

Perspectives from Main Street: The Impact of COVID-19 on Low- to Moderate-Income Communities and the Entities Serving Them

THE FEDERAL RESERVE SYSTEM

JUNE 2020

ACKNOWLEDGMENTS

Authors

Daniel Paul Davis, Federal Reserve Bank of St. Louis
Michael Grover, Federal Reserve Bank of Minneapolis
David Kaufmann, Board of Governors of the Federal Reserve System
Karen Leone de Nie, Federal Reserve Bank of Atlanta

Report Assistance

Matuschka Lindo Briggs, Federal Reserve Bank of St. Louis
Surekha Carpenter, Federal Reserve Bank of Richmond
Emily Corcoran, Federal Reserve Bank of Richmond
Mark Davis, Federal Reserve Bank of Cleveland
Brian Ebert, Federal Reserve Bank of St. Louis
Laurel Gourd, Federal Reserve Bank of San Francisco
Heidi Kaplan, Board of Governors of the Federal Reserve System
Sherilyn Narker, Federal Reserve Bank of Atlanta
Bianca Phillips, Federal Reserve Bank of St. Louis
Christine Smith, Federal Reserve Bank of St. Louis
Megan Worden, Federal Reserve Bank of St. Louis

Survey Fielding Team

Layisha Bailey, Federal Reserve Bank of Cleveland
Nathaniel Borek, Federal Reserve Bank of Philadelphia
Jeremiah Boyle, Federal Reserve Bank of Chicago
Gabriella Chiarenza, Federal Reserve Bank of Boston
Molly Hubbert Doyle, Federal Reserve Bank of Dallas
Emily Engel, Federal Reserve Bank of Chicago
Lisa Nelson, Federal Reserve Bank of Cleveland
Edison Reyes, Federal Reserve Bank of New York
Lauren Shelby, Federal Reserve Bank of Chicago
Steven Shepelwich, Federal Reserve Bank of Kansas City
Jennifer Staley, Federal Reserve Bank of Atlanta
Libby Starling, Federal Reserve Bank of Minneapolis
Paula Woessner, Federal Reserve Bank of Minneapolis

The views expressed in the following pages are those of the report team and do not necessarily represent the views of the Federal Reserve System. Please cite this report as: Davis, Daniel Paul; Grover, Michael; Kaufmann, David; and Leone de Nie, Karen. *Perspectives from Main Street: The Impact of COVID-19 on Low- to Moderate-Income Communities and the Entities Serving Them*, June 2020.

OVERVIEW

About the Survey

The spread of the coronavirus (COVID-19) and the many efforts to slow it are impacting communities across the nation. In order to best respond to this crisis, information is needed about the scope and scale of challenges in various communities. This report offers findings of a survey designed to collect information on the effects of COVID-19 on communities and people in low- to moderate-income households and the entities serving them. It was fielded by all 12 Reserve banks and the Board of Governors of the Federal Reserve System¹ between June 3 and June 12, 2020, and resulted in 1,869 responses. Responses were collected through a convenience sampling method that relied on contact databases to identify representatives of nonprofit organizations, financial institutions, government agencies and other community organizations. These representatives were invited by email to participate in an online survey. A similar survey was conducted in early April ([see PDF here](#)).

Because these surveys rely on a convenience sampling method, the individuals who receive the survey and respond to it will vary with each administration period. For example, nonprofit respondents constituted 64% of responses in the April administration and 45% in the June administration. Each survey provides an insightful and informative “snapshot” into how COVID-19 was affecting people and organizations on the dates the survey was administered. Consequently, due to the differences in the composition of respondents, readers should be careful when making comparisons between findings in the two survey reports.

Survey Findings

Overall, the survey finds:

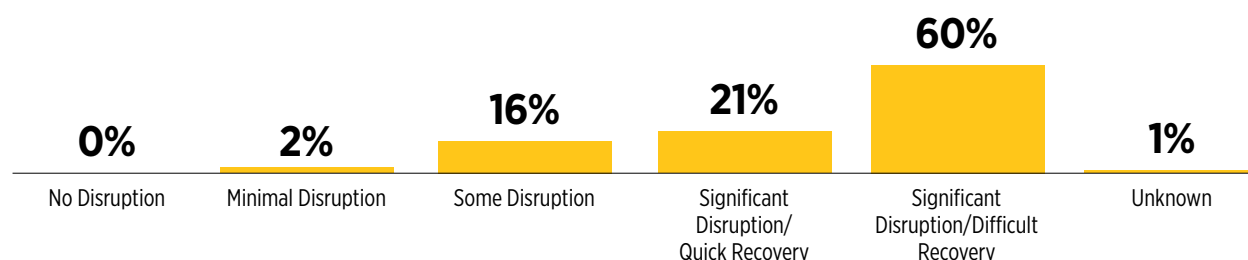
- 60% of respondents indicated that COVID-19 was having a significant disruption on the economic conditions of the communities they serve and expected recovery to be difficult.
- 42% cited income loss, job loss and unemployment as the top impacts of COVID-19 on the people and communities they serve.
- Nearly half of respondents (46%) indicated it will take more than 12 months for their communities to return to the conditions prior to the disruption from COVID-19.
- 57% of respondents indicated COVID-19 is having a significant disruption on the entity they represent, with 27% expecting to bounce back quickly after recovery begins.
- 56% indicated that demand for their services has increased since early April or is anticipated to increase, and 45% noted a corresponding decrease or anticipated decrease in their ability to provide services.
- Nearly 1 out of every 5 respondents (18%) indicated their entity could operate for less than three months in the current environment before exhibiting financial distress.

¹ [The Federal Reserve's community development function](#) seeks to promote the economic resilience and mobility of low- to moderate-income and underserved households and communities across the United States.

THE IMPACT OF COVID-19 ON LOW- TO MODERATE-INCOME COMMUNITIES

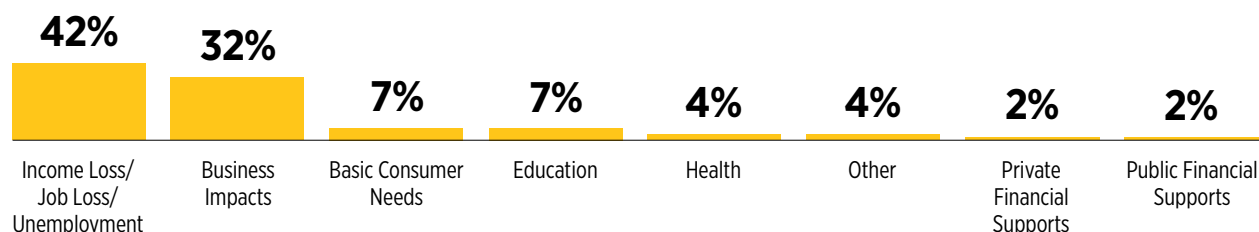
At this point in time, what level of disruption is COVID-19 having on economic conditions for the people and communities you serve?

N=1,866



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

N=1,867



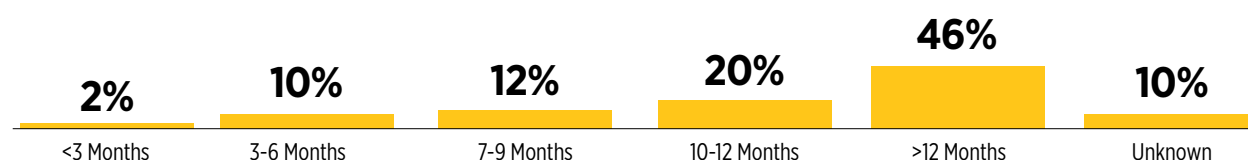
Over the past eight weeks, how have COVID-19 related impacts changed for the people and communities you serve?



	Income Loss/ Job Loss/ Unemployment N=1,847	Basic Consumer Needs N=1,809	Business Impacts N=1,820	Education N=1,800	Health N=1,809	Private Financial Supports N=1,790	Public Financial Supports N=1,805
Getting Significantly Worse	32%	17%	25%	23%	13%	14%	14%
Getting Modestly Worse	37%	34%	41%	33%	30%	27%	29%
No Change	13%	27%	12%	37%	38%	42%	31%
Getting Modestly Better	17%	20%	22%	8%	17%	16%	22%
Getting Significantly Better	1%	2%	1%	0%	2%	2%	3%

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

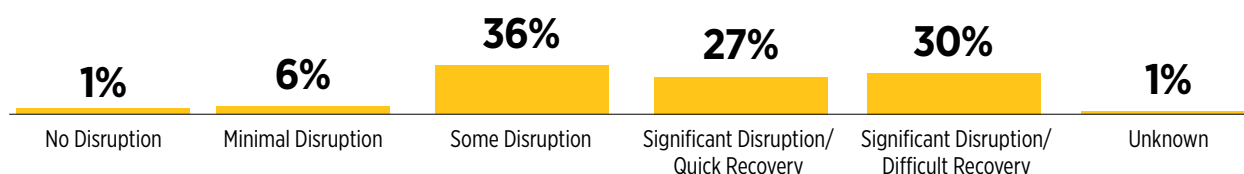
N=1,868



THE IMPACT OF COVID-19 ON ENTITIES SERVING LOW- TO MODERATE-INCOME COMMUNITIES

At this point in time, what level of disruption is COVID-19 having on the entity you represent?

N=1,868

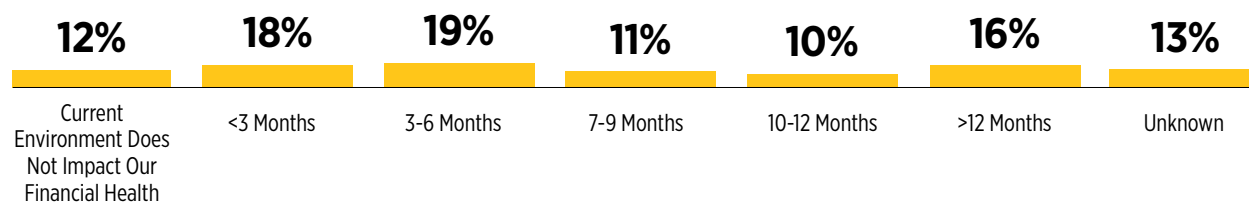


Over the last eight weeks, in what ways has COVID-19 impacted the entity you represent?

	Demand for Services N=1,855	Ability to Provide Services N=1,855	Staffing Levels N=1,859	Expenses N=1,850	Fee for Service N=1,831	Individual Donations N=1,835	Corporate Donations N=1,832	Foundation Funds N=1,823	Government Funds N=1,834	Apps. for Credit N=1,814
Decreased	25%	27%	19%	8%	15%	17%	16%	10%	8%	5%
Anticipated Decrease	8%	18%	13%	12%	11%	13%	14%	11%	11%	3%
No Change	11%	30%	53%	31%	43%	28%	30%	33%	27%	37%
Anticipated Increase	14%	10%	5%	21%	5%	6%	4%	8%	16%	11%
Increased	42%	15%	6%	27%	3%	9%	8%	9%	20%	11%
N/A	1%	1%	3%	2%	22%	27%	28%	29%	18%	32%

Given your existing resources, how many months can your entity operate in the current environment before exhibiting financial distress?

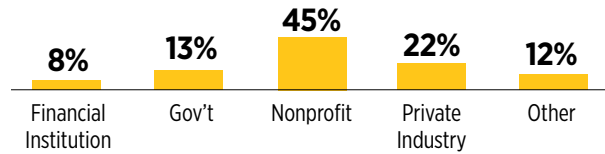
N=1,866



RESPONDENT PROFILES

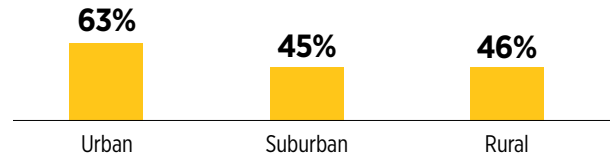
What type of entity do you represent?

N=1,869



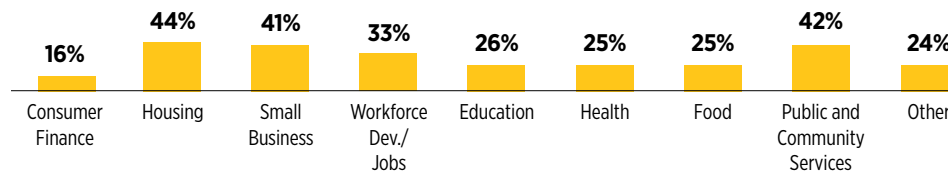
What type of area do you mostly serve? Select all that apply.*

N=1,867



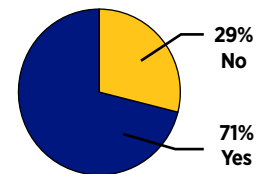
What issues do you work on? Select all that apply.*

N=1,858



Are you a direct service provider?

N=1,869



* Aggregate percentages exceed 100% due to the ability of respondents to select all that apply.

In which states and/or territories do you conduct most of your work? Select all that apply.

N=1,840

