

# Adapting to COVID-19: Impacts on Lower-Income Communities and Organizations Serving Them in 2022

February 9, 2023  
3:00 to 4:00 PM ET



Views expressed during this session  
are those of the speakers and  
are intended for informational purposes.

They do not necessarily represent the views of  
Fed Communities or the Federal Reserve System.



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# Today's Moderator



Nishesh Chalise, Manager  
Institute for Economic Equity  
Federal Reserve Bank of St. Louis



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# COVID-19 Community Impact Survey

- Insights into economic disruptions that the pandemic caused.
- Implemented by the community development function of the FRS and seven national partners.
- Latest survey was administered August 3–31, 2022 and resulted in 1,743 responses.

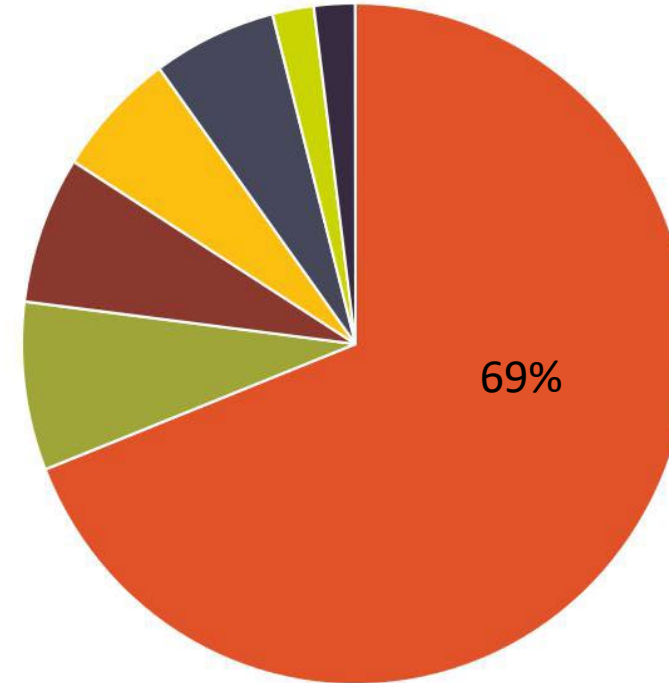


# COVID-19 Community Impact Survey

Significant number of respondents were nonprofit organizations.

What type of entity do you represent?

N=1728



- Nonprofit
- Education
- Other
- Public/ private partnership
- Government (includes Tribal)
- Financial institution
- Private industry

2022 Federal Reserve COVID-19 Survey



# Incredible signs of improvement

Significant disruptions to	Decreased by
Household financial stability	40%
Small business	45%
Access to healthcare	40%
Services for children	50%
Basic consumer needs	30%
Organizations serving LMI communities	61%



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# But challenges remain

Disruptions persist, especially within the following themes:

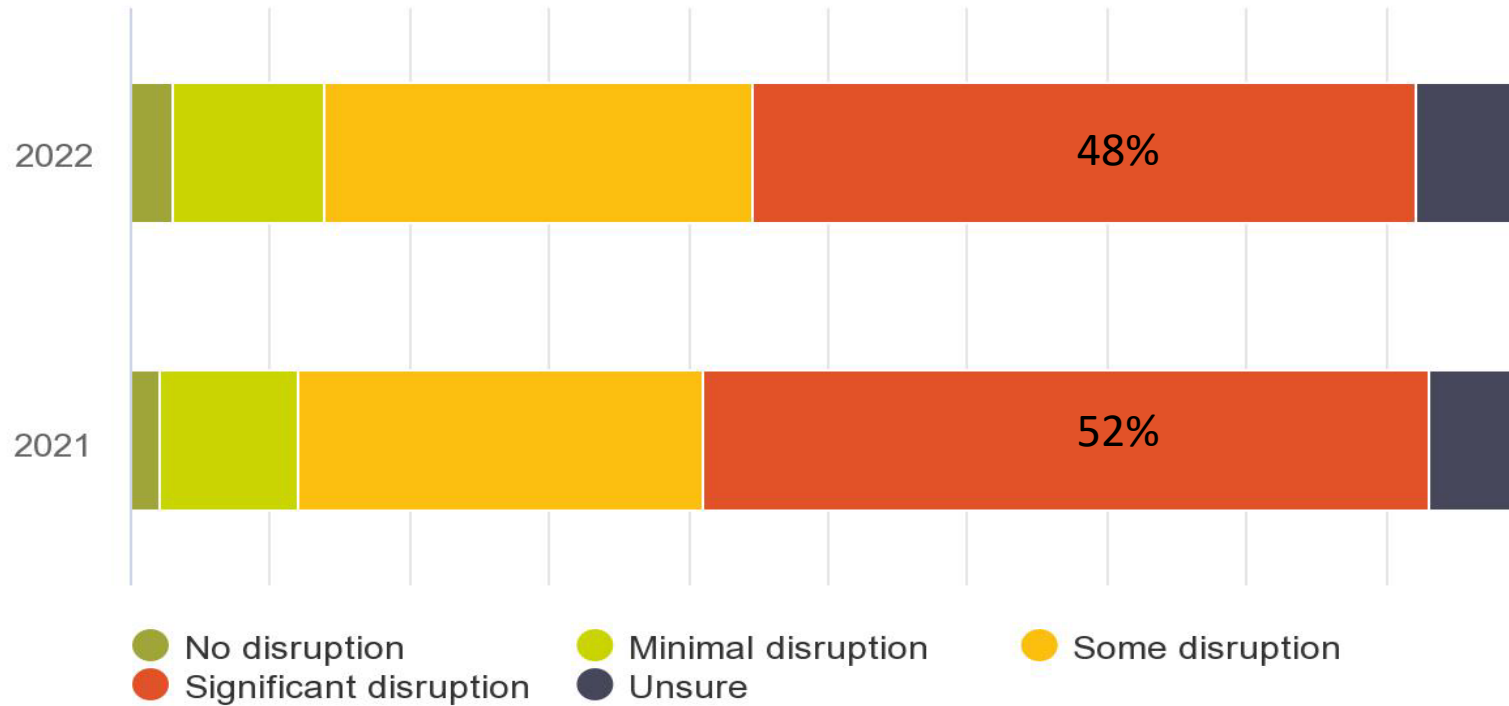
- Increasing prices of goods and services
- Expiration of government relief
- Lack of child care
- Staff shortages



# Housing stability remains a key challenge

What level of disruption is COVID-19 having on housing stability in the communities you serve?

N=1731



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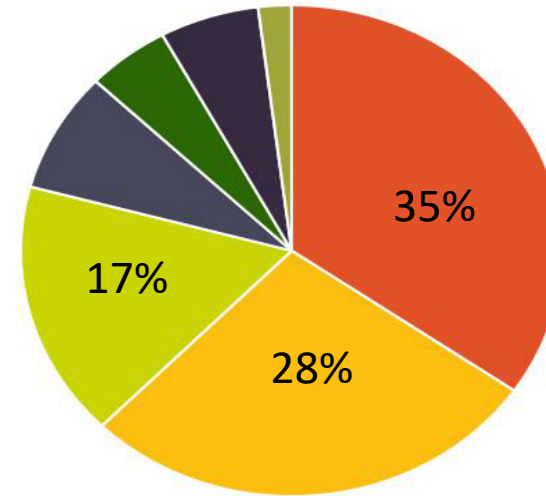
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Lack of access to mental health services emerges as a key challenge in the healthcare sector.

Which of the following is the most disruptive to access to healthcare in the communities you serve?

N=1115



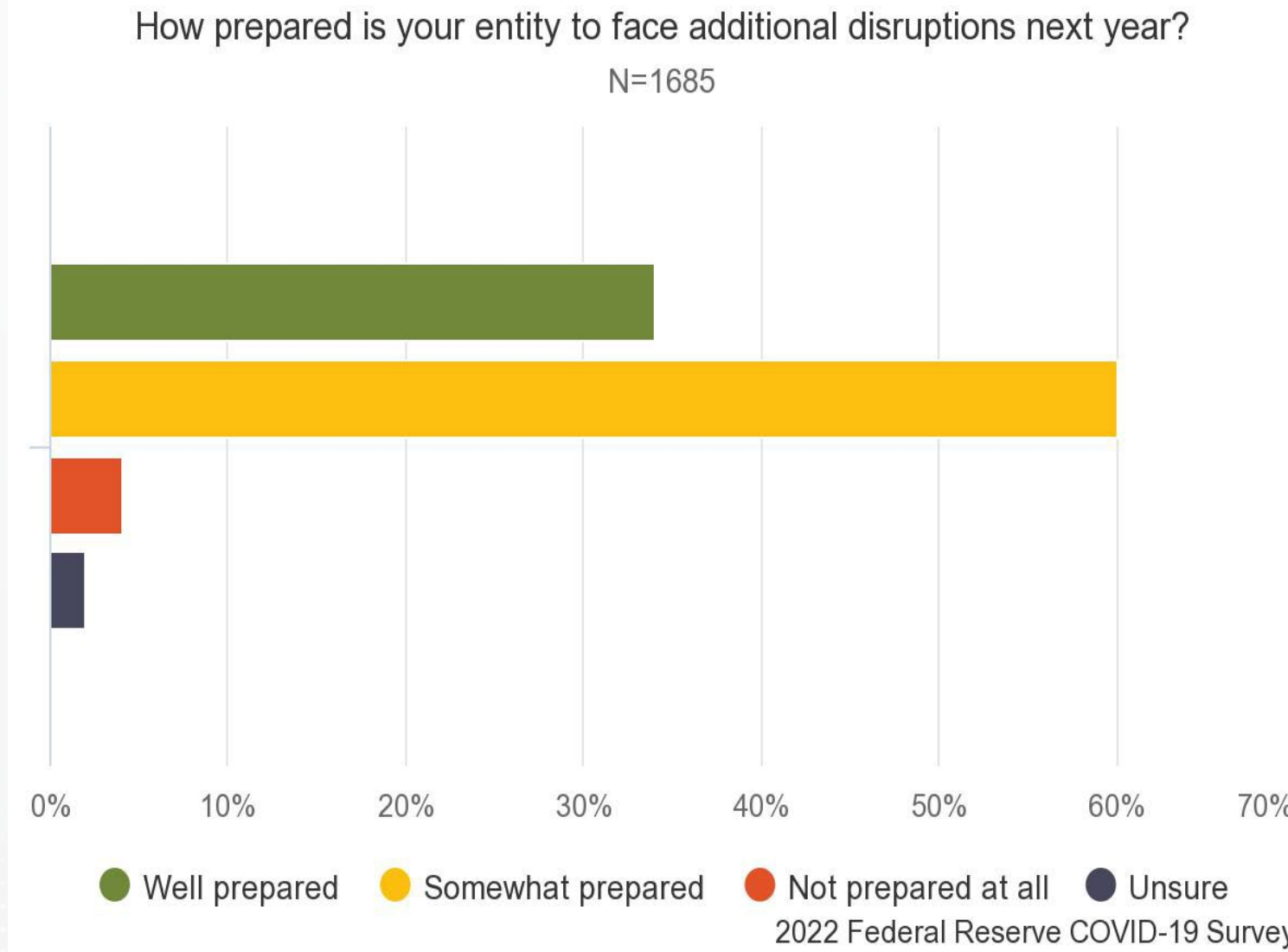
- Lack of access to mental health services
- Shortage of healthcare staff
- Lack of access to health insurance
- Other
- Access to virtual healthcare
- Distance to healthcare
- Lack of supplies

2022 Federal Reserve COVID-19 Survey



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Community based organizations play a crucial role in relief, recovery, and resilience.



Graciela Kahn  
Director of Business Intelligence  
NeighborWorks America



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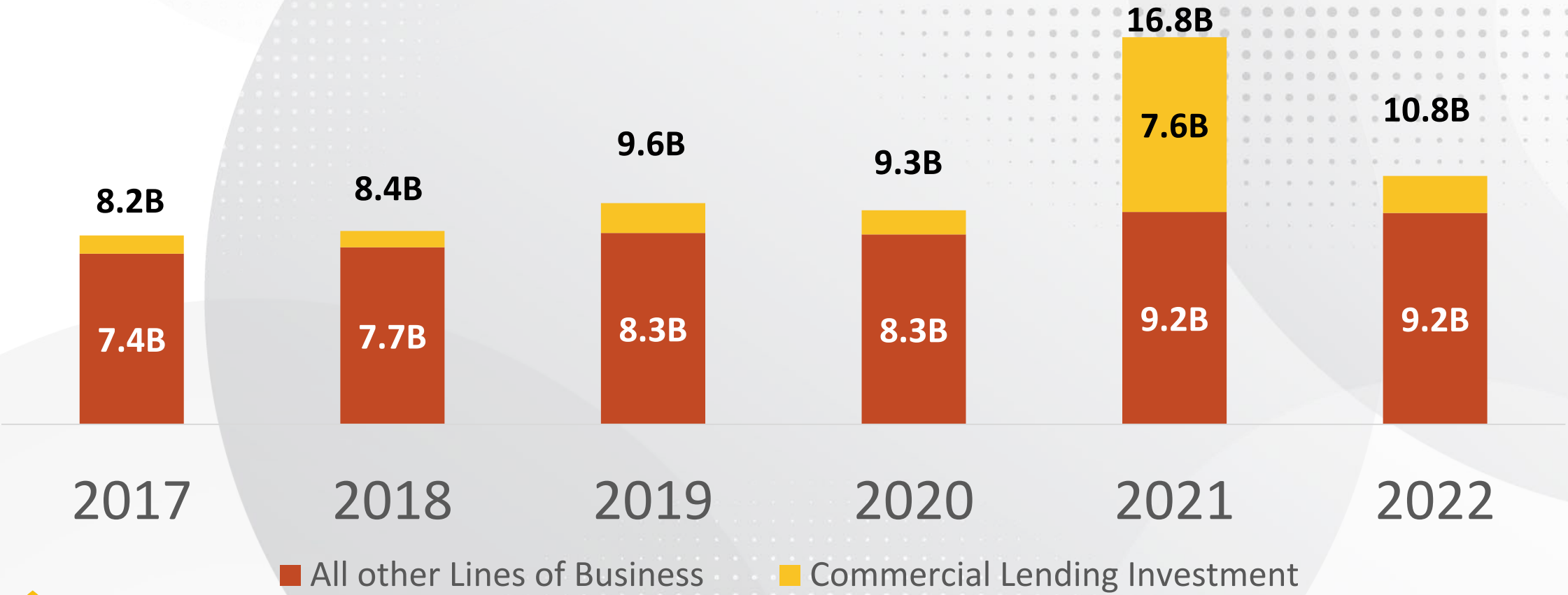
# The NeighborWorks network

245+ affordable housing and community development organizations, representing all 50 states, Washington DC, and Puerto Rico

- Real Estate Development/Asset Management
- Homeownership Promotion
- Homeownership Preservation Services
- Community Building and Engagement
- Property Management
- Lending and Loan Portfolio Management



# NeighborWorks network total investment



# COVID-19 network impact and response



NWOs responded directly to their communities' most basic needs



Government programs helped stabilize network organizations at the start of the pandemic



Organizations serving communities of color felt a longer lasting impact from the crisis



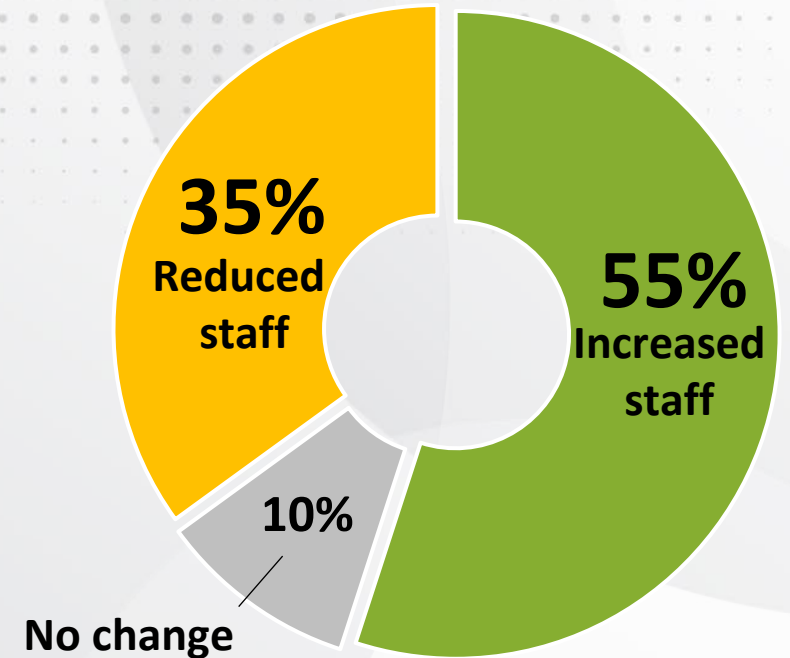
The NeighborWorks network expanded its capacity



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# NeighborWorks workforce

- More than half of network organizations hired additional staff in Fiscal Year 21 (FY21)
- Total full-time equivalents (FTEs) as of FY21: 18,208 (+6% from FY20)
  - Growth: Homeownership preservation, Lending and loan portfolio management
  - Decline: Community building and engagement, Homeownership promotion
- Median network organization staff size in FY21: 29 FTEs



# Homeownership affordability gap



**33% increase**  
in total cost for new homeowner clients from FY19 to FY22 (to \$227,601)



**Fewer lower-income clients**  
53% of new homeowner clients had household incomes under 80% AMI in FY2022, down from 64% in FY2013



## Gap financing increases fail to make up for rising home prices

Median gap financing increased **11%** since FY19, but median purchase price for these homebuyers increased **36%** during that time



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# Housing Stability Counseling Program (HSCP)

The [American Rescue Plan Act of 2021](#)

<https://www.stablecommunities.org/HSCP>



# Housing Stability Counseling Program (HSCP)

**42,461** counseled clients

**48%** are homeowners

**52%** are renters

**82%** are low-income

**67%** are people of color



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Dawn Brown  
Director  
National Alliance on Mental Illness  
(NAMI)



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Kevin Dean  
CEO  
Momentum Nonprofit Partners



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# Nonprofits during COVID-19: National

## The nonprofit sector

- employs 12.3 million individuals
- spends more than \$826 billion on salaries, benefits, and payroll taxes each year
- is the third-largest employer in the US economy



# Nonprofits during COVID-19: National

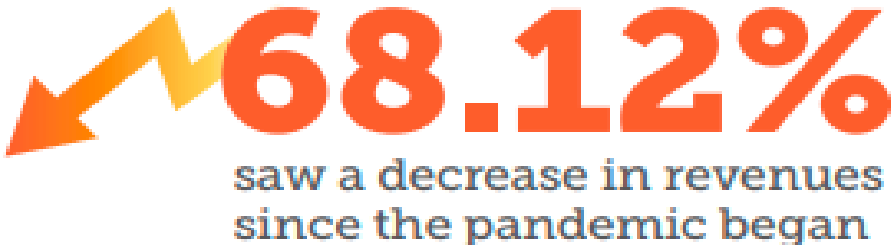
## Since the pandemic began

- 50.2% of nonprofits saw an increase in demand for programs and services
- 64% of nonprofits had to cut back programs
- 83% of nonprofits reported that they suffered financially

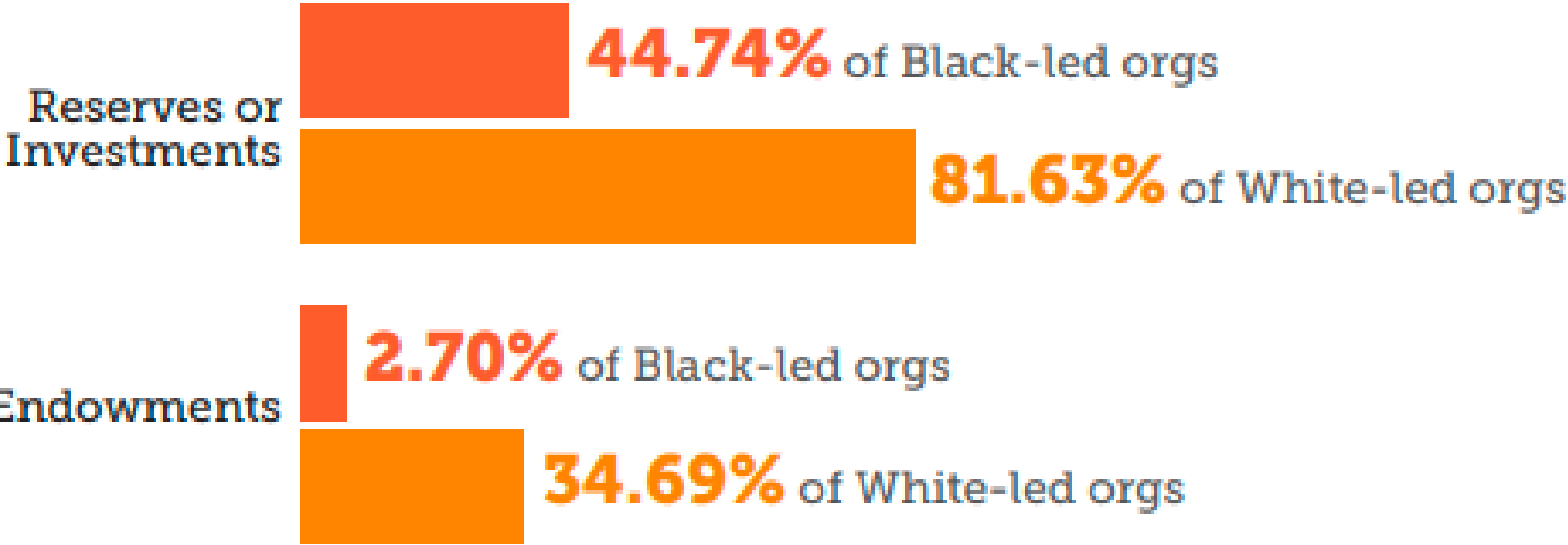


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# Nonprofits during COVID-19: Memphis



# Reserves/Investments and Race





# Panel Discussion and Q & A



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# Closing remarks and requests

- Complete the post-event survey
- Visit [www.fedcommunities.org](http://www.fedcommunities.org) for more Fed resources on community development topics
- Follow Fed Communities on social media. We're on LinkedIn, Instagram, and Twitter
- Mark your calendars for March 9, 2023, and plan to join us for the next Connecting Communities webinar. Registration opens soon!



Thank you for joining us!



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