



NEWS RELEASE

The Federal Reserve Bank of St. Louis
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Media Advisory (2/24/96)

***The Regional Economist* Looks at Job Growth in Rural Areas, Inflation-Indexed Bonds and Farm Income**

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ST. LOUIS — The latest edition of *The Regional Economist*, the Federal Reserve Bank of St. Louis' quarterly review of business and economic conditions in the Eighth Federal Reserve District, features the following articles:

- **“The Overlooked 40 Percent: The Rural Eighth District.”** While news stories abound about the renewal of some large cities' business districts, little attention has been given to growth in rural areas. These sleeping giants not only have awakened, but also have been outdoing their city counterparts. Economist Adam M. Zaretsky compares economic growth in rural and urban areas of the District's seven states and finds some surprising results.
- **“The Name Is Bond — Indexed Bond.”** The Treasury Department recently introduced inflation-indexed bonds to investors looking to protect their savings from unexpected increases in inflation. Economist Michelle Clark Neely explains how the bonds work and looks at their pros and cons. She concludes that although unfavorable tax treatment will likely dampen widespread demand for the bonds, they will probably fill a niche for very conservative investors.

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• **“What’s Up Down on the Farm?”** Above-average prices and higher-than-normal crop yields are expected to produce a substantial rebound in aggregate income for farmers in the Fed’s Eighth District. With crop inventories well below their five-year average, economist Kevin L. Kliesen concludes that farm prices will probably stay at relatively high levels in the region for 1997.

Subscriptions to *The Regional Economist* are free and can be obtained by calling (314) 444-8809. The publication is also available on the Internet: <http://www.stls.frb.org>.

The Federal Reserve Bank of St. Louis has branches in Little Rock, Louisville and Memphis. It serves the Eighth Federal Reserve District, which includes all of Arkansas, eastern Missouri, southern Indiana, southern Illinois, western Kentucky, western Tennessee and northern Mississippi. In addition to serving as a bank for depository institutions and the U.S. government, each Reserve Bank supervises state-chartered member banks and bank holding companies, monitors economic conditions in the District and participates in formulating monetary policy.

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