November THE MAINSTREET ECONOMIC REPORT

2026 A monthly survey of community bank CEOs, and chief loan officers



Welcome to Creighton's November CEO Report covering October 2026 survey results. The overall October reading from bank CEOs and bank executives in 10 Rural Mainstreet States sank below growth neutral for the 5th time in the past 6 months. Farm and ranchland prices continue to hold up better than the farm/ranch economy.
Thank you for your input. Ernie.

Supply Chain Disruptions Push Rural Mainstreet Index Lower:

October at-a-Glance:

- The region's overall reading fell below growth neutral for the fifth time in the past six months.
- For the 38th straight month, the farm equipment sales index fell below growth neutral.
- As a result of extreme weakness in ag equipment sales, approximately, 28% of bankers named local agriculture equipment dealers as bearing the greatest financial stress on Rural Mainstreet.
- For the fifth time in the past six months, the farm and ranchland price index climbed above growth neutral.
- Almost half of bank CEOs expressed backing for federal farm support programs such as the recent $8 billion program announced by President Trump.
- Economic confidence remained very low due to supply chain disruptions which have produced record high diesel fuel and fertilizer costs.

Tables on last page
(**Continued next page**)

Transforming Social Security: From Retirement Security to Welfare

Removing the Taxable Wage Cap. With the Congressional Budget Office (CBO) projecting Social Security (SS) trust fund exhaustion in 2032, politicians are scrambling for solutions. Senators Elizabeth Warren (D-MA), Chris Coons (D-DE), Bernie Moreno (R-OH), and Roger Marshall (R-KS) have supported proposals to eliminate the cap on wages subject to SS taxes.

Table 1 below illustrates the growing imbalance between SS beneficiaries and the workers financing their benefits from 1960 and 2025. Beneficiary growth has exceeded employment growth by more than two-fold, and population growth by more than three-fold.. Meanwhile, nominal monthly benefits have increased more than sixteen-fold over the 55-year period.

Currently, SS taxes apply to the first $184,500 of earnings at a combined employer-employee rate of 12.4%. Eliminating the cap would substantially increase taxes on higher earners. For example, a physician earning the U.S. average $262,040 salary annually would suffer SS taxes soaring from $22,878 to $32,493, or approximately $9,616, assuming no change in the tax rate. Good luck paying off medical school debt, which averaged $223,130 in 2025!

Who Gets the Better Deal? SS already redistributes income from higher lifetime earners toward lower lifetime earners. Table 2 lists the percent of SS benefits received as percent of SS taxes paid (over a lifetime). The evidence consistently indicates that lower lifetime earners receive a higher percentage of their SS taxes back in benefits than higher lifetime earners. Thus, taking the cap off of taxable SS wages would move the system toward another income transfer program (i.e. welfare). Thus, eliminating the taxable wage cap without proportionately increasing benefits would further transform SS from an earned-benefit retirement system into an income redistribution program.

Alternatives to Removing the Cap. Other options include gradually raising the full retirement age, reducing annual cost-of-living adjustments, or modestly increasing payroll tax rates across all workers. With millions of Baby Boomers set to retire in the next five years, reform is unavoidable. However, removing the taxable wage cap may strengthen SS's finances, but it will transform the program into yet another income transfer program. Ernie Goss.

Table 1: Growth of SS and factors driving SS, 1970 - 2025

SS recipients	+ 218.9%
Number of disabled SS recipients	+206.3%
U.S. employment	+107.8%
U.S. population	+68.0%
Monthly SS benefits	+1,654.0%
SS recipients	+ 218.9%
Sources: SS Administration, U.S. BLS, U.S. Census	

Table 2: Lifetime SS benefits as % of lifetime SS taxes paid.

Earning category	Benefits to taxes paid
Lowest 20%	139%
Middle 20%	98%
High earner 20%	81%
Highest 20%	60%

Source: CBO, August 2024 Long-Term Projections for SS. Includes retirement, survivor and disability benefits, and uses lifetime present values.

BULLISH NEWS

- The U.S. economy expanded at a sturdy 3.4% (annualized) for the 3rd quarter of 2026.
- Last month, the U.S. labor market experienced an addition of 165,000 jobs, a reduction in the unemployment rate to 4.1%, and an upturn in the labor force participation rate to 61.9%, its highest level since March 2026.
- New York Fed's Nowcast forecasts U.S. GDP growth for Q4, 2026 is a solid 2.6%. (annualized).
- Manufacturing in October added 19,000 jobs.

BEARISH NEWS

- The Consumer Price index rose 0.4% in October and 0.5% in September. The index for shelter accounted for 30% of gain. The food index climbed 0.5% in October.
- The number of individuals discouraged workers (not working or looking for work) was unchanged in October at 6.0 million.
- Over the past 12 months, average hourly earnings rose 3.1%, or below the inflation rate.
- For fiscal 2026 ending in September, total federal government spending was $7.4 trillion and federal revenue was $5.4 trillion with a deficit of $1.99 trillion. This was an increase of $217 billion from the deficit in fiscal 2025.

Main$treet on Your $treet



According to the October 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 fifth 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 October fell to 42.5, lowest reading since July of this year and down from 44.7 in September.

Supply chain disruptions, stemming from the Iran conflict, have produced record high prices for diesel fuel and fertilizer pushing the overall index lower. Almost half of bank CEOs expressed backing for federal farm support programs such as the recent $8 billion program announced by President Trump.

Farming and ranchland prices: For the fifth time in the past six months, the farm and ranchland price index climbed above growth neutral. The farm and ranchland index increased to 50.3 from 50.1. "Farm and ranchland values have been holding up much better than farm and ranching income due to a more positive long-term economic outlook for U.S. agriculture.

Bankers were asked to name the top non-farmer, non-rancher investor in local farmland. Overwhelmingly, 65% of bankers named local investors composed of 40% retired farmer/ranchers and 25% other local business investors.

Farm equipment sales: The October farm equipment sales index increased to a weak 36.8 from September's 25.0. "This is the 38th straight month that the index has fallen below growth neutral. "Approximately, 28% of bankers named local agriculture equipment dealers as bearing the greatest financial stress from weakness on the farm/ranch economy.

According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first eight months of 2026 were $7.6 billion, compared to the same period in 2025 of $7.3 billion, for a gain of 3.6%. Even with the expansion, 2026 regional exports of agricultural goods and livestock were 2.8% below 2024 for the same period of time. A 60.4% slide in the 2024-26 export of agriculture and livestock to China was the prime factor accounting for the 2024-26 export slump.

Banking: The October loan volume index sank to 58.5 from 73.7 in September. The checking deposit index climbed to 57.5 from 52.6 in September. The region's index for certificates of deposits (CDs) increased to 47.5 from September's 42.1.

Hiring: The new hiring index for October rose to 52.5 from September's 49.5. The Rural Mainstreet job market has remained weak for the last several months. "In October, 15.0% of bankers reported an upturn in hiring by Rural Mainstreet businesses. This compared to 10.0% of bankers that reported a downturn in hiring by Rural Mainstreet businesses.

Confidence: Rural bankers remain pessimistic about economic growth for their area over the next six months. The October economic confidence index increased to a weak 27.5 from 26.3 in September. "Soaring diesel fuel costs, continuing supply chain disruptions, and higher fertilizer costs, continued to weigh on banker economic confidence.

Home and retail sales: Escalating input costs for fuel and fertilizer spilled over into the housing and retail sales markets. October home sales index stood at 35.0, up slightly from 34.2 in September. The regional retail sales index increased to a tepid 42.5 from 41.6 in September.

Below are the state reports:

Colorado: The state's Rural Mainstreet Index (RMI) for October sank to 39.1 from 45.0 in September. The farm and ranchland price index for October fell to 46.9 from 50.4 in September. The state's new hiring index declined to 49.1 from 49.8 in September. According to trade data from the International Trade Association (ITA), Colorado exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, fell by $18.3 million for a 7.5% decline. The greatest downturn in Colorado ag exports was to Mexico with a 49.5% fall from 2025 to 2026.

GOSS EGGS

RECENT DUMB Economic Steps, Inactions, and/or Lies

The War Within the States

America may be fighting its most consequential economic battle ever--not between the states, but within them as America's rural areas clash with metropolitan areas. So who is paying the bills and who is collecting the benefits? Examples:

1. Illinois: The state is the epicenter of the conflict with 45 rural of counties approving advisory referendums exploring breaking away from the state and joining Indiana.
2. Colorado: Denver votes for wolves, ranchers deal with them.
3. Nebraska: Omaha and Lincoln versus rural Nebraska over school funding.
4. Iowa: School choice versus survival of public school districts.
5. Oregon: Environmental protections versus rural timber economies.
6. Virginia: Rural communities supplying electricity for urban data centers.
7. Michigan: The state can override rural opposition to wind and solar farms.
8. New Mexico: Rural oil production finances statewide services.
9. Pennsylvania: Natural gas production in rural areas versus urban regulatory limitations.
10. California: Urban water demand versus rural agricultural water usage.
11. Washington: Farm exports versus environmental restrictions.

The battles are also political-that is, between Red counties and Blue counties, Georgia and Texas highlight this divide via the ballot box. In Georgia, only 21% of counties voted Blue and in Texas, only 15% voted Blue. Yet both elected Democrats to the governor's office & senate. Ernie Goss

5 OF 5 GOSS EGGS



Illinois: The state's October Rural Mainstreet Index (RMI) declined to 42.4 from 45.3 in September. The farm and ranchland price index for October dipped to 50.2 from September's 50.8. The state's new hiring index for October climbed to 52.4 from 50.2 in September. According to trade data from the ITA, Illinois exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, sank by $34.8 million for a 1.8% fall. The greatest decline in Illinois ag exports was to Mexico with a 32.8% drop from 2025 to 2026.

Iowa: October's RMI for the state rose to 47.6 from 44.6 in September. Iowa's farm and ranchland price index for October increased to 55.4 from 50.0 in September. Iowa's new hiring index for October climbed to 57.6 from 49.4 in September. According to trade data from the ITA, Iowa exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, expanded by $124.8 million for a 9.9% gain. The greatest upturn in Iowa ag exports was to Mexico with a 12.3% gain from 2025 to 2026.

Kansas: The Kansas RMI for October fell to 43.8 from September's 44.9. The state's farm and ranchland price index rose to 51.9 from September's 50.3. The new hiring index for Kansas improved to 53.8 from 49.7 in September. According to trade data from the ITA, Kansas exports of agriculture goods and livestock for the eight months of 2026, compared to the same period in 2025, soared by $348.5 million for a 35.1% gain. The greatest upturn in Kansas ag exports were to China which soared from $7.6 million in 2025 to $213.3 million in 2026 for a 2,681% gain..

Minnesota: The October RMI for Minnesota climbed to a regional high of 54.6 from 45.8 in September. Minnesota's farm and ranchland price index expanded to 62.4 from 51.3 in September. The new hiring index for October improved to 64.6 from 50.7 in September. According to trade data from the ITA, Minnesota exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, climbed by $209.6 million for a 32.5% gain. The greatest upturn in Minnesota ag exports was to Mexico with a 71.6% gain from 2025 to 2026.

Missouri: The September RMI for the state fell to a regional low of 28.7 from 42.8 in September. The farm and ranchland price index for October dropped to 36.5 from 47.4 in September. The state's new hiring gauge for October sank to 38.7 from September's 47.4. According to trade data from the ITA, Missouri exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, slumped by $59.8 million for a 10.8% fall. The greatest downturn in Missouri ag exports was to Mexico with a 15.3% drop from 2025 to 2026.

Nebraska: The state's Rural Mainstreet Index for October dropped to 31.6 from September's 43.3. The state's farm and ranchland price index for October fell to 39.4 from September's 48.6. Nebraska's new hiring index slumped to 41.6 from 48.0 in September. According to trade data from the ITA, Nebraska exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, slumped by $178.2 million for a 20.1% fall. The greatest downturn in Nebraska ag exports was to Canada with a 28.7% drop from 2025 to 2026.

North Dakota: The state's overall RMI for North Dakota sank to 43.2 from September's 44.2. The state's farm and ranchland price index for October increased to 51.0 from September's 49.5. The state's new hiring index rose to 53.2 from September's 48.9. According to trade data from the ITA, North Dakota exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, slumped by $84.8 million for a 12.5% fall. The greatest downturn in North Dakota ag exports was to Mexico with a 27.3% drop from 2025 to 2026.

South Dakota: The October RMI for South Dakota increased to 45.7 from 45.1 in September. The state's farm and ranchland price index climbed to 53.5 from September's 50.5. South Dakota's October new hiring index expanded to 55.7 from 49.9 in September. According to trade data from the ITA, South Dakota exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, slumped by $49.3 million for a 45.6% fall. The greatest downturn in South Dakota ag exports was to Mexico with a 60.1% drop from 2025 to 2026.

Wyoming: The overall RMI for Wyoming for October increased to 48.3 from 45.0 in September. The October farm and ranchland price index improved to 56.1 from 50.5 in September. Wyoming's new hiring index climbed to 58.3 from September's 49.9. According to trade data from the ITA, Wyoming exports of agriculture goods and livestock for the first eight months of 2026, compared to the same period in 2025, rose by $7.0 million for a 130.9% gain. The greatest gain in Wyoming ag exports was to Canada with a 234.0% boost from 2025 to 2026.

Tables 1 and 2 summarize the survey findings.



THE OUTLOOK. **Federal Reserve of Dallas November 2026**

Economic and Monetary Policy Outlook

Economic growth is strong. Real gross domestic product (GDP) increased at an annual rate of 3.4 percent in the third quarter. And the Dallas Fed's Weekly Economic Index is consistent with real GDP continuing to expand at around a 3 percent annual rate. Here in the 11th Federal Reserve District, the Dallas Fed's Texas Business Outlook Surveys and Energy Survey also indicate ongoing strength. Two main elements underpin economic growth right now.

First, consumer spending is solid, especially among wealthier households that benefited most from the increases in the stock market earlier this year. Recent revisions to data on gross domestic income increased my confidence that households have the resources to sustain consumption at a healthy pace.

Second, business investment is robust. Real business investment in equipment rose 14 percent in the third quarter from a year earlier. Computers, peripherals and communication equipment—the categories used in data centers—make up more than 80 percent of that growth. Investment is broadening, though, as companies build out the artificial intelligence supply chain. In recent months, industrial machinery has accounted for about 5 percentage points of annualized equipment investment growth. That category includes semiconductor manufacturing equipment, gas turbines used to generate power for data centers behind the meter, and electrical transmission and distribution apparatus. https://tinyurl.com/4w6zvy28

BANKER READING ROOM

• Farmers will renew their loans soon. Banks are concerned about their debt

Farmers will meet with their bankers in the coming months to renew loans for next year. A new Federal Reserve Bank of Minneapolis survey shows that bankers are concerned about their farmers' loans.

The survey, which took place between April and June, got replies from 84 bankers across the Federal Reserve's Ninth District. The area includes Montana, North and South Dakota, Minnesota, northwestern Wisconsin, and Michigan's Upper Peninsula.

The survey found that loan demand grew modestly across the district between April and June. But bankers expect to make fewer large ag loans as farmers' finances weaken.

Senior Agricultural Coordinator at the Minneapolis Fed, Tait Berg, said row crop farmers in particular have banks concerned.

"The margins are really thin, and there's potential for break-even, if not losing money this year," said Berg. "And when farmers lose money, they need to obviously find some type of way to make up for that loss."

https://tinyurl.com/tw98wk9e

KEEP AN EYE ON

1. The Federal Reserve Open Market Committee (FOMC) meets Dec. 8/9. I expect an interest rate hike. In fact, instead of the usual ¼% (25 basis points), it could be ½% due to sticky and higher inflationary pressures. A lot will depend on military actions in Iran.

2. 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 Nov. 24.

3. The December employment report released on Dec. 4 will be watched very closely across the globe, especially by the Fed. Job additions for November above 150,00 will push the Fed to raise rates by a full one half percentage point. A weak number (e.g. below 50,000) will push the Fed to raise rates by one-quarter percentage point on Dec. 9.

•

•

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

$113.1 billion

The Bureau of Economic Analysis reported that consumer spending increased by $113.1 billion in September, while after tax income increased by only $52.7 billion.



FOLLOW ERNIE

Twitter: @ErnieGoss and Substack: https://erniegoss.substack.com/

For historical data and forecasts, visit our website:

www.gossandassociates.com

For ongoing commentary on recent economic developments, visit:

Substack https://erniegoss.substack.com

Goss monthly interviews:

The Rural Banker: https://erniegoss.substack.com/p/november-2026-rural-mainstreet-survey

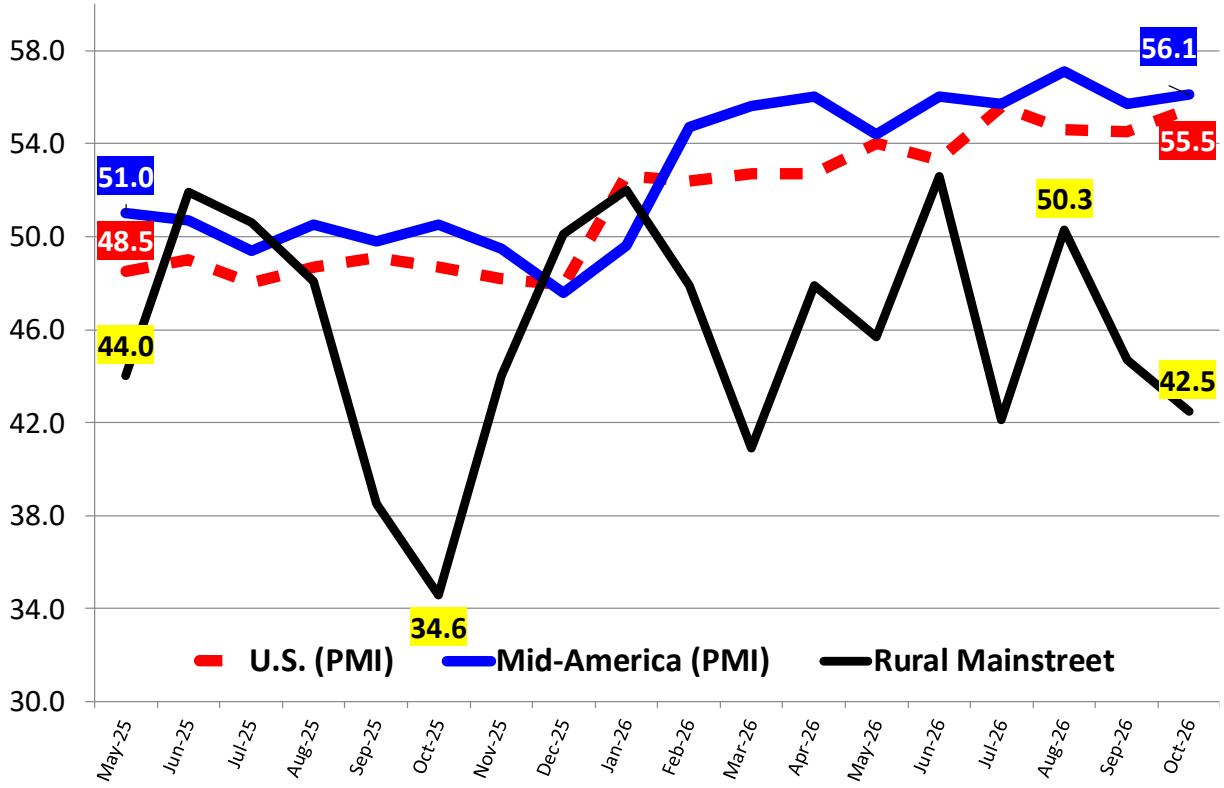
Mid-America Manufacturing: https://youtu.be/Esr_NeNV-b4

RFD TV: https://www.rfdtv.com/rural-mainstreet-index-signals-continued-economic-pressure-across-farm-country

The Rural Mainstreet Economic Report November 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)

	Oct. 2025	Sept. 2026	Oct. 2026
Area Economic Index	34.6	44.7	42.5
Loan Volume	72.0	73.7	58.5
Checking Deposits	52.0	52.6	57.5
Certificates of Deposit and Savings Instruments	50.1	42.1	47.5
Farmland Prices	37.0	50.1	50.3
Farm Equipment Sales	18.8	25.0	36.8
Home Sales	40.0	34.2	35.0
Hiring	44.0	49.5	52.5
Retail Business	36.0	41.6	42.5
Confidence Index (area economy six months out)	32.7	26.3	27.5

Table 2: The Rural Mainstreet Economy, October 2026

	Percentage of Bankers Reporting				
	Not Important	Slight Importance	Moderate Importance	Very Important	Extremely Important
How important do you expect federal farm assistance payments to be in preventing agricultural loan defaults during 2027?	5.2%	15.0%	30.0%	45.0%	4.8%

	Percentage of Bankers Reporting				
	Transportation And trucking	Real Estate/ Construction	Restaurants Hospitality	Retail Businesses	Ag Equip. Dealers
Excluding farms and ranches, which business sector in your service area is experiencing the greatest financial stress?	10.9%	11.3%	22.2%	27.6%	28.0%

	Percentage of Bankers Reporting			
	Investors in Local area	Non-local Investors in State	Retired farmers outside local	Retired farmers in local area
Which of the following groups represent the largest off-farm/ranch land investors?	40%	30%	5.0%	25%%