



WHERE JOB AND LIFE CONVERGE

Personal experience gives meaning to Kansas City Fed's rural focus

Jason Henderson strolls through the livestock pens at the 2012 World Dairy Expo. Though his presentation on opportunities in the international agricultural export market is still fresh in his mind, one thing keeps his focus as he admires the bovine: the scents.

“The mixture of smells brought back some really nice memories,” he said.

Before he was the Omaha Branch executive and lead ag economist for the Kansas City Fed, Henderson was a farm kid. His family milked 50 head on a 320-acre plot in northeast Iowa.

Though his background may make him stand out among his peers across the Federal Reserve System, Henderson is by no means an anomaly in the Kansas City Fed ranks. Rural economies are a focal point for the Kansas City Fed because of its location, but the passion behind the focus has a lot to do with the personal experiences of its employees.

Research specialty

With a large swath of the Great Plains and Mountain States falling within the borders of the Tenth Federal Reserve District, the Kansas City Fed has emerged as a leading resource of agriculture-related economic research. Henderson and his colleagues study trends in rural economies and report their research in Kansas City Fed publications such as the Survey of Agricultural Credit Conditions, the Nebraska Economist and The Main Street Economist.

In 2010, under Henderson's leadership, the Kansas City Fed took over compiling national trends in farm lending for the quarterly Agricultural Finance Databook, which was previously managed by the Federal Reserve Board of Governors in Washington, D.C.

Henderson's focus on ag issues, particularly as they pertain to finance, has put him before Congress to testify—twice.

Perhaps better than anyone, Henderson appreciates the Kansas City Fed's long tradition of ag research.

He was attracted to the Kansas City Fed for its ag specialty, starting as a junior-level research associate in 1996. He speaks highly of the economists who helped him hone his skills.

"I am just one person in a chain of really strong ag economists," Henderson said. To him, the tradition began in the 1970s with former Kansas City Fed economist Marv Duncan. It was Duncan who started an annual conference—at the time slanted toward ag topics—that evolved into the Kansas City Fed's renowned economic symposium in Jackson Hole, Wyo.

Today, the Kansas City Fed hosts an annual Agricultural Symposium that brings together leaders in ag research, policy and business from across the globe. The 2012 symposium centered on whether ag could escape its historical cycles of boom and bust.

The Kansas City Fed's roots in agriculture, however, run deeper than its geographic location and the subsequent research focus. The most recent issue of the Agricultural Finance Databook highlighted the unfolding economic impact on farmers of 2012's historic drought, showing farm operating loans taking its highest jump in five years. It's a trend that Henderson and his colleagues, many of whom are also from rural areas, can relate to personally.

Living it

Among the Kansas City Fed's 1,400 employees are personal stories of rising before dawn to bucket-feed calves in the freezing rain, the satisfying feeling of sweat on your neck when you call it a day, memorizing the 4-H pledge, and learning to drive a tractor before learning to drive a car.

President Esther George balances a demanding Fed schedule and weekends at the family farm outside St. Joseph, Mo.

Evan Richter, a bank examiner in the Omaha Branch, hails from a family that owns roughly 1,800 acres in southwestern Nebraska. They raise wheat, corn and crossbred beef cows—a small contingent of which he



GROWING UP ON A FARM during the 1980s financial crisis helped shape both a career path and a world view for Kansas City Fed ag economist Jason Henderson (at left in family picture above).

purchased himself several years ago while in college.

"In a perfect world, if they paid me as much, I would be a farmer," he said. "Ag was always my first love."

Richter returns to the farm as his job allows. "I especially try to make it back when something big is going on."

"Big" in farming terms invariably encompasses the fall harvest season. After the drought, Richter said there wasn't much harvest to speak of on his family's land. Their plot is mostly dryland with some irrigation, which translates into a lot of lost crops. His experience is perfectly anecdotal of the recent research on the drought Henderson and his colleagues published.

"It's definitely something I've seen firsthand," Richter said of the research. "I feel for people when I read the research [on the drought]."

His robust understanding of ag enhances his bank examiner role. The Tenth District is home to the nation's largest population of community banks, often located in rural areas largely dependent on the economic well-being of agriculture.



JASON HENDERSON, vice president and branch executive of the Kansas City Fed's Omaha Branch, meets regularly with the Branch's Board of Directors.

“There won’t be so much of a learning curve when I start working on ag loans,” he said. “Having that understanding will be even more important as I move on in my job.”

In the Kansas City office, Cherie Gordon’s job frequently puts her in contact with bankers experiencing the peaks and valleys of farmers’ credit needs, something she relates to personally. Each summer of her formative years, she left the bustle of the city for the breezes of the plains. Her grandfather’s farm was a gathering point for the family. She rounded up cattle on

horseback, chased the pigs out of the mud and tended the fields alongside her dad and cousins.

“That’s where I learned to drive—driving grain trucks,” she said. “I drove the grain trucks around the fields while they filled them up.”

When Gordon reads the ag research published by the Kansas City Fed, she can picture the people and places she knows behind the data.

Today she lives with her husband, kids, their chickens and their horses at the intersection of two gravel roads deep in the

WHERE TO FIND THE KANSAS CITY FED AG RESEARCH

Find links to the Kansas City Fed’s agriculture-related research at KansasCityFed.org/Research/RegionalEconomy.

You can also sign up to receive e-alerts when new ag research is released. Enter your email address at KansasCityFed.org/ealerts and select publications such as Main Street Economist and Survey of Agricultural Credit Conditions.

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Missouri countryside. Though her commute to downtown Kansas City is 45 minutes on a good day, she is in love with the “wide open feeling of being outside.”

Any hassle with the distance is “well worth it” to expose her children to the work ethic and delayed gratification of a rural environment.

“It’s just a different mindset,” she said.

It’s a kind of mindset that attracted self-described city girl Linda Foos away from the bustle of Denver, where she works in the Branch office, to the outskirts of Palisade on the Western Slope, about three-and-a-half hours from the Mile High City.

For their retirement years, she and her husband purchased a five-acre orchard where they harvest about 21,000 pounds of sour pie cherries each year.

From April until October, she and her husband split time between their Denver metro



CHERIE GORDON, at her farm in Missouri, understands what bankers experience with the peaks and valley’s of farmers’ credit needs. Gordon works in Statistical Services at the Kansas City Fed.

home and Palisade.

“We’re kind of weekend farmers,” she said. But only until they are both retired. “Eventually we hope to build a house on (the plot).”

Shaping a world view

In the mid-1980s, with the country plunged into a financial crisis, Henderson’s father came to the dreaded decision point so many of his fellow family farmers did: hold fast or sell. It was time for “the talk” with his sons. In that conversation, both young men declined a career in farming. The farm was sold. The family moved to town.

Though the crisis ended several years later, the experience was a seed for Henderson.

“That’s what I grew up in,” he said. “It’s what shaped my world view.”

Initially he did not think his career path would intermix with ag. But while pursuing his master’s in economics at Purdue, he was drawn to rural development. He attributes the attraction to his upbringing.

“I got into ag because I wanted to answer two essential questions about the 1980s crisis: What caused it? And could something have stopped it?” he said.

He has been watching economic trends in ag ever since. His goal is to give people in rural communities the necessary information to make better decisions about their farms, ranches and businesses.

“I want to be able to provide them that ten thousand-foot view,” he said.

Understandably, for Henderson and others at the Kansas City Fed, the intellectual pursuit of the data is only one side of the double helix. The other side is the real-life connection.

“That personal side bubbles up,” he said.



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