

**RURAL CREDIT MARKETS OF THE FUTURE:  
OBSTACLES AND OPPORTUNITIES**

Alan D. Barkema  
Vice President and Economist

Mark Drabbenstott  
Vice President and Director

Center for the Study of Rural America  
Federal Reserve Bank of Kansas City\*

This month the United States celebrates the longest economic expansion in the nation's history. In March 1991, the U.S. economy climbed out of recession and has been growing for the 107 months since—slowly at first and at an unusually rapid clip more recently. Overall, the nation's metropolitan and rural areas have shared in the good times. But on closer scrutiny, the record shows that many of the nation's rural communities have struggled to keep up—especially those located far from metropolitan centers or scenic amenities. The new patchwork of growth and decline across the rural landscape during this period of remarkable overall prosperity underscores the challenges facing rural America in the years ahead.

Rural America's challenges are both numerous and widely diverse. Many rural communities struggle to maintain their fundamental physical and social infrastructure, including roads, utilities, and educational and health services. Another new and critical infrastructure challenge for many rural communities is connecting to the new digital economy. In many rural areas, paying for these important services will require new engines of growth, beyond the traditional locomotives of agriculture and energy. Regardless of how rural America responds to these challenges, access to capital via viable credit markets will remain vitally important.

These remarks focus on the challenges facing credit markets in rural America in the years ahead—touching on both obstacles and opportunities. We tackle this task in four steps. First, we sketch the farmscape—the overall business environment in U.S. agriculture, which remains the economic anchor in about a fourth of the nation's rural counties. Second, we consider how the farmscape will affect the farm lending market of the future. Third, we broaden our sketch to span other elements of the financial services industry that will play a role in rural credit delivery. And finally, we consider how our sketch of credit delivery in rural America meshes with broader trends in the rural economy.

**The Farmscape: Agriculture's Business and Risk Environment**

Agriculture is a dynamic industry characterized by steady and rapid change. Three fundamental trends stand out among those determining how the industry and its lenders will conduct business in

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\* The views expressed here are strictly those of the authors and not necessarily those of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

the years ahead: shifts in the world market, transition in U.S. farm policy, and continued evolution in agriculture's structure.

### ***A New—and Volatile—World Market is Emerging***

The global market is vitally important to U.S. agriculture, with more than a fifth of the industry's bounty destined for foreign markets each year. In recent years, however, a surge in U.S. production collided with a sharp dip in foreign sales, driving down farm commodity prices and farm incomes. The resulting slump in the U.S. farm economy again underscores the importance of foreign markets to the industry

Despite the recent dip, the global market remains one of long-term promise. Populations are growing much more rapidly in foreign markets than at home, gradually nudging up food demand. Last fall, the world added its 6 billionth inhabitant, and according to current projections, the global population will swell to 8 billion in the next two decades. By the year 2020, more than 80 percent of the world's population are expected to reside in the developing nations of Africa, Asia, and Latin America.

In addition to big and rapidly growing populations, another defining characteristic of much of the developing world is rapid income growth. During much of the past decade, income growth in these rapidly developing economies easily outpaced growth in the richer developed nations (Chart 1). To be sure, the developing world stumbled in recent years as financial turbulence quickly spread from Asia to Latin America and Russia. The global economy is now on the mend, however, and as the recovery takes root, the outlook is gradually brightening for U.S. agriculture's foreign sales. Nevertheless, the stunning ebb and flow of farm exports in recent years has again taught the industry an old lesson—the world marketplace is both vitally important and notoriously volatile. Agriculture's growing dependence on a volatile world marketplace boosts the risk the industry and its lenders must manage in the years ahead.

### ***U.S. Farm Policy is in Transition***

Even while the industry learns to manage the risks of global markets, agriculture's public safety net is being lowered, a fundamental redefinition of agriculture's business climate. With the 1996 Federal Agriculture Improvement and Reform Act (FAIR), the nation took a long stride toward a market-based farm economy that promised an eventual end to some six decades of public support and control. The new farm policy elevates the premium on sound marketing and risk management skills for the nation's farmers—and the prudent evaluation of these skills by farm lenders.

Recent hallmarks of the new farm policy are a surge in crop inventories and a plunge in crop prices. Crop inventories swelled when a run of four big harvests in a row collided with the recent export slump, and crop prices plunged. The drop in crop prices was unusually steep, however, in light of crop inventories that are still less than half as large as at the trough of the last farm financial bust in 1987 (Chart 2). The difference between then and now, however, is that much of the 1987 inventory was at least temporarily isolated from the market in various government warehousing programs. In contrast, today's entire inventory is readily available to the market, weighing directly on crop prices. Thus, the new farm policy enables crop prices to respond much

faster and farther to shifts in underlying demand and supply relationships, boosting the industry's market risks.

Despite the market-based spirit of the FAIR Act, policymakers responded vigorously to the recent weakness in farm prices and incomes, allocating about \$15 billion in emergency assistance to farmers during the past two years, in addition to funds authorized under current farm law. Farm lenders indicate the additional financial aid boosted profits for many farmers and bought breathing room for many others. The financial aid also created additional uncertainty, raising the question of whether the industry's recent market-based reforms will hold. Thus, a fundamental unknown in agriculture's business planning and credit analysis is whether government payments will be available to cushion earnings dips in the years ahead.

### ***Agriculture's Structure is Changing***

One of the most profound long-standing trends in U.S. agriculture is a continued evolution of the industry's structure. Since the Second World War and before, farms in the United States have grown bigger and fewer, as farmers reaped scale economies enabled by the steady march of new production technology. The U.S. Department of Agriculture estimates the number of farms in the nation has dwindled from more than 5 ½ million a half century ago to about 2 million today.

The nation's remaining farms are a broadly diverse bunch, ranging from small, life-style farms to significant commercial enterprises. The lion's share—about 9 out of 10—are small farms with annual sales of no more than \$250,000, barely achieving a commercial scale of operation. The remaining 1 in 10 farms are the productive core of the industry. Despite their relatively small number, these bigger, commercial-size farms account for two-thirds of the industry's sales volume (Chart 3).

In the last decade or so, a new twist has taken root in the industry's long-standing shift toward fewer and bigger farms. A growing number of farms are becoming the first link in carefully orchestrated production, processing, and marketing chains stretching from genetics to grocery. The welds holding the chains together are production contracts of various forms, or in some cases common ownership by vertically integrated firms. These new "supply chains" are shifting the industry's focus from commodities to products, as they aim their carefully engineered products at precisely targeted market niches. In some ways, the new supply chains are a mixed blessing for their participants. Contractual obligations limit the members' flexibility for managing their individual businesses. But the members benefit from sharing and distributing their business risks along the supply chain and limiting their exposure to sharp swings in market prices.

Agriculture's continued shift to smaller and bigger farms and the development of supply chains present new challenges for farm lenders. An almost even split in total farm debt between the big group of small farms and the much smaller group of large, commercial farms defines the polar extremes of the farm lending market. Faced with this divided market, farm lenders must give serious consideration to how they define their customers, their products, and their strategy for product delivery. At one end of the market is the large group of small farmers who support their families and offset the risks of their farming activities with off-farm income. Individual credit lines are small, and servicing these borrowers is a high-touch, high-cost, retail banking business. At the other end of the market is the much smaller group of large, commercial farmers, many of

whom are likely to be participants in supply chains. Individual credit lines are large and the average cost of credit delivery is low, but servicing these borrowers requires sophisticated financial products and delivery systems.

Overall, this sketch of the farmscape reveals a slowly growing industry, driven largely by gains in a volatile and unpredictable world market. At the same time, the industry's traditional safety net of taxpayer support is gradually being lowered—in an unpredictable way. Thus, the industry continues to evolve as its risk profile shifts. Farm businesses seek a size and structure that capture profitable scale economies, enhance product delivery systems, and build helpful risk sharing arrangements. The sharp divide emerging between life-style and commercial farm businesses suggests farm lenders must carefully define their business plans, taking into account both customers and products.

### **The Farm Lending Market**

Amid this blend of shifting markets, risks, and structure, the farm lending market promises to be one of slow growth and stiff competition. Farm debt continues to creep up slowly. At about \$173 billion today, the industry's debt load has grown about a fourth since bottoming about a decade ago. Adjusted for inflation, farm debt hit bottom in 1993 and has grown at an average rate of about 1 ½ percent a year since then.

The slow growth in farm debt notwithstanding, a small crowd of farm lenders is vigorously competing for market share (Chart 4). Insurance companies have maintained an almost steady share of the market, aimed primarily at large, high-quality, real-estate transactions. Vendor credit is becoming increasingly important in farm lending as agriculture follows other industries in pursuing new credit sources. For numerous agricultural businesses, lending began as a secondary activity designed to boost sales in the primary business, and later lending developed into a primary profit center.

The Farm Credit System—the nation's specialized, cooperative farm lender—remains an industry leader, surpassed in agricultural credit volume only by commercial banks. The FCS once owned the leading share of the farm lending market, but it lost its lead with the farm financial bust of the 1980s. With its specialization in farm lending, the FCS is more vulnerable to a protracted downturn in the farm economy than its more diversified competitors—a concern underscored by agriculture's current slump. The FCS entered the current downturn in strong financial condition, however, its balance sheet bolstered by annual earnings above \$1 billion for each of the past seven years. The FCS' transformation since the 1980s is highlighted by a new streamlined structure that has whittled its bricks and mortar down from almost 900 institutions in the early 1980s to fewer than 200 today. Its streamlined structure and continued access to national money markets enable the FCS to provide credit at competitive rates. As a result, the FCS remains a formidable competitor in farm lending, regaining a few percentage points of market share in the last few years.

Commercial banks are the nation's leading provider of farm credit, the focus of much of the recent innovation in the financial services industry, and thus the topic of the remainder of these remarks. To further sharpen our focus on the role of commercial banks in rural lending, we've split commercial banks into two groups, a group we call community banks and all others. Two criteria

distinguish community banks in this analysis: Each is headquartered in a rural area (outside Standard Metropolitan Statistical Areas or SMSAs). And each holds total assets of no more than \$1 billion.

Similar to the structural trend in U.S. farming, the terms consolidation and concentration describe the dynamic among the nation's commercial banks. Driven by scale economies, innovation in financial markets, and regulatory modernization, waves of mergers have shrunk the number of commercial banks from more than 14,000 in the early 1980s to fewer than 9,000 today. Slightly more than half (55 percent or about 4,800) of today's commercial banks fit our definition of community bank (Chart 5). As one might expect from their rural location, community banks tend to be relatively small institutions, with most holding less than \$250 million in total assets. Given their relatively small size, community banks together hold a small slice—less than 8 percent—of the nation's total banking assets.

Their relatively small size and contribution to overall banking activity notwithstanding, community banks are vitally important sources of credit for farmers and other enterprises in rural America. Small community banks—those with less than \$250 million in assets—tend to be more specialized in farm lending than their larger counterparts. On average, agricultural loans are 20 percent of loan portfolios at small community banks, double the concentration at larger community banks (Chart 6). Overall, community banks have been very profitable during the nation's current economic expansion. In 1991, the year the expansion began, the return on assets (ROA) at community banks averaged nearly 1 percent. By 1998, average ROA had climbed to about 1 ¼ percent at small community banks and more than 1 1/3 percent at larger community banks (Chart 7). The recent disparity in earnings between small and large community banks agrees with emerging evidence on economies of scale in banking, which many analysts believe favor banks holding more than \$300 million in assets.

### **The Shifting Financial Landscape: A Revolution in Banking**

Community banks are adjusting not only to rapid change in agriculture, but also to a veritable revolution in their own industry. This revolution is sparked by bold new legislation governing the financial industry and by the onward march of technology, which in its own way is redefining finance—and the geography of banking.

#### ***New Laws Redraw the Banking Landscape***

After years of negotiations and a number of failed attempts, Congress passed and the president signed a comprehensive bill overhauling the nation's core laws governing the banking industry and financial services more generally. The Financial Services Modernization Act of 1999 (FSMA) aimed to provide a new regulatory framework for an industry that had outgrown the rigid confines of banking laws written during the Great Depression.

Extremely comprehensive in its reach, the law will have far-reaching implications for community banks. While many aspects of the bill will affect them, three provisions are particularly important:

the repeal of Glass-Steagall, the creation of new powers for banks, and new access to loanable funds.

A paramount provision of the FSMA was to repeal and replace the Glass-Steagall Act. Passed during the 1930s, that act created a wall of separation between the banking and securities industries. Banks were permitted to take deposits and make loans, but were not allowed to engage in brokering or underwriting securities. They could also not engage in insurance agency or underwriting activities. Over time, these legal restrictions proved more and more onerous as consumers revealed their preferences for one-stop shopping for financial services. In one bold stroke, the FSMA tears down these 60-year-old walls separating banks from the securities and insurance businesses.

A primary vehicle by which banks can enter the previously forbidden lines of business is through a financial holding company. In some respects, a financial holding company can be thought of as expanding the powers of a bank holding company. To form a financial holding company, a bank holding capital must meet three tests: it must be well managed, well capitalized, and score a satisfactory or better rating on its compliance with the Community Reinvestment Act. Once a financial holding company is formed, the company can engage in a very broad menu of financial activities. These include securities underwriting, merchant banking, insurance agency and underwriting, and a long list of activities that can be classified as “financial in nature.”

Apart from a financial holding company, commercial banks are given much broader powers themselves. Under the FMSA, all commercial banks can now have an insurance agency (the power to underwrite insurance was given only to financial holding companies). Previously, only commercial banks in towns with population under 5,000 were allowed to own insurance agencies. Commercial banks were also given the authority to underwrite securities. One important aspect of this new power for rural community banks is that they can now underwrite municipal revenue bonds, an important source of funding for rural infrastructure projects. Finally, the FSMA left open the possibility that community banks might engage in merchant banking—making investment positions in local companies. There is a five-year moratorium on merchant banking by banks, after which time financial regulators are to review the matter again. However, in the interim, a commercial bank presumably could be a merchant banker if it formed a financial holding company.

Another way of looking at the new world of community banking is reviewing what commercial banks cannot do. They cannot underwrite insurance, invest in real estate, develop real estate, or engage in merchant banking for at least the next five years.

Finally, the FSMA substantially broadened community banks’ access to loanable funds. Any commercial bank with less than \$500 million in assets can now gain access to Federal Home Loan Bank (FHLB) advances without meeting a Qualified Thrift Lender test. Community banks already had access to FHLB funds, but the funds essentially had to fund rural housing loans. The FSMA sweeps away that requirement. Now, community banks can borrow from the FHLB and turn around and fund housing, small business, small farm, or agribusiness loans. They can take long-term advances and use them for the same purposes.

In short, the FSMA significantly expands the availability of loanable funds to community banks, one of their biggest business concerns. While it is too soon to know the extent to which banks will use this channel, it seems likely that many banks will see the FHLB as an important means of underwriting future loan growth.

### ***Technology Makes a Mark on Banking***

While a new watershed in banking legislation obviously will redraw the future for community banks, so will the new digital era. Like all other businesses, community banks are adapting to e-commerce. The transition is especially difficult for community banks, however, because their franchise is especially tied to a particular geographic place.

Internet banking opens banks to a new world of customers, but it also provides new opportunities to their existing customers. Whether the net effect is positive or negative is open to question. At this point, relatively few community banks have aggressively marketed themselves on the Internet, in part because the human resource and other costs of building a Web presence are considerable. According to the FDIC, only 160 banks with assets less than \$100 million offered transactional banking via the Internet as of October 31, 1999. That was less than 3 percent of all banks that size.

In the end, new technologies will no doubt make community banks more efficient overall. Yet most community banks regard relationship lending as a core strength. Whether sturdy lending relationships can be built online remains to be seen. Many community banks may dabble online but continue to direct their core business strategies at local businesses.

In sum, commercial banks are entering a whole new financial landscape. The FSMA gives bankers a broad new set of financial tools. It also gives them more funds to tap at the FHLB. And while technology also opens a new world of opportunities, most community banks still consider themselves tied to their communities. Thus, the performance of the rural economy still remains the dominant factor in the community banking outlook.

## **The Changing Rural Landscape**

An uneven rural economy creates big challenges for rural community banks. Banks located in booming areas are thriving, while banks in stagnant rural regions struggle to grow and remain profitable. This economic tale of two rural Americas gives every indication of continuing in the period ahead.

### ***An uneven rural economy***

One useful gauge of the rural economy is to compare its performance with that of metropolitan areas during the nation's record-setting economic boom. This month, the nation's expansion will set a new longevity record at 107 months. Since the expansion began in March 1991, the nation's job rolls have jumped about a sixth—nearly 20 million jobs. Rural job gains have been about a half percentage point less at 16.2 percent.

Within rural America, however, job gains have been very uneven. One way to assess the uniformity of rural growth is to compare the gains in rural areas next to metro areas (which often become the next round of suburbs) with those in more remote rural areas. Remote rural places posted job gains more than a full percentage point less than the nation's cities, whereas rural areas next to metro areas essentially kept pace with the cities (Chart 8).

Comparing rural job gains in this expansion across regions gives an even clearer picture of uneven rural growth. The fastest rural job growth—by a wide margin—has been in the Intermountain West, where rural jobs have jumped 28 percent during the expansion (Chart 9). The rapid gains were driven by a strong influx of population and businesses as millions of new residents sought scenic lifestyles near the mountains. Job gains in the central portion of the nation, meanwhile, have been much more moderate, and lag well behind the nation as a whole.

Farming areas have been among the weakest in adding jobs in this expansion. Farm-dependent rural counties have only managed a gain of 13.4 percent in their job rolls during the expansion, nearly 3.5 percentage points less than in the nation's cities. (There are 556 rural counties where production agriculture is the leading source of income, and these counties are heavily concentrated in the Plains States.) Only mining-dependent counties fared worse, with job growth half as fast as in farming counties.

Lagging job formation in farming counties underscores the economic dilemma many such counties face. Technological change is the steady companion of the U.S. farm economy; each year farmers grow more with fewer inputs. While beneficial to the U.S. economy overall, impressive gains in farm productivity do not by themselves spark strong job growth on Main Street. Thus, many farming communities in the nation's Heartland continue to search for economic engines that can broaden and strengthen their local economy. For many farm communities, the next ten years may well be a defining period.

### ***Challenges in the Rural Economic Outlook***

The unevenness of the rural economy presents many communities with serious challenges in the period. Five challenges appear particularly important: closing the digital divide, growing new entrepreneurs, leveraging the new agriculture, sustaining the rural environment, and boosting human capital.

*Closing the digital divide* will be an important challenge for helping rural America participate more fully in the nation's economic gains. Digital technologies offer a whole new paradigm—knowledge-based industries located anywhere. Until now, however, such industries have mostly chosen not to locate in rural America. There are well-publicized exceptions, to be sure. It is possible to be a highly successful software or computer company on the prairie. Gateway 2000 is a visible example (still, it recently moved its headquarters from South Dakota to San Diego). But exceptions do not make a trend. The high-tech trend is decidedly metropolitan, with powerful evidence in the Silicon Valley.

Can rural communities capture more growth in the digital economy in the 21<sup>st</sup> century? This may be the biggest wild card in rural America's future. Digital technology clearly has the potential to open up bold new economic vistas in rural places. But it will not be easily done.



*Energizing entrepreneurs.* Entrepreneurs are the yeast in the economy. A tiny part of the overall recipe, they are the essential ingredient that makes the economy rise. Many now wonder if rural America has enough yeast to rise to the fullest. While comprehensive studies have not been done, many observers believe that rural entrepreneurs are comparatively scarce. To a large degree, rural entrepreneurs have become today's "homesteaders." They explore new frontiers, pursuing their fortunes in new endeavors. But beyond this sense of mission, which is common to all business start-ups, rural entrepreneurs tend to be solitary, far from the abundant support systems of the metroplex.

Access to capital provides one window on the rural entrepreneur's world. A new business in suburbia can obtain capital from a legion of sources: the local bank, the regional bank, the national bank, the finance company, the venture capital firm, the local network of angel investors, mezzanine finance companies. The rural entrepreneur, on the other hand, generally has one source: the community bank. Ironically, even local farmers have more capital choices (which include the Farm Credit System, insurance companies, the Farm Service Agency, and foreign banks, like Rabobank).

Capital, of course, is only one piece of the puzzle a new rural business must put together. Understanding input and product markets, assembling a business plan, putting together a management team, hiring workers, finding a location, ironing out logistics are all pieces of a process that must flow seamlessly. Many of these pieces are simply more difficult to pull off from a rural location. Moreover, a support group to help navigate the process is far more limited.

*Leveraging the New Agriculture.* One of the heralds of the 21<sup>st</sup> century is a New Agriculture, a dramatic shift to producing specialized products with supply chains. While much work remains to realize its full potential, the New Agriculture poses a special set of challenges for rural America, namely a redrawing of where farming and processing take place.

Supply chains bring a whole new geography to U.S. agriculture. Historically, the economic gains from agricultural science have been widely dispersed. Supply chains, however, may be based on geographic concentration, not dispersion. With tightly coordinated production and processing, activity tends to move to hubs. In that sense, the poultry industry may be prelude to the future. The poultry industry is now characterized by a handful of supply chains concentrated mostly in the South, the mid-Atlantic, and the upper Midwest. What may be even more striking is that poultry processing and production have concentrated in relatively few rural places within these regions.

While communities with supply chain hubs clearly stand to benefit, relatively few communities may actually succeed in being a hub. How do communities position themselves to capture an emerging hub? Successful communities will offer a sizable work force and a significant number of growers whose production can be coordinated and tuned to the needs of the end user. Another issue will be the number of new products moving into commercial production. The more new products become available, the more rural communities will benefit. This speaks to the overall amount being spent on research and development—by both the private and public sectors.

*Boosting human capital.* A transcending challenge will be boosting rural America's human capital. Building new futures for rural America depends more than anything on the people who will make

it happen. Studies show that rural America has a smaller share of people with college training than metropolitan areas. This brain drain simply makes it that much harder to do a whole host of things in rural America—stoking entrepreneurship and attracting high-skill jobs to name two. Slowing that drain will depend on creating more viable economic opportunities and enhancing rural quality of life.

The brain drain is a big issue, but not the only one. Lifting the skills of rural workers and building leadership capacity in rural communities will also be critical. Higher worker skills will be a major plank in building a brighter rural economic future. Rural wages appear to be falling behind those in metro areas. In the 1990s, for instance, rural wages have risen less than half as fast as metro wages.

Lifting wages will require higher skills and more rural entrepreneurs. This presents something of a “chicken and egg” problem. Which comes first, better firms or better workers? The answer, of course, is *yes*. It takes both. Rural workers will be a crucial target for new lifelong learning initiatives. Rural people not only need access to the information superhighway; they also need to be adept in traveling it.

Finally, rural communities will need more than high-skill workers and a new generation of entrepreneurs. They will need strong local leaders. As never before, firms have myriad choices where they locate. Those choices now cross county lines, city limits, state lines, and national borders. Rural communities have trouble competing in this race due to their small scale. Thus, training effective rural leaders will be a key to helping rural communities remain viable in the new century.

### ***The rural banking outlook***

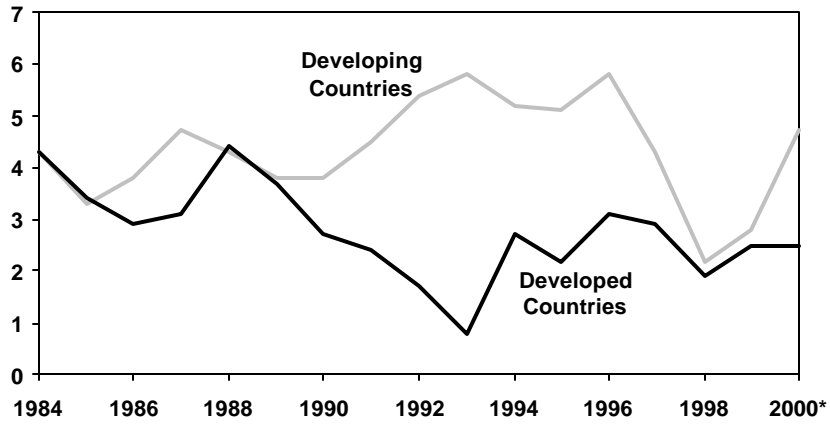
Given these challenges, what is the outlook for the rural economy? Rural America will probably continue to perform quite well overall, but there seems to be no end in sight to the uneven pattern of growth. Scenic areas like the Intermountain West will continue to boom due to their lifestyle amenities. Farming and more remote areas, meanwhile, will be in a serious search for new economic engines. Many of these new economic opportunities will probably lead away from agriculture.

Community bank loan growth in the 1990s probably provides a reasonable window on the future. Total loans grew more than 5 percent a year in the current economic expansion (Chart 10), with consumer and agricultural loans growing faster than commercial loans. That pattern may be reversed in the coming decade. Much of the growth in farm loans came at the expense of the Farm Credit System; a period with more stable market shares may lie ahead. Meanwhile, commercial lending may grow somewhat faster as banks search for new sources of growth—for themselves and their communities.

Community banks will almost certainly remain the dominant rural business lenders in the period ahead, especially given the new tools they received in the FSMA. And while technology will clearly change the banking business, most rural community banks will remain heavily tied to their communities through a legacy of business relationships. The simple relationship still holds: as go their communities, so go community banks.

## Chart 1: World Economic Growth

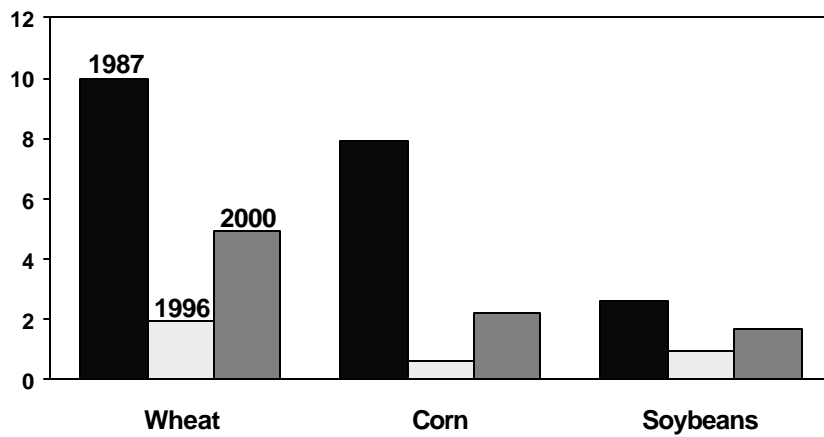
Percent change in GDP



\*Forecast  
Source: USDA

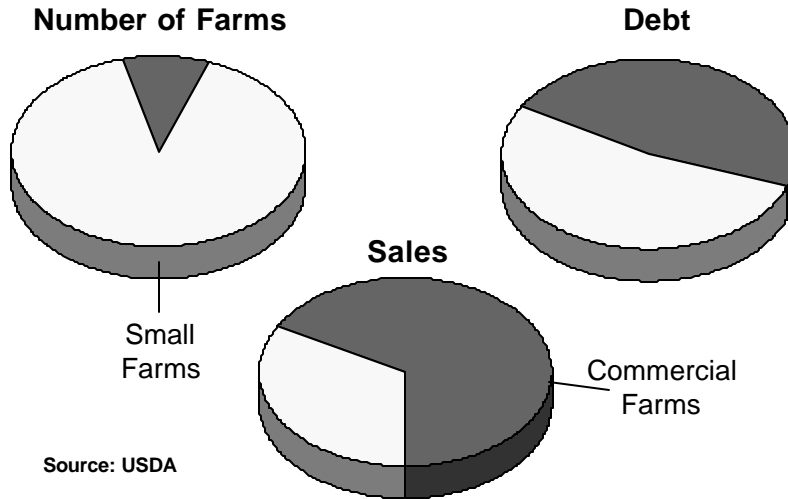
## Chart 2: U.S. Crop Inventories

Months supply

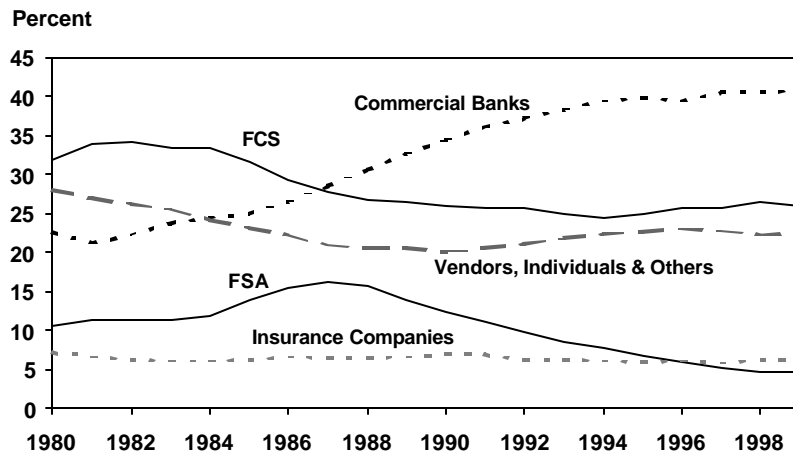


Source: USDA

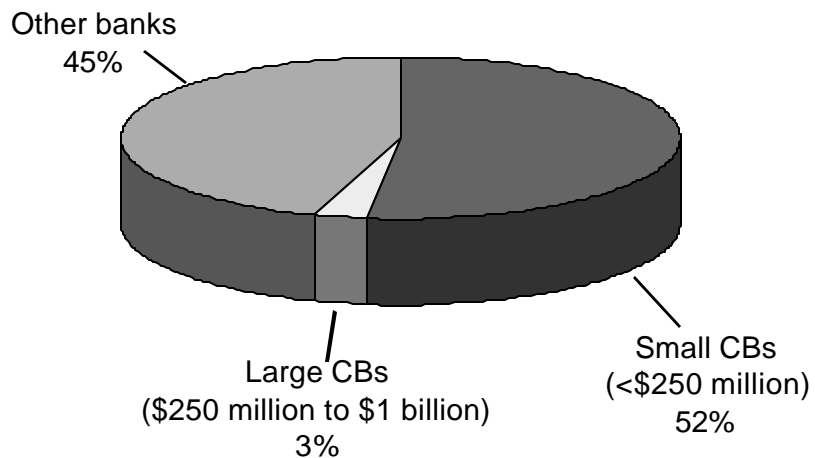
### Chart 3: U.S. Farm Structure 1998



### Chart 4: Market Share of U.S. Farm Debt

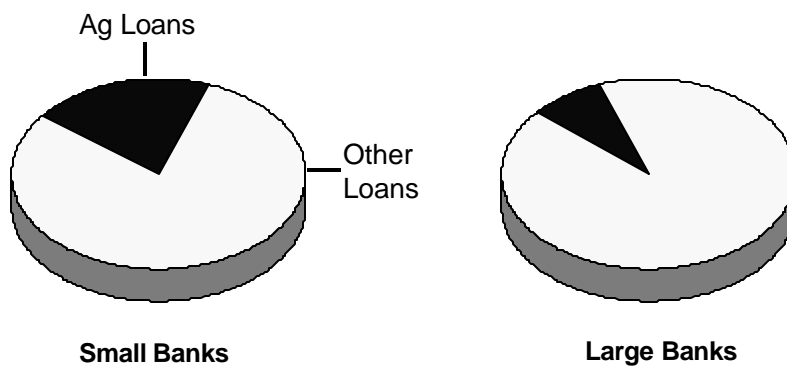


**Chart 5:  
Community Bank Share of All Banks  
1999**



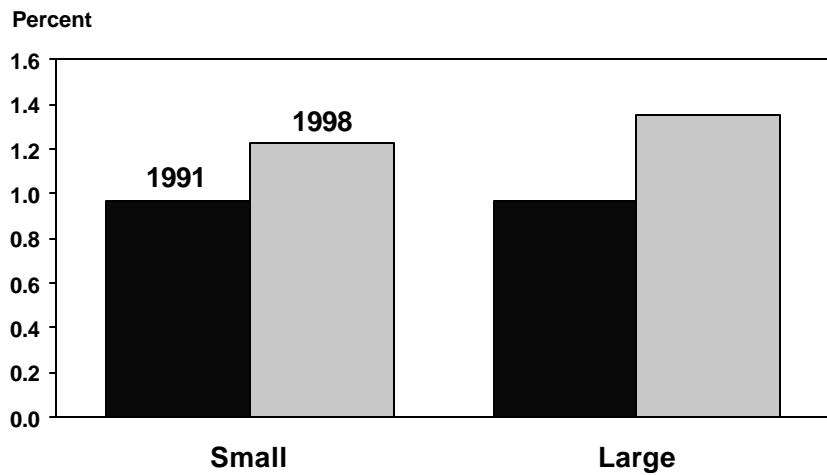
Source: Federal Reserve System

**Chart 6:  
Community Bank Loan Concentration  
1999**



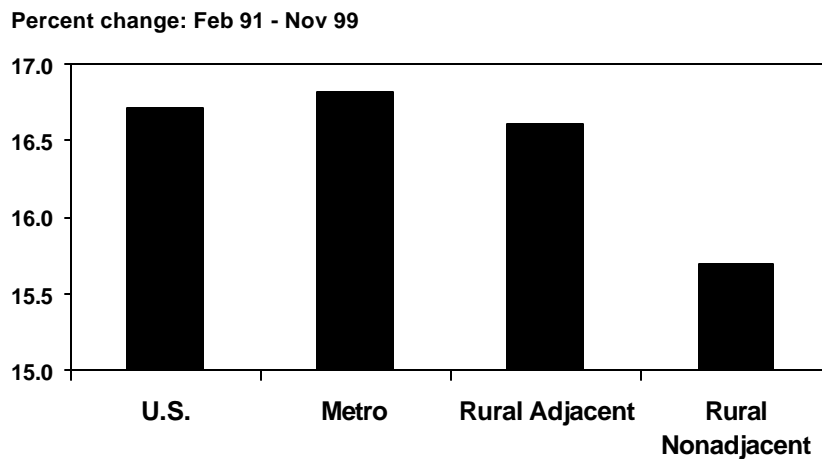
Source: Federal Reserve System

### Chart 7: Return on Assets Community Banks



Source: Federal Reserve System

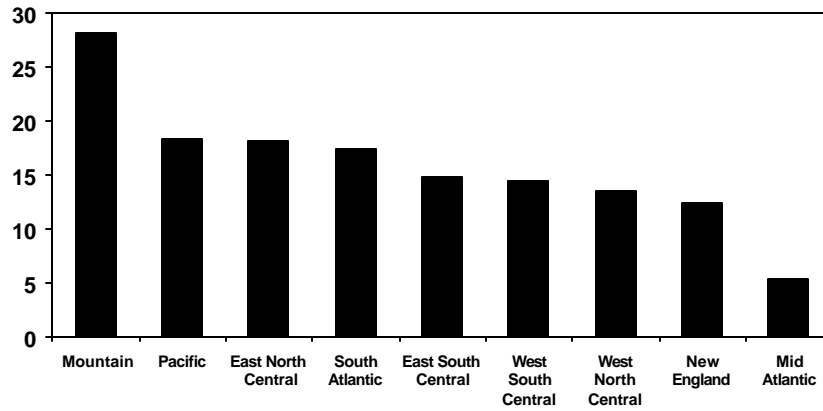
### Chart 8: Total Job Growth in the Expansion: Remote counties grow more slowly



Source: Bureau of Labor Statistics and Economic Research Service

**Chart 9: Total Nonmetro Job Growth in the Expansion:  
Mountain States in the Lead**

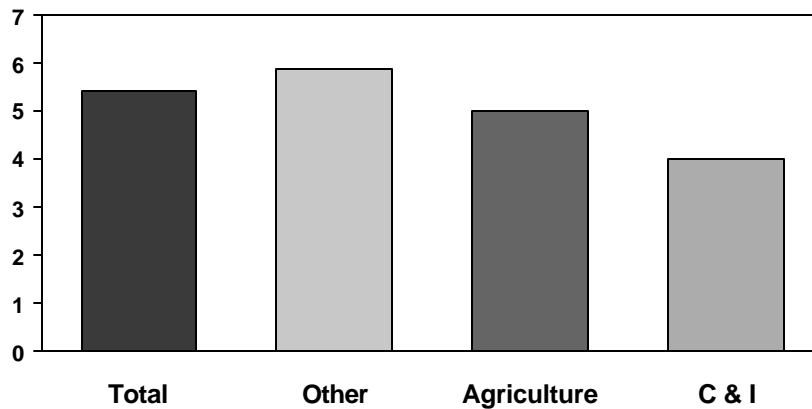
Percent change: Feb 91 - Nov 99



Source: Bureau of Labor Statistics and Economic Research Service

**Chart 10:  
How fast will community bank  
loan market grow?**

Average annual percent change: 1991-1999



Source: Federal Reserve System