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Rural Versus Urban Bank Performance: An Analysis of Market Competition for Small Business Loans

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RURAL VERSUS URBAN BANK PERFORMANCE: AN ANALYSIS OF MARKET COMPETITION FOR SMALL BUSINESS LOANS

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Abstract

This paper analyzes the competitiveness of rural versus urban banking markets from the perspective of the small business borrower. Interest rates paid on loans, measures of credit availability (e.g., satisfaction with loan terms, loan turndown rates), and bank performance on desired service characteristics are compared across urban and rural banking markets. The results of the analysis suggest that rural banking markets are no less competitive (across many output measures) than urban markets from the small business perspective. However, recent data suggest that the borrowing rate advantage rural firms have had over urban firms had disappeared.

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1. Introduction

The deregulation of the banking industry has renewed an interest in studying the competitiveness of banking markets. The removal of branching and holding company restrictions may provide opportunities for dominant regional or national banks to penetrate rural or small city banking markets. Less restrictive branching laws may produce better service to rural markets by increasing the degree of competitiveness which presumably increases output and lowers prices. Rural independent bankers themselves have questioned their ability to compete in a deregulated environment, expressing concern that they will be replaced by branches of larger banks that would serve customers no better and not increase the number of competitors in their markets.

Contrary evidence is found in a paper by Savage and Rhoades which shows that small banks are competing successfully in markets with large bank.[1] Using selected performance measures (e.g., ratios of capital and loans to assets, and net income to equity, and deposit growth) for the largest and smallest banking organizations in 271 SMSAs, they found that large banks did not systematically outperform small banks. If larger banks were to penetrate rural markets, these results would not suggest the demise of small rural banks.

Increasing the degree of competitiveness in banking markets could be important to small business because commercial banks are an important source of funds.[2] However, the degree to which competitiveness could be increased in rural markets by liberalized branching laws is not likely to be great because all markets exhibit some degree of competition. Even in "one bank towns" the threat of entry or the potential for customers to travel to nearby markets is always present. Any broadening of branching authority could only have a second-order effect on the degree of competition and bank performance.

The objective of this paper is to analyze the competitiveness of rural versus urban banking markets from the perspective of the small business borrower. Most financial services are obtained in a local market of small geographic size because this arrangement minimizes transactions costs for the borrower and the cost of collecting information for the lender. Lenders may collect structured information (such as that on loan applications), but also have unstructured information based on their lending experience with the firm and a knowledge of the owners or managers. This information has "local" value in that it is not easily transmitted to a lender outside of the local market. Most previous studies of bank performance have used the SMSA as the measure of the local market, but in most all cases, the SMSA would be too large an area to fit into this characterization of a local banking market.[3] The advantage of this study is that the small business borrower implicitly defines its actual geographic market and reports data on that market.

Measuring bank performance across urban and rural banking markets is a difficult task because of the multi-dimensional nature of bank output and the lack of explicit prices for some of this output. The interest rate charged is only one of several elements in the price vector which can be adjusted to clear the loan market. Other elements include maturity, loan size, and collateral. Banks also provide commitments (formal or informal) for future funds, business counseling, and other services that are a form of output, but difficult to quantify. Any attempt to measure competitiveness with differentials in average interest rates charged across markets thus presents formidable interpretation problems if only some of these outputs (such as loan volume) can be measured. For example, if high interest rates in rural markets (relative to urban markets) are accompanied by superior service or more dependable credit lines or riskier loans, higher rates would not indicate less competition.

Recent studies of the membership of the National Federation of Independent Business (NFIB) allow a more precise analysis of the potential existence of competitive differentials between rural and urban markets. The data used in this paper were obtained from two national survey samples of the NFIB membership (over 500,000 firms) in April 1980 and April 1982. In the 1980 survey, 2657 members responded (a response rate of 33 percent); in 1982, there were 2349 respondents (a response rate of 31 percent). "No answer" responses to any given question were usually less than five percent of all respondents and below two percent for those reporting loans. About half of the firms had gross sales under $350,000 per year, employed less than five persons and had been in business over 10 years. Over half borrowed at least once per year. Of those that borrowed, nearly half reported loans under $20,000, while 10 percent reported loans over $200,000. Data describing the 1980 sample are given in Table 1.[4]

Insert Table 1 Here

The paper begins with a description of the characteristics of small business borrowers and lenders in urban and rural markets. Next, the various output measures such as interest rates paid on loans, credit availability, and bank service offerings are presented by bank market type. With these measures of output, an assessment of the degree of competitiveness between the rural and urban markets is presented.

2. Characteristics of Rural and Urban Markets

Respondents were classified as operating in a "rural" market if the local population was under 15,000. "Small city" respondents resided in towns with a population between 15,000 and 100,000, and urban respondents in towns with a population over 100,000.[5] The breakdown of the respondents by market size was approximately 40 percent rural, 30 percent small city, and 26 percent urban, with the remainder unclassified.

The characteristics of small business borrowers in urban and rural markets are presented in Table 2. Rural small businesses were more frequently organized as proprietorships (40 percent versus 20 percent in urban areas). Reported annual sales were generally lower for rural firms: about 40 percent had annual sales under $200,000 compared to 25 percent in urban markets. Rural firms were more concentrated in retail enterprises and (not surprisingly) agriculture, and less in construction and manufacturing in comparison to urban firms. Despite the differences in form of business, sales, and industry composition, the distribution of years in business did not differ between rural and urban firms.

Insert Table 2 Here

Bank structure differences by market size are presented in Table 3. Rural firms, as expected, more frequently reported less than five banks in their community: almost 75 percent versus 20 percent for urban firms. The principal bank size was also smaller for rural firms with 55 percent reporting less than $100 million in assets versus under 20 percent for urban firms. Rural firms were more frequently located in limited branching states, while urban firms were more frequently located in statewide branching states. Despite the differences in both firm and bank characteristics, rural firms did not significantly differ from urban firms in borrowing frequency or the number of banks used.[6]

Insert Table 3 Here

3. Performance Measures

Interest Rates

Average interest rates paid on short-term (less than 12 months) and all other loans (greater than 12 month maturity) during selected time frames are presented in the top panel of Table 4 for each survey. In the bottom panel of Table 4, a series of short-term rates paid by regular borrowers obtained from the Quarterly Economic Report is presented.[7] The data suggest that rural firms have borrowed at rates substantially lower than their counterparts in urban areas for short-term loans. Several possible explanations of these differences exist, including lower non-money costs in rural areas (lower overhead and wage costs), a higher proportion of agricultural (subsidized) loans in the bank's portfolio, less reliance on federal funds due to higher levels of excess reserves, lower proportions of deposits in interest-sensitive forms, or a reflection of management preferences and philosophy.

Insert Table 4 Here

Although these differences were substantial for short-term loans at the beginning of 1980 (140 basis points), they narrowed by early 1982. Additional data on short-term borrowing costs is available from the NFIB's Quarterly Economic Survey. Since the first quarter of 1982, the rural-urban short-term borrowing cost differential rapidly narrowed, then reversed to the point where rural short-term borrowing costs as of July 1983 averaged 70 basis points above urban rates.

This inversion in the rural-urban borrowing differential may be due to several factors. The higher proportion of agricultural businesses in rural areas combined with several very bad years for farm income may have increased the overall riskiness of rural banks' loan portfolios. If banks "rolled" these loans over at higher rates (to reflect the increased risk), these additional risk premiums would be reflected more in rural versus urban loan rates. The deregulation on the liability side of commercial bank balance sheets has also affected this differential. With historically higher proportions of deposits in non-interest sensitive sources,[8] rural banks would see a proportionally larger increase in their cost of funds (relative to urban banks) with the offering of jumbo (over $10,000) CDs at market rates and the Money Market Deposit Accounts.

Another reason for the narrowing interest rate spread is the difference in the proportion of loans that were tied to the prime rate. Almost half of the urban borrowers reported loan rates linked to the prime rate while less than 20 percent of the rural firms did. If banks price loans on the basis of average cost,[9] in periods of rising rates urban banks would find their cost of funds rising proportionally faster than rural banks; but with falling rates, rural banks would find their cost of funds falling more slowly. This explanation is consistent with the reversal of the rural-urban borrowing differential just as short-term interest rates were falling dramatically in the third quarter of 1982.

The interest rates reported in the surveys are contract rates, not effective rates and thus other non-price dimensions of the loan contract could systematically affect the true borrowing costs across market size. Rural firms less frequently were required to provide collateral for loans, keep compensating balances, or pay other fees (Table 5). The availability of a line of credit, however, did not differ between rural and urban markets. This higher incidence of contract terms favorable to the lender in urban markets raises the effective yields, suggesting that the contract rate differentials presented in Table 4 are biased downwards.

Insert Table 5 Here

Credit Availability

Another aspect of bank performance is credit availability. In previous studies of bank performance, credit availability was generally measured as a percent of the banks' assets devoted to loans (or the percentage of a given loan type to total loans).[10] Balance sheet measures of credit availability, however, do not provide any information about loan turndown rates, the amount of the initial loan request granted, or satisfaction with loan terms, all of which are measures of credit availability from the borrower's perspective.

One set of questions from the NFIB survey that addresses the issue of credit availability include responses regarding the firm's general credit experience, satisfaction with loan terms, and the effect of availability on expansions plans (Table 6). Rural firms more frequently felt that all of their credit needs were met in the 1980 survey (relative to urban firms), although this difference narrowed to the point where it was not significant in 1982. No significant differences existed between rural and urban firms regarding satisfaction with loan terms or the impact of availability on plans for expansion.

Insert Table 6 Here

Two specific measures of credit availability, the status of the most recent loan request and, if accepted, the percent of the original loan request received, also favored rural firms in 1980. Rural firms reported lower loan turndown rates in 1980 (nine percent versus 13 percent for urban firms), but by 1982 the turndown rates were nearly identical, due exclusively to a drop in the urban refusal rate. The proportion of firms that received their full initial loan request was higher for rural firms in 1980 (86 percent versus 82 percent for urban firms), but this difference disappeared by 1982. Overall, the results suggest that rural small firms may have had better success with credit availability than their urban counterparts in 1980, but this advantage disappeared by 1982.

Other Bank Service

Banks also provide services to firms such as business counseling, information, locational convenience, and speed of response to credit needs. The provision of these services generates costs that ought to be passed on to borrowers in the form of higher contract rates or explicit fees. Any evaluation of competitiveness across bank market type should compare performance on these non-price dimensions given explicit charges such as interest rates or fees.

In each of the surveys, firms were asked to rate ten factors in terms of importance to their desired banking relationship, and then to rate their principal bank on how well it provided the services identified. The results are shown in Table 7. There were few significant differences in the ratings of the desired factors between rural and urban firms. "One Person Handling All Credit Needs" was very important for 48 percent of the urban firms, compared to 38 percent for rural borrowers in 1982, a difference that was not present in 1980. "Easy Access to the Loan Officer" was also more frequently rated as very important to urban firms. "Offers the Cheapest Money Available" was more important to rural firms in 1980 (53 percent versus 44 percent), but this difference was not significant by 1982. Of the ten characteristics, then, only one significant difference in desired ratings occurred in 1980 and two in 1982, which suggest that urban and rural borrowers are virtually identical in terms of what they desire in a banking relationship.

Insert Table 7 Here

Ratings of actual performance were more clearly separated. For all ten factors, rural firms gave their banks higher ratings more often than their urban counterparts (nine of 10 in 1980 and 10 of 10 in 1982). For about half of the factors, the differences in the percentages (as much as ten percentage points) giving "good" ratings were significant ("Knows You and Your Business", "One Person Handles Credit Needs", "Reliable Source of Credit", "Knows Your Industry", "Knows Your Financial Needs", and "Convenient Location").[11] A directional test indicates that the systematic pattern of rural responses in excess of urban percentages is not likely a random result of sampling error as was the case for the ratings of importance in the "desired" banking relationship.[12]

Degree of Competitiveness — A Summary

The results of this analysis suggest that firms in rural markets are no less well served than their counterparts located in urban areas. Rural firms did not pay significantly higher contract rates of interest. In fact, they paid significantly lower rates on short-term loans prior to the third quarter of 1982. Urban firms reported a higher incidence of fees, compensating balances, and security requirements on their loans. But even if the effective rates were higher for urban firms, it does not follow that urban markets are less competitive, because urban banks may be operating with smaller differentials over their cost structures.[13]

There were no significant differences in credit availability measures including general credit experience, loan term satisfaction, impact on expansion plans, percent of initial loan request granted, and loan turndown rates. In the 1980 survey, rural firms generally reported more favorable loan experience, but, as was the case with interest rates, this advantage disappeared by 1982.

Rural firms ranked their principal bank's performance above urban banks on knowledge of their business, industry and financial needs, and also on having one person handle their credit needs and providing a reliable source of credit. This ranking would be expected for rural banks which have less employee turnover. On average, rural lending officers probably have more information about their customers (current and potential) due to this stability relative to their urban counterparts. Whether this above average service translates into a "true" competitive advantage is difficult to assess because these measures are more judgmental than measures such as contract rates paid, incidence of fees, compensating balances, collateral, the percent of initial loan request granted, or loan turndown rates.

Overall the analysis suggests that rural markets are no less competitive than urban markets based on performance measures from the small business perspective. Considering Savage and Rhoades' results that small banks are at no competitive disadvantage to large banks within the same SMSA, it is doubtful that further deregulation (e.g., more liberalized branching or holding company laws) would better serve small business, especially those in rural areas.

Footnotes

[1]See S. A. Rhoades and D. T. Savage, "Can Small Banks Compete?" The Bankers Magazine (January/February 1981), pp.59-65.

[2]Small business obtains 90 percent of its short-term financing and 85 percent of all financing from commercial banks. See J. A. Scott and W. C. Dunkelberg, Credit, Banks and Small Business (May 1983) National Federation of Independent Business.

[3]For example see F. A. Edwards, "Concentration in Banking and its Effects on Business Loan Rates," Review of Economics and Statistics (August 1964), pp. 294-300 or D. T. Savage and S. A. Rhoades, "The Effects of Branch Banking on Pricing, Profits, and Efficiency of Unit Banks," in Proceedings of a Conference on Bank Structure and Competition (1980) Chicago: Federal Reserve Bank of Chicago, pp. 187-196.

[4]These data have been analyzed for both response bias and their representativeness of the small business population. Response bias has been found to be negligible, and, with few exceptions, the data adequately represent the experience of four million small business employers in the United States. See W. C. Dunkelberg and J. A. Scott, "Report on the Representativeness of the National Federation of Independent Business Sample of Small Firms in the United States," mimeo to the Small Business Administration, July 1983.

[5]The urban category includes those reporting both city (100,000 to 1,000,000 population) and metropolis (over 1,000,000 population). Because the metropolis category includes less than 10 percent of the responses, it was collapsed into the city category.

[6]Significance is used here in a statistical sense where the null hypothesis is that the sample proportions are not statistically different. For 500 cases, the approximate sampling error (two tail, 95 percent confidence interval) is 4.4 percentage points when the sample proportion equals 0.50. Tests can be developed about the difference between two proportions using the sampling error.

[7]The Quarterly Economic Report is compiled each quarter (January, April, July, and October) by the NFIB. The firms are asked to report on current economic status and plans for future business activity. The questions cover sales, earnings, price changes, inventory and capital expenditures, hiring activity, and credit market experience. One of the credit market questions is to report the interest the most recent short-term loan.

[8]For example, the 1980 Annual Report of the FDIC shows that borrowings (Fed funds, repos, other borrowed money) constitutes 14 percent of large bank (over $500 million assets) sources of funds, but less than 1 percent of small bank (under $100 million) sources of funds.

[9]See R. W. Hafer, "The Prime Rate and the Cost of Funds: Is the Prime Too High," Review, Federal Reserve Bank of St. Louis, May 1983.

[10]For example, see Robert A. Eisenbeis, "The Allocative Effects of Branch Banking Restrictions on Business Loan Markets," Journal of Bank Research (Spring 1975) or Alan S. McCall and M. O. Peterson, "The Impact of De Novo Commercial Bank Entry," Journal of Finance (December 1977).

[11]Ibid, 6.

[12]The sign test for paired comparisons is based on the null hypothesis of "no difference." If there is no difference, then the proportion of characteristics ranked higher by rural firms should be equal to 0.50. Use of the standard sign test gives a 95 percent confidence interval of 5 ± 3 for the expected number of favorable ratings for rural firms.

[13]Savage and Rhoades (see footnote 1) find that small banks had a higher return on assets than large banks, due largely to lower interest expense.

Table 1

Credit, Banks and Small Business Data

	Percent of Firms[1] 1980	1982
Gross Sales (Thousands $):		
Under $50	8%	8%
$50-99	11	11
100-199	17	15
200-349	15	15
350-499	9	10
500-799	9	10
800-1499	12	12
1500-2,999	7	8
3,000-or more	9	10
Fulltime Employment:		
One	10	7
Two	10	9
3-5	29	28
6-9	18	18
10-14	10	11
15-19	5	5
20-39	9	9
40 or more	9	8
Years in Business:		
1-2	9	6
3-4	12	10
5-6	9	9
7-10	16	16
11-16	12	12
16-20	10	9
over 20	32	37

	Percent of Firms 1980	1982
Industry:		
Construction	15%	15%
Manufacturing	12	12
Transportation	3	3
Wholesale	8	8
Retail	33	33
Agriculture	5	5
Financial	8	7
Service	10	11
Professional	6	6
Form of Business:		
Proprietorship	33	30
Partnership	9	7
Corporation	56	62
Loan Size:[2]		
Under $5,000	14	13
5,000-9,999	16	15
10,000-19,999	18	21
20,000-39,999	26	17
40,000-99,999	16	15
100,000-299,999	10	12
300,000-or more	5	7

[1] Does not add to 100% because no answers are omitted.

[2] Reported percentages are <u>conditional</u> on the respondent reporting a loan.

Table 2

Characteristics of Rural versus Urban Borrowers

	Rural		Small City		Urban		All	
Form of Business	80	82	80	82	80	82	80	82
Proprietorship	41%	40%	31%	28%	20%	21%	32%	31%
Partnership	11	8	8	6	6	6	9	7
Corporation	47	51	59	66	72	72	57	61
No Answer	1	1	2	*	2	1	2	1
Industry								
Construction	13	12	17	16	19	19	16	15
Manufacturing	10	10	13	14	16	16	12	13
Transportation	3	3	3	3	3	3	3	3
Wholesale	6	5	8	8	13	12	9	8
Retail	39	39	32	34	23	23	32	33
Agriculture	9	10	3	2	1	1	5	5
Finance	7	7	8	7	8	7	8	7
Service	8	10	10	9	12	12	10	10
Professional	5	5	7	7	6	7	6	6
No Answer	*		*		*		*	*
Years in Business								
1-2	8	6	8	8	9	4	8	6
3-4	12	11	12	11	11	9	12	10
5-6	10	8	10	9	8	11	9	9
7-10	16	16	16	16	18	17	16	16
11-15	12	12	12	11	13	14	12	12
16-20	10	9	9	11	11	8	10	9
21 or more	31	39	33	33	29	38	31	37
No Answer	1		1		1		1	
Sales (Annual)								
Under $100,000	22	21	17	17	13	12	18	18
$100,000-199,999	19	18	16	13	13	12	17	15
$200,000-349,999	16	16	15	14	15	13	15	14
$350,000-499,999	9	10	10	10	9	11	9	10
$500,000-799,999	8	9	10	11	9	11	9	10
$800,000-1,499,999	10	11	12	12	15	15	12	13
$1,500,000 or more	13	12	17	21	24	25	18	18
No Answer	2	3	2	3	1	1	2	2
Total Observations	980	873	740	623	627	572	2403	2092

*Less than .5 percent

Table 3

Banking Activity and Structure by Market Size

	Rural		Small City		Metro		All	
Borrowing Frequency (Per Year)	80	82	80	82	80	82	80	82
Three or more	15%	20%	16%	21%	16%	19%	15%	20%
Twice	17	16	14	12	14	11	15	14
Once	26	23	23	24	26	25	25	24
Infrequent	36	42	41	43	40	44	39	41
No Answer	6		7		5		6	
Number of Banks Used								
One	59	59	53	54	56	58	56	57
Two	30	31	32	35	31	29	31	31
Three or More	9	8	13	9	11	12	11	10
No Answer	2	2	2	1	2	1	2	2
Number of Banks in the Community								
1	16		2		2		8	
2-3	50		20		4		28	
4-5	20		39		14		24	
6-10	9		27		25		19	
11 or more	2		11		54		19	
No Answer	3		2		2		2	
Bank Asset Size ($million)								
Under $100	56	54	38	30	22	15	42	36
$100-500	22	22	30	34	29	27	26	27
Over $500	17	18	27	30	46	52	28	31
Don't Know	4	4	4	3	2	4	3	4
No Answer	1	2	2	3	1	2	1	2
Branching Laws								
Statewide	28	31	38	38	37	40	34	35
Limited	38	39	38	36	30	30	36	36
Unit	31	31	20	25	30	29	27	29
No Answer	4	*	3	*	3	*	3	*

*Less than .5 percent

Table 4

Average Interest Rates Paid (in Percentage Points)

Credit, Banks and Small Business

	Short-term[1]			All Other		
April 1980	Rural	Small City	Urban	Rural	Small City	Urban
1978III-79III	11.7	12.4	12.9	12.20	12.25	12.7
1979IV	13.6	14.9	15.0	13.4	14.0	14.6
1980I	15.8	16.4	17.2	14.5	15.3	15.2
April 1982						
1981I-II	15.7	16.9	16.3	14.80	15.7	16.3
1981II-III	17.2	17.6	18.2	15.8	15.4	17.1
1982I	17.4	17.7	18.5	17.1	17.40	17.5

Quarterly Economic Report
Interest Rate Paid on Most Recent Short-Term Loan[1]

Year-Quarter	80IV	81I	81II	81III	81IV	82I	82II	82III	82IV	83I	83II
Rural	17.1	17.1	18.2	18.6	17.6	17.4	17.4	15.9	14.6	23.8	13.4
Suburban	17.9	17.8	19.1	19.6	18.0	17.7	17.5	15.5	14.2	13.7	13.1
Metropolitan	19.1	18.3	19.7	20.1	18.1	18.1	17.8	14.8	13.7	12.7	12.7
End of Quarter Prime	20.25	17.25	20.0	18.5	15.75	16.5	16.0	12.0	11.0	10.5	10.5

[1]12 months or less maturity

Table 5

Other Loan Terms

	Rural		Small City		Metro		All	
	80	82	80	82	80	82	80	82
Collateral	56%	58%	62%	61%	61%	63%	59%	60%
Business	48	51	52	51	50	52	50	51
Personal	24	25	33	32	38	33	30	29
Compensating Balances	na	9	na	11	na	13	na	11
Other Fees	na	10	na	11	na	14	na	12
Had Line of Credit	na	37	na	40	na	37	na	38

na: not asked

Table 6

Credit Availability Measures

	Rural		Small City		Metro		All	
	80	82	80	82	80	82	80	82
All Credit Needs Met	57%	53%	55%	53%	51%	50%	55%	57%
Received Originally Requested Loan Terms	76	73	75	73	74	75	75	73
Loan Terms Very Satisfactory	43	34	40	38	40	34	41	35
Bank Actively Recruited Business	30	32	45	44	48	53	39	41
No Availability Problems Regarding Expansion Plans	41	48	42	46	45	50	43	48
Latest Loan Attempt Rejected	9	9	11	10	13	8	10	9
Received Full Amount Requested	86	85	83	86	82	87	84	80

Table 7

Evaluation of Bank Performance

Characteristics	Importance: Very Important 80	82	Important/ Very Imp. 80	82	Performance: Good 80	82	Good/ Above Avg. 80	82
Knows You and Your Business								
Rural	72%	71%	92%	93%	52%	53%	79%	81%
Small City	70	72	93	92	50	46	78	76
Metropolitan	70	68	90	91	39*	42*	73*	74*
Provides Helpful Business Suggestions								
Rural	26	23	60	57	23	20	50	47
Small City	25	20	58	55	21	18	47	46
Metropolitan	22	19	57	52	16	15	41*	44
Offers Cheapest Money Available								
Rural	53	53	80	81	29	23	62	57
Small City	49	52	78	84	28	23	64	60
Metropolitan	44*	51	76	83	23	22	60	60
One Person Always Handles Credit Needs								
Rural	42	38	77	77	47	48	79	83
Small City	39	41	78	82	45	46	79	79
Metropolitan	45	48*	80	83*	46	46	75*	78*
Convenient Location								
Rural	41	30	78	70	58	60	84	88
Small City	41	26	82	66	53	55	85	85
Metropolitan	37	31	75	66	51*	53*	80	80*
Reliable Source of Credit								
Rural	58	56	88	90	52	55	79	81
Small City	55	59	89	88	48	49	79	79
Metropolitan	58	60	87	90	44*	47*	77	79
Knows Your Industry								
Rural	32	30	67	64	28	25	56	55
Small City	29	26	63	60	24	21	53	50
Metropolitan	30	24	60*	56*	19*	18	47*	50
Comes With Ideas to Improve Bank Service								
Rural	19	18	55	53	15	16	38	38
Small City	20	16	54	55	16	13	37	38
Metropolitan	21	18	54	52	11	14	34*	41
Knows Your Financial Needs								
Rural	36	na	76	na	30	na	63	na
Small City	36	na	77	na	27	na	59	na
Metropolitan	36	na	73	na	23	na	55*	na
Easy Access to Loan Officer								
Rural	na	41	na	85	na	54	na	86
Small City	na	43	na	87	na	50	na	85
Metropolitan	na	50*	na	89*	na	52	na	85
Offers A Wide Range of Banking Services								
Rural	35	32	75	76	43	50	77	80
Small City	33	32	74	75	46	47	80	84
Metropolitan	34	34	73	74	43	47	80	81

*Significantly different from the "rural" category at the five percent level.

na: not asked

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