



**National Cooperative  
Services Corporation**

# **Building Through Uncertainty**

## **Macroeconomic Forces Shaping Rural Broadband**

**Sam Kem**  
**Economist, NCSC**

# In a World Filled With Noises...



## What Actually Matters?





What drives:

- Project feasibility
- Financing cost
- Long-term sustainability

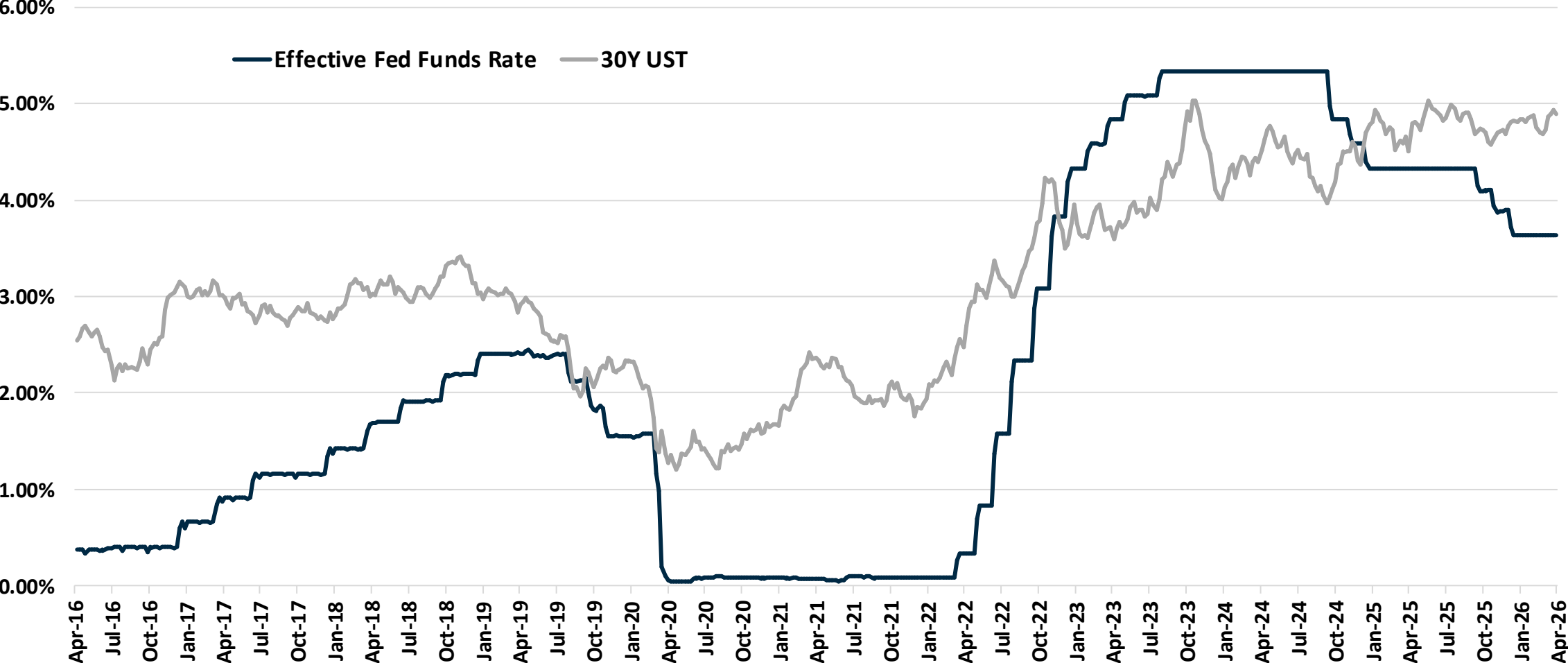


Filter signal from noise

# From Noise to Signal: Indicators That Drive Outcome

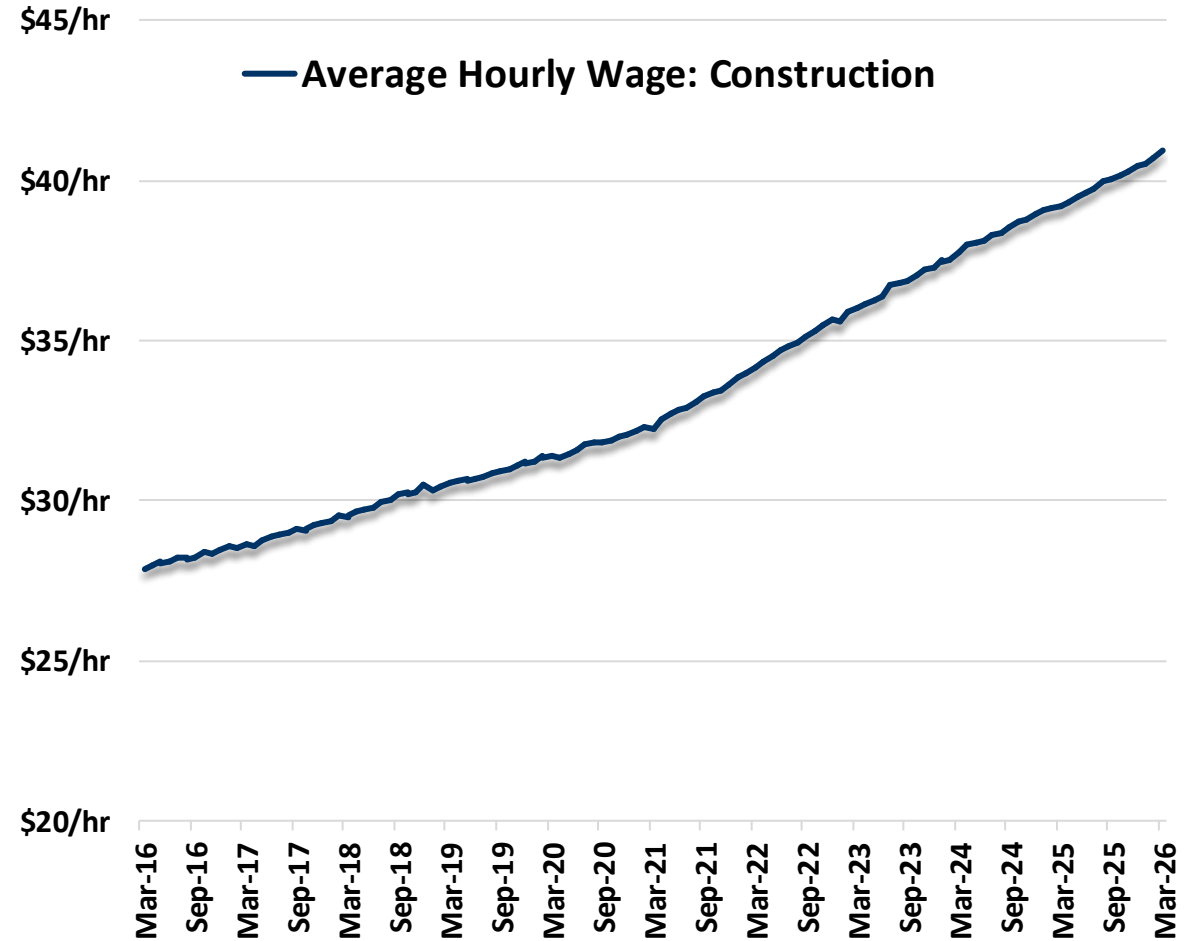
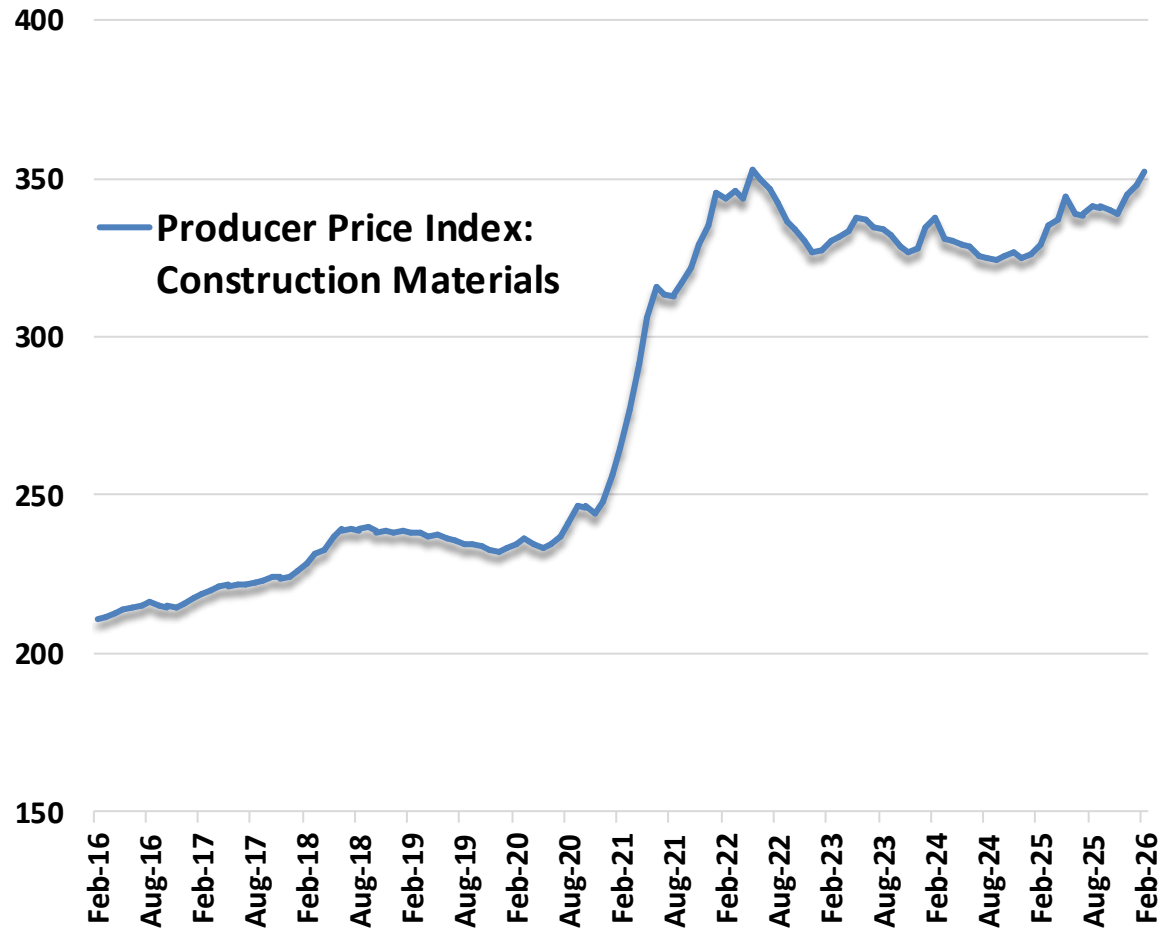
	Impact
<b>Interest Rates</b> 	Debt service, feasibility
<b>Inflation</b> 	Construction and operation costs
<b>Capital Markets</b> 	Loan availability and terms
<b>Demand</b> 	Revenue and sustainability

# High Interest Rates Drive Cost of Capital



Source: Federal Reserve Bank of St. Louis

# Costs of Construction Has Increased Significantly



# Challenges in Capital Markets



# Economic Risks to Monitor

01

Cost of  
Capital



- Persistently high long-term rates
- Credit conditions

02

Cost  
Structure



- Inflation in labor and materials
- Supply chain volatility

03

Demand  
& Growth



- Economic indicators that impact household finance
- Competitive technology shifts

# Geopolitics: From the Middle East to Rural America



The computer monitor displays a web article titled "Hormuz: Examining Hidden Risks to Rural America" from the "Economy" section, dated March 16, 2026. The article features an illustration of three men in a paper boat navigating through a blue sea with white icebergs. The text discusses the strategic importance of the Strait of Hormuz for rural America's supply chains. To the right of the article, there is a "RELATED NEWS" section with two items: "Retail's Private Credit Boom Is Flashing Warning Signs" (dated April 6, 2026) and "How Tech Hype Turns Into Dependence" (dated March 2, 2026). Below the article is a pagination control showing "1", "2", and "3".

The smartphone displays the "CFC Solutions" app interface. At the top is the logo for "CFC solutions Economic & Market Watch". Below the logo is the text "Solutions Economic and Market Watch CFC". A "Latest Episode" button is visible. The main content area shows a snippet of an episode titled "2026 Industry and Economic Trends — January 26, 2026" with a "See All" link. At the bottom of the screen is a navigation bar with icons for Home, Browse, Library, and Search.

# ANY QUESTIONS?

Contact Us:

Sam Kem, Economist

[Sam.Kem@nrucfc.coop](mailto:Sam.Kem@nrucfc.coop)

Jason Shelton, Regional Vice President

[Jason.Shelton@nrucfc.coop](mailto:Jason.Shelton@nrucfc.coop)