



Community Banks' Ongoing Role in the U.S. Economy

In a June 24, 2021, publication, supervisory and risk specialists at the Federal Reserve Bank of Kansas City explained how despite declining numbers and growth challenges, community banks continue to play a critical role in the banking industry, their local communities, and the broader economy. The publication provided an overview of the structural changes in the banking industry that have driven consolidation, the markets and sectors which community banks play the most critical role, and the challenges to the community banking model and opportunities presented by technological changes.

The specialist argued that community banks have a significant role in providing financial services to rural communities as well as credit to agricultural and commercial borrowers, they exhibited strength and adaptability during the global financial crisis and the COVID-19 pandemic, and how the regulatory changes and technological advances have not eliminated the need for physical bank locations or personal interaction in banking. CBAI appreciates the Kansas City Fed's leadership in highlighting the vital importance of community banks.

[Read the Federal Reserve Bank of Kansas City Publication »](#)