goldman's net earnings jumped 29% to $5.29 billion, while JPMorgan missed EPS estimates by 33 cents and still gained roughly 1%."**

**"The timing is what makes this interesting. The KBW Bank Index had slid more than 10% since mid-August, a textbook correction, as the 10-year Treasury yield climbed toward multi-decade highs on fears the Federal Reserve would need to keep rates elevated. Investors had priced in a rough quarter. They got the opposite from two of the four majors, and bank stocks moved unevenly: Goldman and JPMorgan rose after the reports, while Wells Fargo lagged on its revenue miss and Citigroup's reaction was less decisive in Tuesday trading."**

**"What happens next depends on whether the bond market believes the banks or the banks have to start believing the bond market. The 10-year yield hasn't budged much on this earnings season so far. If it doesn't, Tuesday's rally was a one-day correction to a narrative, not the start of a new one."**

**https://tinyurl.com/y3zsjj6x**

## KEEP AN EYE ON

**1. The Federal Reserve Open Market Committee (FOMC) meets Oct. 27/28. Due to the mid-term elections and the mixed messages from data, I expect no change in rates.**

**2. On October 29, the U.S. BEA releases the advance estimate for Q3, 2025 GDP growth. Any value below 1.0% will be a harbinger of a rapidly slowing U.S. economy. Absent peace in the Middle East, this raise the concert for stagflation.**

**3. I remain pessimistic on the U.S. housing market and expect a negative M-O-M growth in the Case Shiller index to be released on October 26.**

**4. The 10-year U.S. Treasury yield should be on your radar. As of today, the yield is 5.22%. Sharp upward movements will be warning signal for mortgage rates.**

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

**$75,863 per second**

**According to the U.S. Congress Joint Economic Committee the U.S. national debt increased by an average of $75,863 per second over the past year. That amounts to $6.55 billion per day.**



# FOLLOW ERNIE

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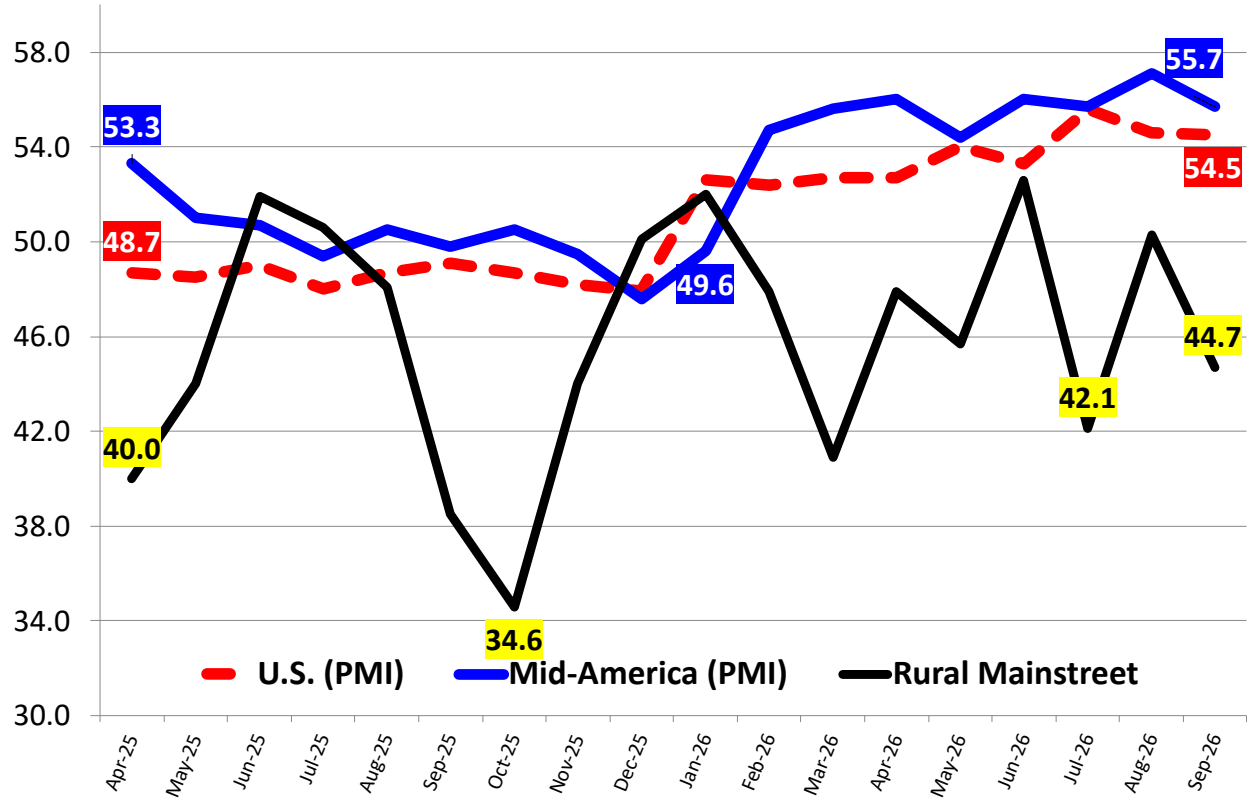
In the Media: " **Rural Mainstreet Index Slips Below Growth Neutral as Fuel, Fertilizer Costs Weigh on Bankers."** https://ruralradio.com/kolt/news/rural-mainstreet-index-slips-below-growth-neutral-as-fuel-fertilizer-costs-weigh-on-bankers/

This month's survey results released on the 4th Thursday of the month.

The Rural Mainstreet Economic Report October 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)**

| | Sept. 2025 | August 2026 | Sept. 2026 |
|---|---|---|---|
| Area Economic Index | 38.5 | 50.3 | 44.7 |
| Loan Volume | 70.0 | 76.3 | 73.7 |
| Checking Deposits | 54.0 | 39.5 | 52.6 |
| Certificates of Deposit and Savings Instruments | 60.0 | 55.6 | 42.1 |
| Farmland Prices | 45.8 | 47.2 | 50.1 |
| Farm Equipment Sales | 15.2 | 22.2 | 25.0 |
| Home Sales | 48.0 | 42.1 | 34.2 |
| Hiring | 48.0 | 50.1 | 49.5 |
| Retail Business | 34.8 | 41.1 | 41.6 |
| Confidence Index (area economy six months out) | 32.7 | 31.6 | 26.3 |

**Table 2: The Rural Mainstreet Economy, September 2026**

| | Percentage of Bankers Reporting | | | | |
|---|---|---|---|---|---|
| | Significant Negative | Negative | Little or no Effect | Positive | Significant Positive |
| What effect are current trade conditions and tariffs having on agricultural producers in your area | 5.3% | 73.7% | 21.0% | 0.0% | 0.0% |

| | Percentage of Bankers Reporting | | | | |
|---|---|---|---|---|---|
| | Interest | Labor | Seed | Fertilizer | Fuel |
| Which input cost currently creates the greatest financial pressure on your agricultural customers? | | | | 52.6% | 47.4% |

| | Percentage of Bankers Reporting | | | | |
|---|---|---|---|---|---|
| | Beginning Farmers | International Buyers | Institutional Buyer | Investors | Existing Farmers |
| Who is currently the dominant purchaser of farmland in your area? | 0.0% | 0.0% | 0.0% | 10.5% | 89.5% |