

COMMUNITY DEVELOPMENT

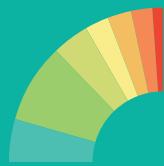
OUTLOOK SURVEY

2021



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Introduction

The Federal Reserve Bank of St. Louis' Community Development Outlook Survey (CDOS) collects original data that guide the long-term programming of the St. Louis Fed's Community Development department. These data also inform community development practitioners about trends and outlooks affecting low-to moderate-income (LMI) communities in the Eighth Federal Reserve District.

The survey is a biannual opinion poll sent to 3,550 community stakeholders in the seven states that compose the Eighth District. Responses were received from 260 of those stakeholders between June 15 and July 6. The overall survey response rate was 13.6%. In addition to asking about general economic conditions, the survey polled respondents about the impact of COVID-19 on their communities. The results provide insights into how LMI communities and the organizations serving them have fared during the pandemic.

Key Findings

- Compared to two years ago, 42% of the respondents noted that general economic conditions in the LMI communities they serve are declining. This is a significant increase from the 2019 survey, in which 27% noted the same.
- Similarly, a higher proportion of respondents noted that the ability to meet basic needs (45%) and well-being (47%) of the LMI communities they serve have been declining compared to the 2019 survey.
- Respondents noted that jobs paying a family sustaining wage, generational poverty and the availability of affordable housing were the top three issues having the greatest negative impact on the people and communities they serve.
- Compared to two years ago, the demand for services increased for 76% of the organizations surveyed, while 50% said their ability to provide services also increased.
- 39% cited impacts on small businesses and 27% cited income loss, job loss and unemployment as the top impacts of COVID-19 on the people and communities they serve.
- One-third of the respondents noted that it would take 12 months or more for the people and communities they serve to return to pre-COVID-19 conditions.
- Regarding COVID-19 relief, respondents cited stimulus checks, unemployment benefits and eviction moratoriums as the most impactful measures.

Conditions of LMI communities served by the entities

The State of LMI Communities across the Eighth District

In 2021, 27% of respondents reported that general economic conditions for LMI communities are improving, like the 2019 survey. However, 42% of respondents reported a decline in economic conditions for LMI communities compared with 2019 (27.4%). Finally, 29% of respondents reported that economic conditions remained the same for LMI communities in 2019.

In **Arkansas**, 40% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 46.4% in 2019), while 26% indicated that they are improving (compared with 29% in 2019). Thirty-four percent indicated declining conditions (compared with 20% in 2019).

In **Illinois**, 29% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 44.4% in 2019), while 29% indicated that they are improving (compared with 11.1% in 2019). Thirty percent indicated declining conditions (compared with 40% in 2019).

In **Indiana**, 20% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 17.6% in 2019), while 40% indicated that they are improving (compared with 41.2% in 2019). Forty percent indicated declining conditions (compared with 41.2% in 2019).

In **Kentucky**, 11% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 44.1% in 2019), while 46% indicated that they are improving (compared with 27.5% in 2019). Forty-three percent indicated declining conditions (compared with 25.5% in 2019).

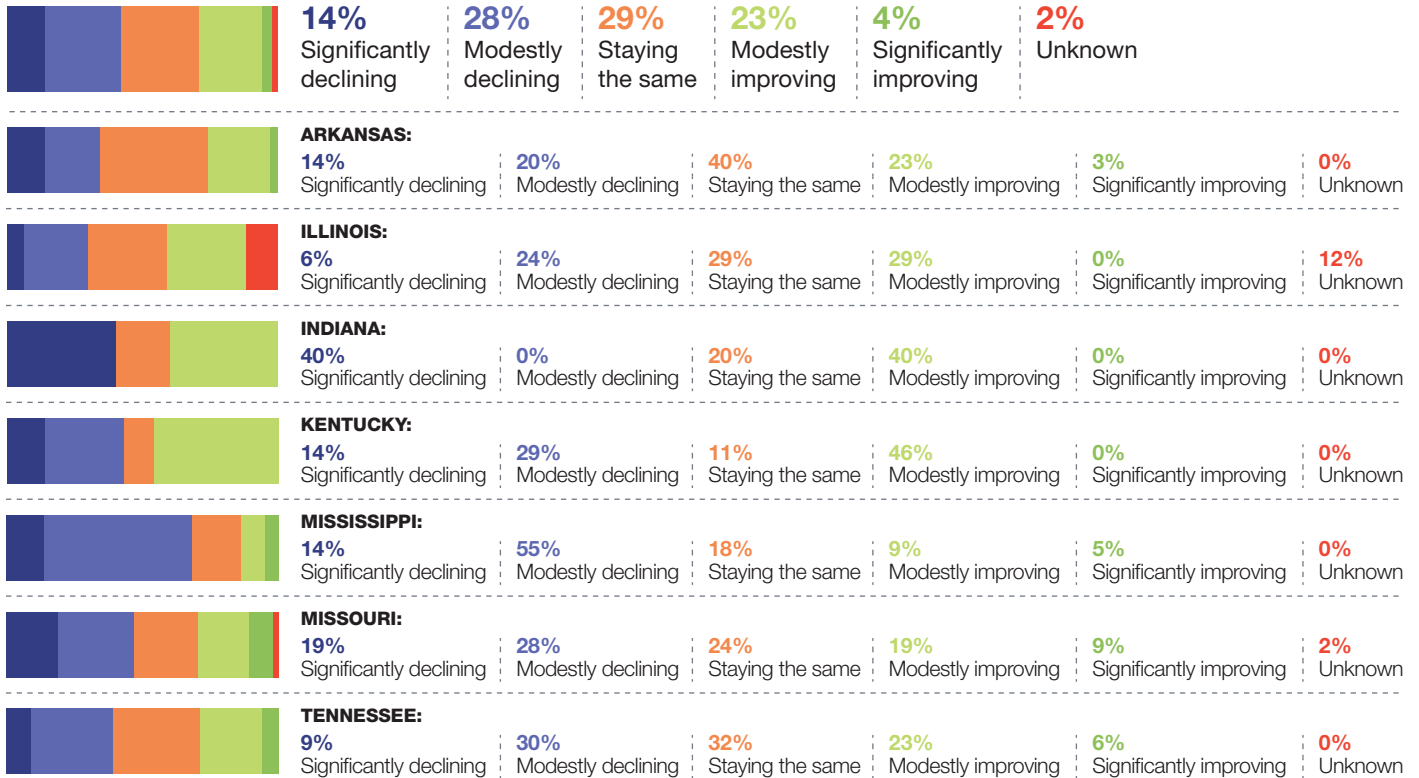
In **Mississippi**, 18% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 37.5% in 2019), while 14% indicated that they are improving (compared with 20.8% in 2019). Sixty-nine percent indicated declining conditions (compared with 34.7% in 2019).

In **Missouri**, 24% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 48.9% in 2019), while 28% indicated that they are improving (compared with 22.9% in 2019). Forty-seven percent indicated declining conditions (compared with 24.4% in 2019).

In **Tennessee**, 32% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 32.6% in 2019), while 29% indicated that they are improving (compared with 36.8% in 2019). Thirty-nine percent indicated declining conditions (compared with 28.4% in 2019).

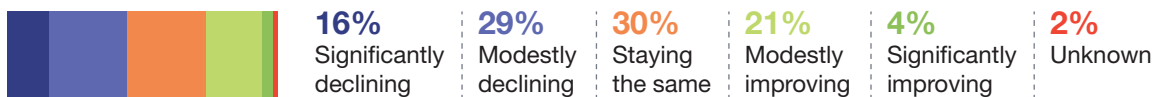
Conditions of LMI communities served by the entities

1. Compared with two years ago, general economic conditions of the communities with low- to moderate-incomes that you serve are:



■ Compared with 2019 results, a much greater percentage of respondents indicated that general economic conditions were declining (42% in 2021 and 27.4% in 2019) in their LMI communities, rather than staying the same (29% in 2019 and 42.1% in 2019).

2. Compared with two years ago, the ability of individuals in your area with low- to moderate incomes to meet their basic needs has been:



■ Compared to 2019 results, a greater percentage of 2021 respondents indicated that the ability to meet basic needs was declining (45% in 2021 and 31% in 2019). Similarly, almost half the respondents noted that the well-being of individuals with low- to moderate incomes has been declining.

3. Compared with two years ago, the well-being of individuals with low- to moderate incomes has been:



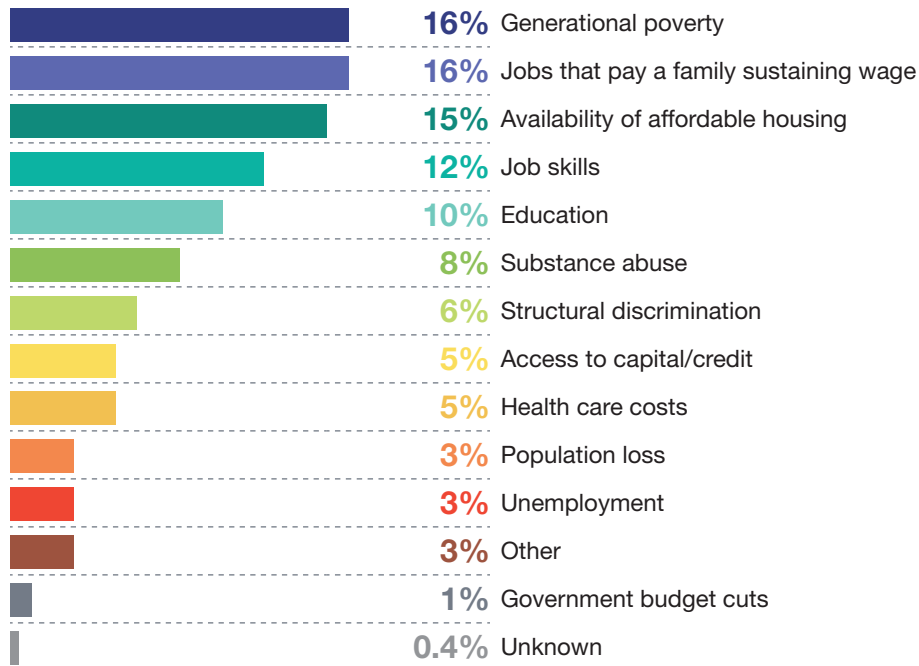
4. In three to five years, what will be the status of people and households in your community with low- to moderate incomes?



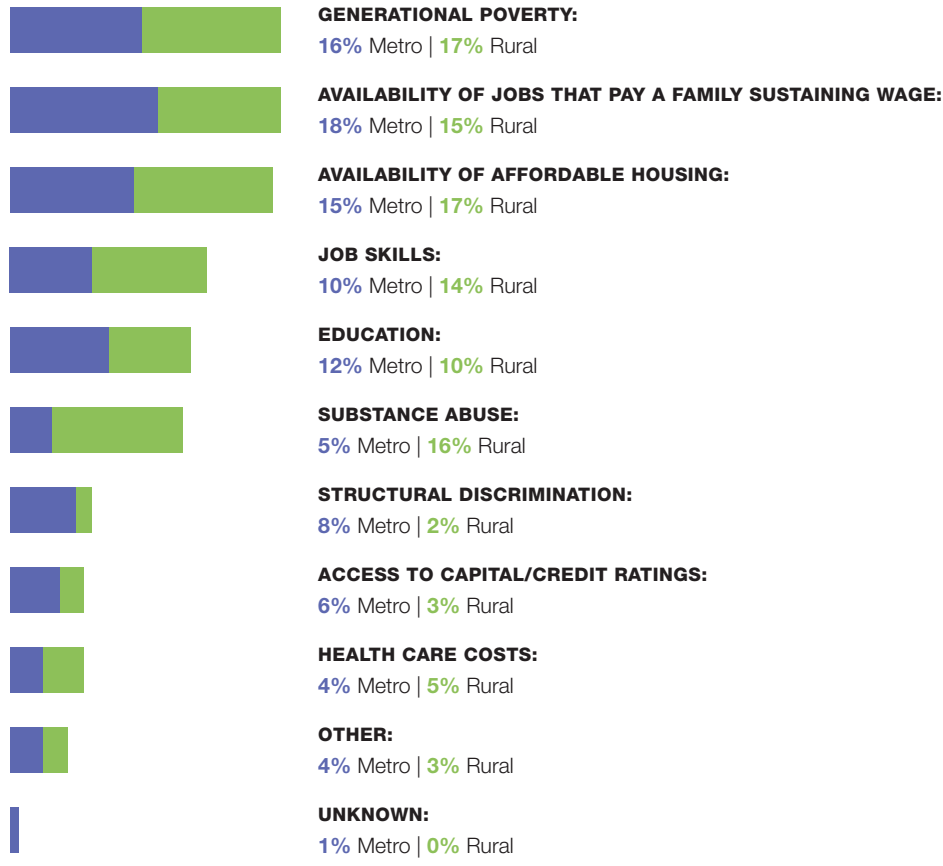
■ Although respondents noted current declining economic conditions, almost a third were positive about the future of their communities.

Conditions of LMI communities served by the entities

5. At this point in time, what issues are having the greatest negative impact on households and communities with low- to-moderate incomes?



■ Respondents serving metropolitan and rural areas chose lack of jobs that pay families a sustainable wage, generational poverty and availability of affordable housing. Generational poverty and affordable housing have been top issues in previous surveys. Lack of jobs that pay families a sustaining wage was added as an option in this year's survey based on what respondents wrote as "other" in the 2019 survey.



5A.



Top five issues across metro areas:

1. Availability of jobs that pay a family sustaining wage
2. Generational poverty
3. Availability of affordable housing
4. Education
5. Job skills

5B.



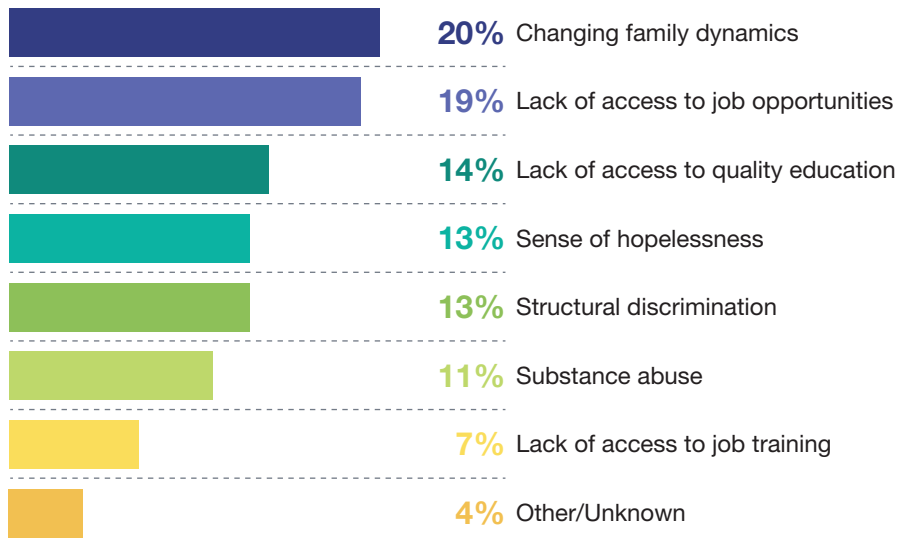
Top five issues across rural areas:

1. Availability of affordable housing
2. Generational poverty
3. Substance abuse
4. Availability of jobs that pay a family a sustaining wage
5. Job skills

■ There is lot of similarity in issues across metropolitan and rural areas, except for substance issues, which are noted as having a negative impact in rural areas.

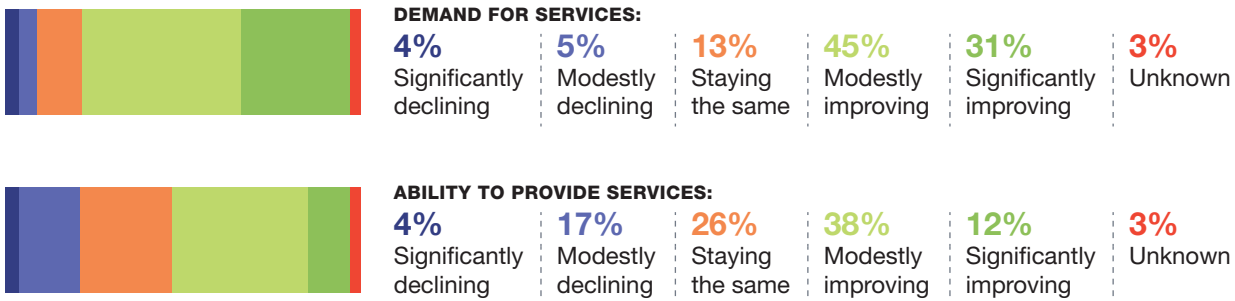
Conditions of LMI communities served by the entities

6. What is the leading contributing factor to generational poverty in the communities with low- to-moderate incomes that you serve?



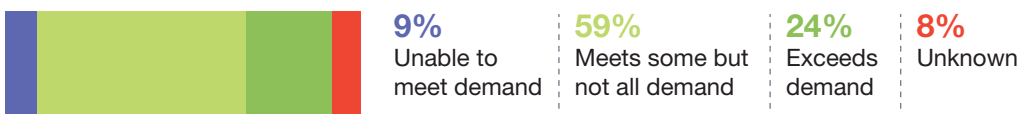
Condition of the entities represented by the respondents

1. Compared to two years ago, how has the following changed for your organization:



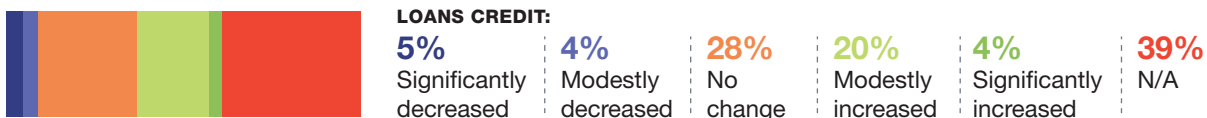
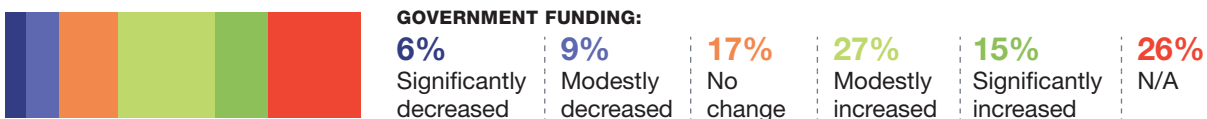
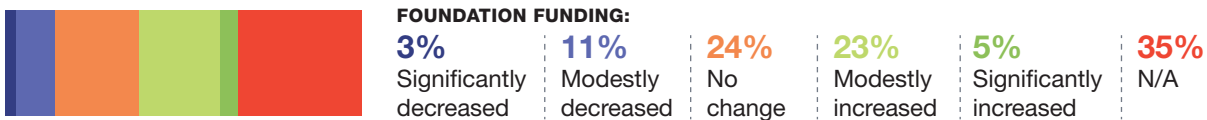
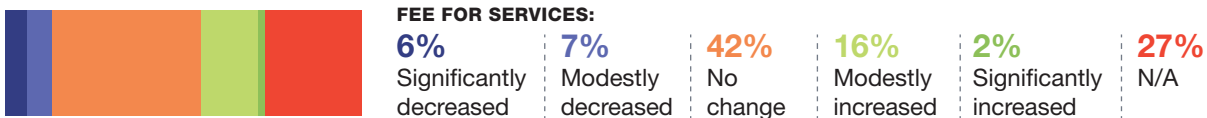
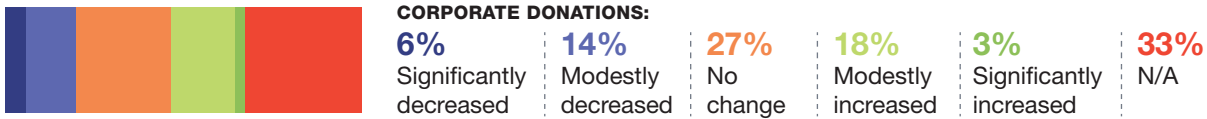
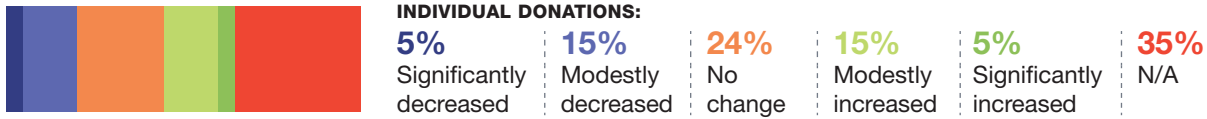
■ Compared to two years ago, the demand for services increased for 76% of the organizations surveyed, while 50% said their ability to provide services also increased.

2. How would you describe your organization's ability to meet the demand for products and services in the LMI community?



Condition of the entities represented by the respondents

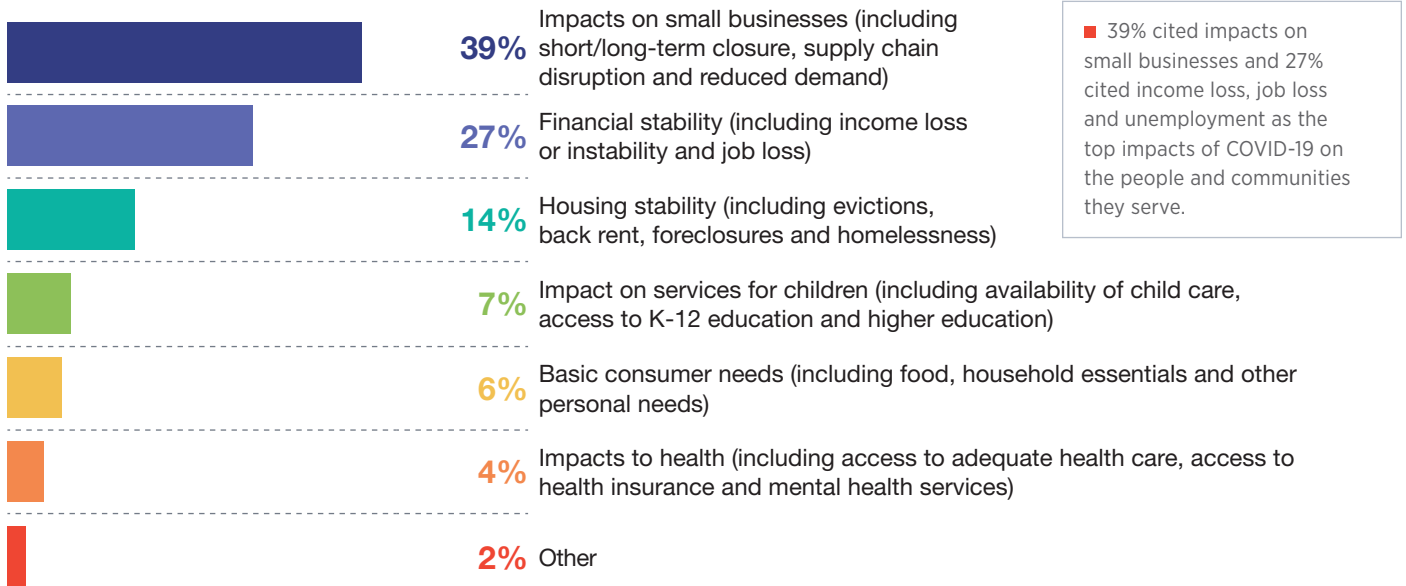
3. Compared to two years ago, how have the following funding sources changed for your organization?



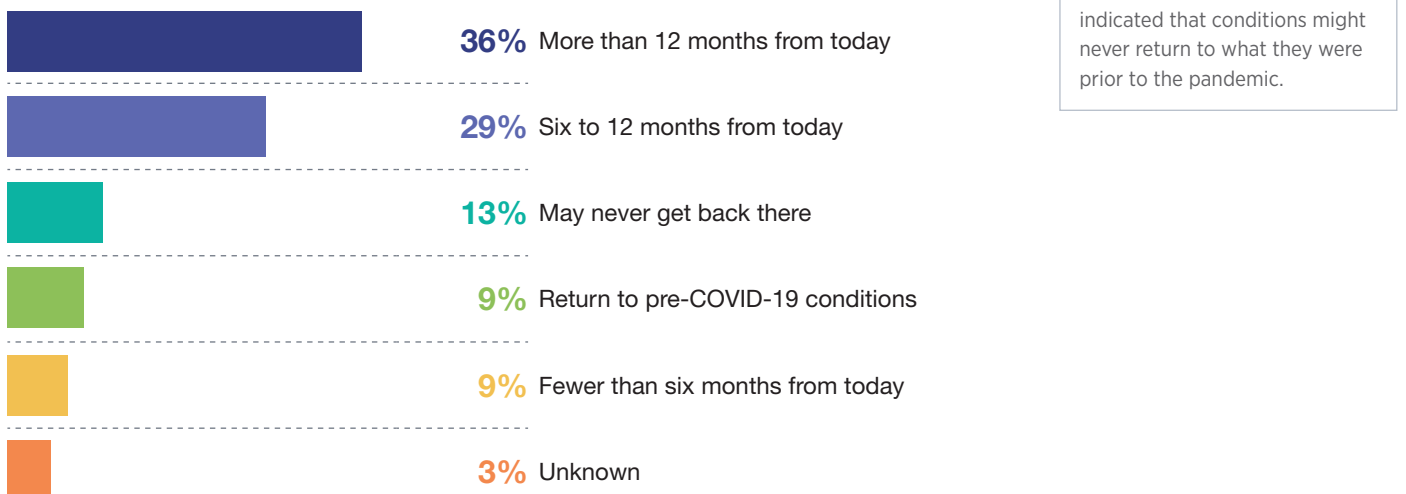
■ Across the six funding sources, a quarter of the respondents noted an increase, whereas 15% noted a decrease. Notably, foundation funding increased for almost one-third of entities, government funding increased for at least 40% of entities, and loan as a funding source increased for a quarter of the respondents.

Impact of COVID-19

1. At this point in time, what is the top impact of COVID-19 on the people and communities you serve?

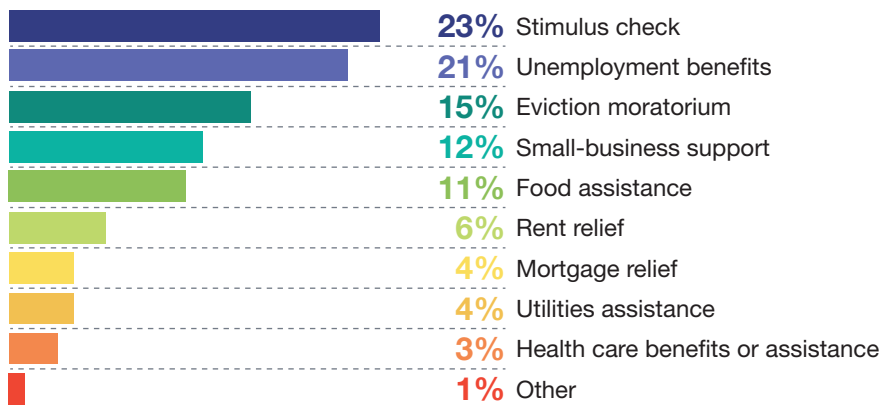


2. Starting from today, how long do you expect it will take for the people and communities you serve to return to the conditions they were experiencing before COVID-19?



Impact of COVID-19

3. In terms of COVID-19 relief, what measures were the most impactful to the LMI communities you serve?



■ Regarding COVID-19 relief, respondents cited stimulus checks, unemployment benefits and eviction moratoriums as the most helpful measures.

4. Before COVID-19, how able were the LMI households/communities you serve to absorb a financial shock?



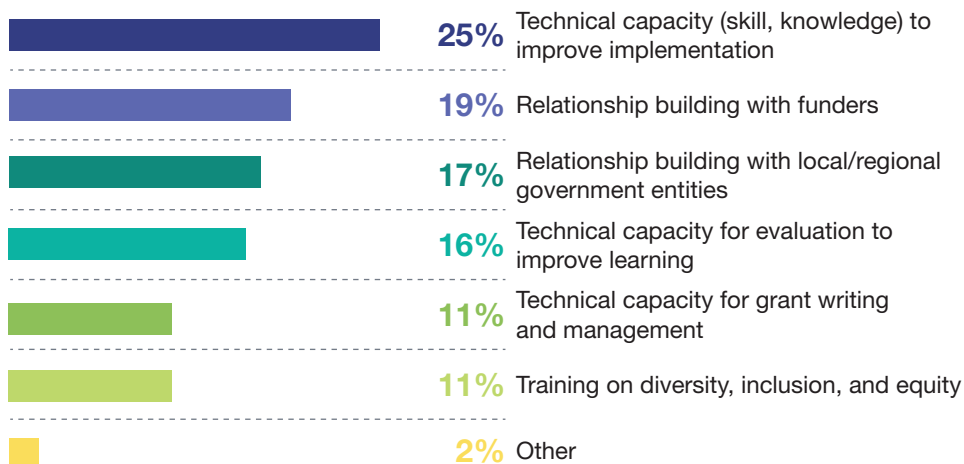
5. Currently, what is the ability of the LMI households/communities you serve to absorb a financial shock?



6. Is working toward equitable recovery from the impacts of COVID-19 for the individuals and communities you serve a goal for your organization?



6A. What form of capacity building would support your organization as it pursues strategies toward equitable recovery for the individuals and communities you serve?



■ Of the organizations pursuing strategies toward equitable recovery, a quarter of those surveyed noted that technical capacity, including skills and knowledge to improve implementation, followed by relationship building with funders and local/regional government entities, would be most supportive.

Respondent Profiles

Survey data is based on 260 responses.

Respondent breakdown by place of employment



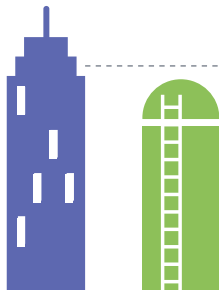
- 37%** Financial institution (including banks, credit unions and community development financial institutions, or CDFIs)
- 29%** Nonprofit/community-based organizations (including 501(c)(3)s, philanthropic organizations, member associations and faith-based organizations)
- 10%** Community and economic development organization
- 9%** Educational institution
- 8%** Government/public official
- 6%** Other

Respondent breakdown by policy area



- 22%** Community and economic development finance
- 20%** Financial security
- 18%** Housing and neighborhood development
- 18%** Small business development
- 13%** Workforce development
- 8%** Other

Respondent breakdown by population served



- 54%** Metropolitan
- 46%** Rural

Respondent Breakdown by States Represented

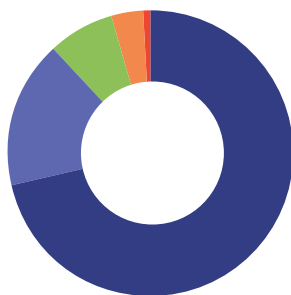


- 27%** Missouri
- 22%** Tennessee
- 17%** Arkansas
- 13%** Kentucky
- 10%** Mississippi
- 8%** Illinois
- 2%** Indiana

Does your organization primarily serve a Black or Indigenous community, or community of color?



What are the primary racial/ethnic demographics of the community of color you serve?



- 98%** Non-Hispanic Black or African American
- 23%** Hispanic or Latino
- 10%** Asian
- 5%** American Indian or Native Alaskan
- 1%** Hawaiian or Pacific Islander

■ From the respondents serving communities of color, 98% serve Black or African American communities; and 23% serve primarily Latino or Hispanic communities, with 10% serving Asian communities. Respondents could select multiple options, so these percentages do not add up to 100.



If you have questions about this report or would like
to participate in future surveys, please email:
communitydevelopment@stls.frb.org