

Economic Insights from Lower-Income Communities: Findings from the 2024 Community Perspectives Survey

September 5, 2024
3:00 to 4:00 PM ET



**Connecting
Communities**

Today's moderator



Sydney Diavua
Assistant Vice President
Federal Reserve Bank of St. Louis



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Communities**

Today's panelists



Michael Butchko
Vice President of
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NeighborWorks



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Federal Reserve Bank
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Melissa Johnson
Managing Director of State
Strategies
National Skills Coalition



Frank Woodruff
Executive Director
Community Opportunity
Alliance



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

They do not necessarily represent the views of
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Community Perspectives Survey: Insights from the field



Violeta Gutkowski

Associate Economist

Federal Reserve Bank of St. Louis



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Key Findings

- **LMI people and communities**

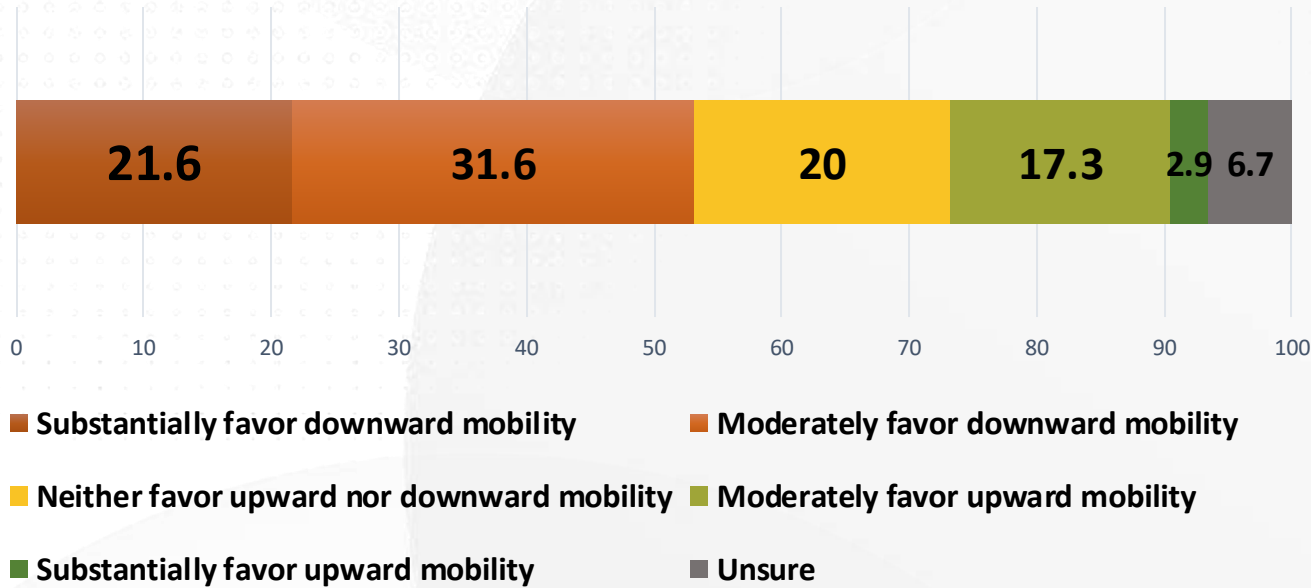
- Conditions for economic mobility are poor
- Strong labor market, but wages are not enough
- Housing conditions were poor with no improvement in outlook

- **Entities serving LMI communities**

- Good ability to serve despite high demand and rising expenses
- Funding or fundraising is a top challenge
- About 60% of entities reported steady or improving financial health



Conditions for Economic Mobility Were Poor

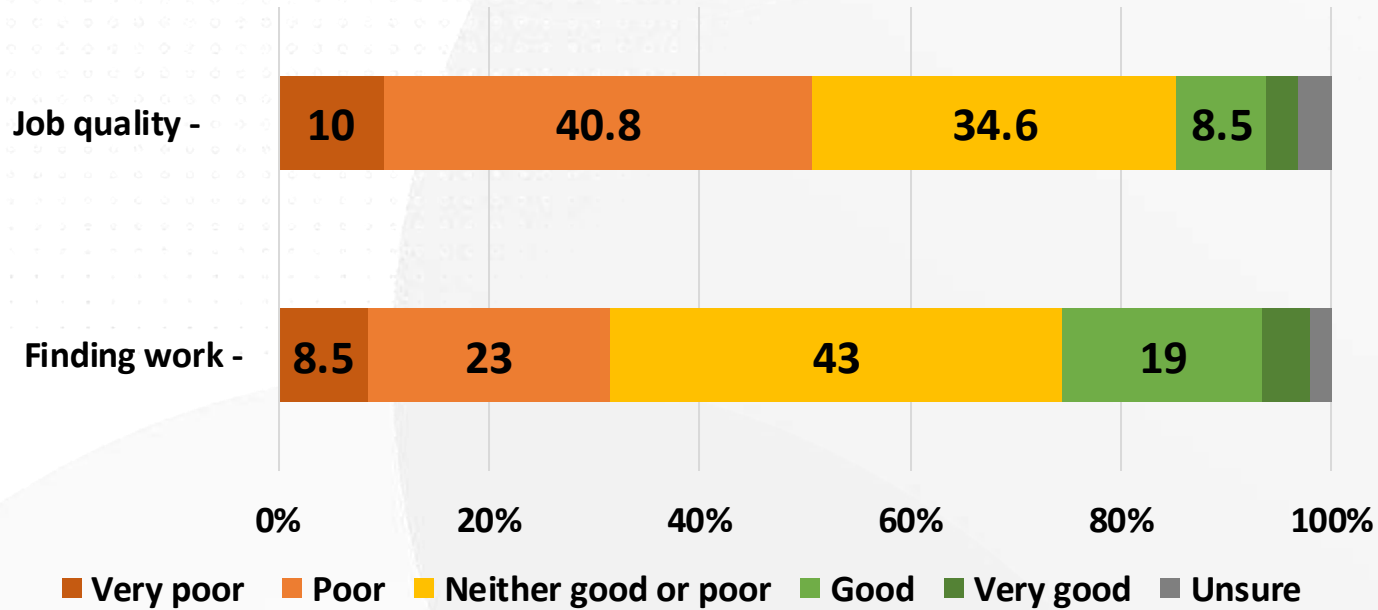


| Positive | | Negative | |
|----------|-----------------------|----------|------------|
| 1 | Employment | 1 | Housing |
| 2 | Housing | 2 | Employment |
| 3 | Government assistance | 3 | Credit |

“There is plenty of access to jobs, and there is some upwards wage pressure, but housing costs are going up faster than wages.”

Strong Labor Market Yet Challenging for Employees

April 2024 Conditions



Finding Work Top Challenges:

- Lack of affordable childcare
- Barriers to entry (drug, background checks, skill/credential requirements)
- Cost of transportation

Job Quality Top Challenges:

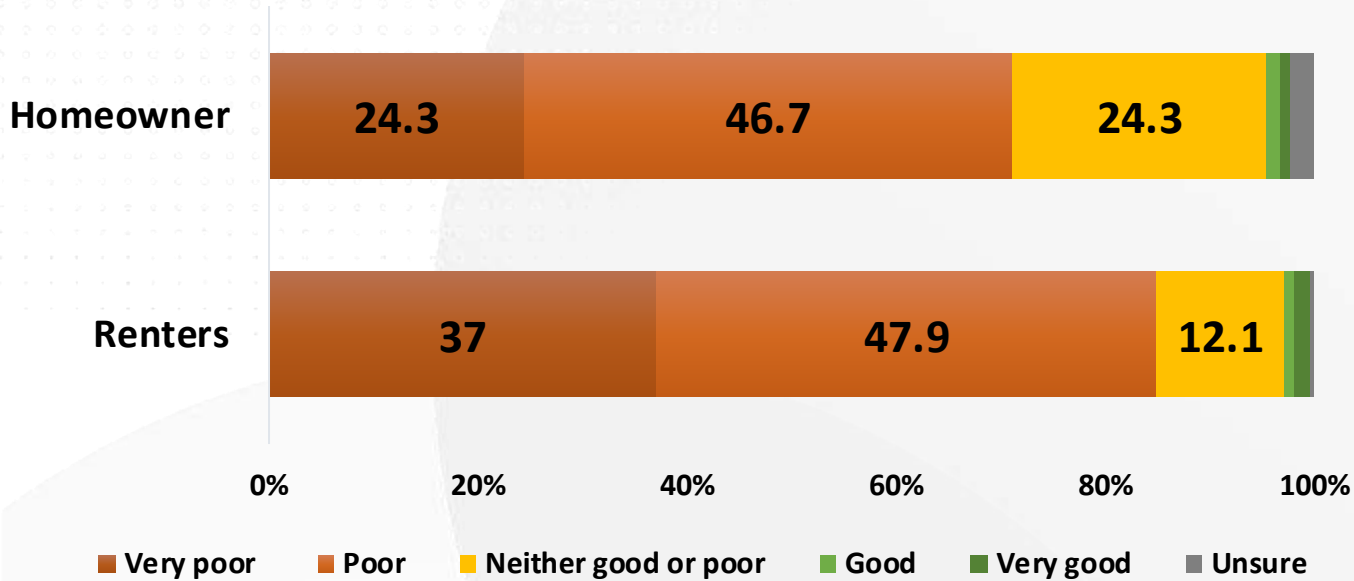
- Wages
- Inflexible or lack of advanced scheduling
- Lack of advancement opportunities

“Finding work may not be difficult, but finding work that pays a living wage is very challenging, especially for individuals without education.”



Housing

April 2024 Conditions



Renter Top Challenges:

- Prices
- Availability of affordable subsidized and non-subsidized units

Homeowners Top Challenges:

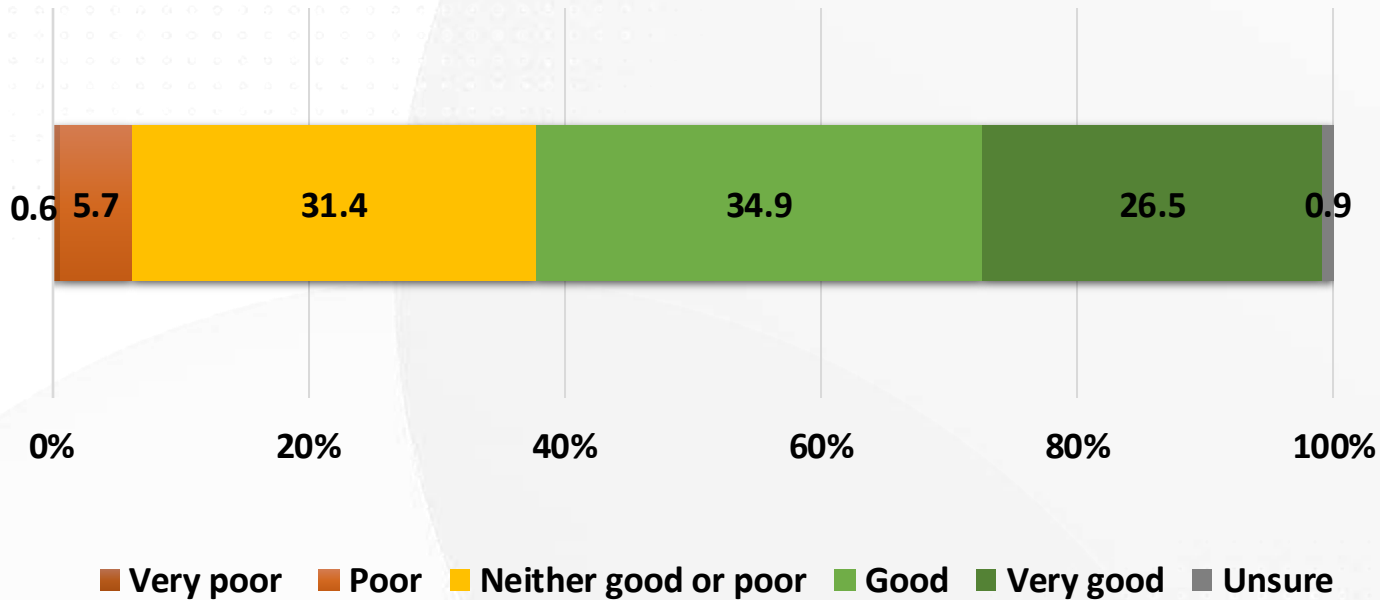
- Prices
- Availability of homes for purchase
- Ability to get financing for purchase

“Affordability continues to worsen. (...) Many eviction prevention and subsidy programs are now ending.”



Entities: Good Ability to Serve Despite Challenges

Ability to Serve



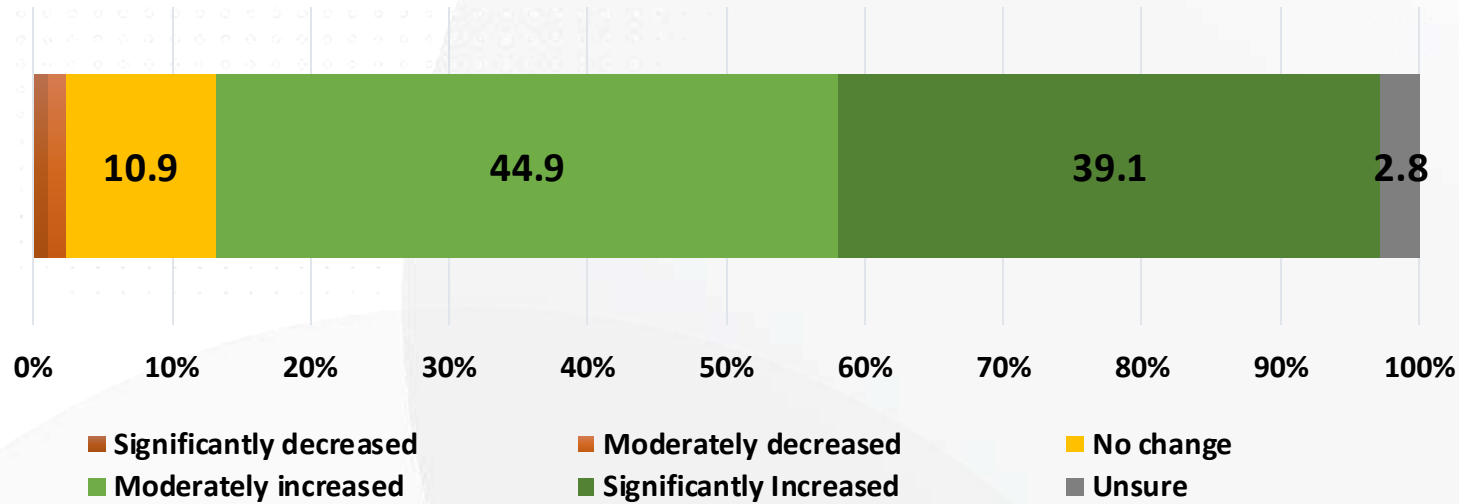
Top challenges:

1. Funding/fundraising (49%)
2. Meeting community demand for services (13%)
3. Rising expenses (materials, wages, rent, insurance, etc.) (11%)



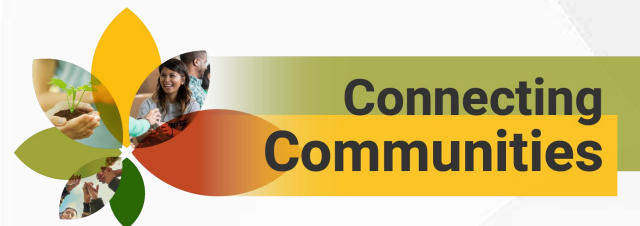
Rising Expenses

Changes in Expenses since 2023



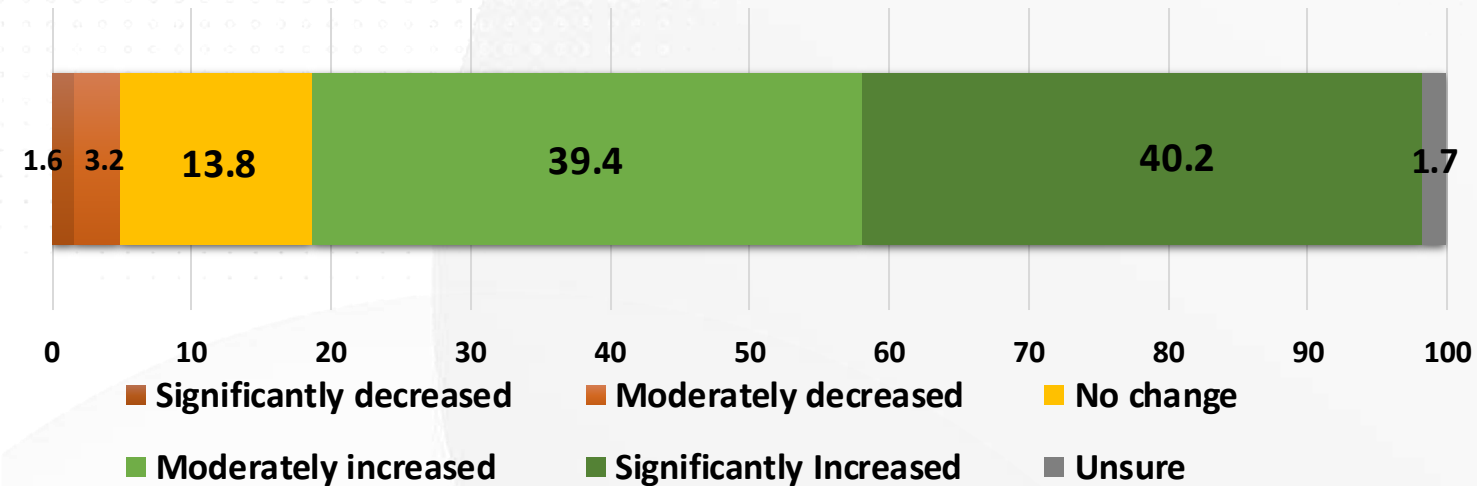
Top challenges

1. Higher compensation
2. Higher input costs
3. Non-labor overhead costs



Meeting Community Demand for Services

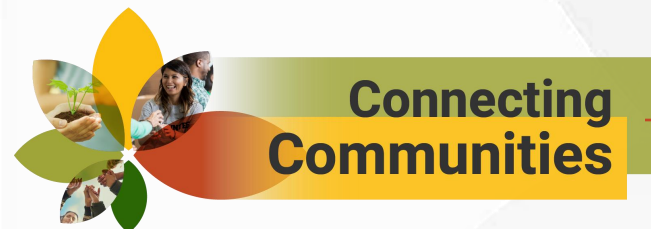
Changes in Demand for Services since 2023



Top challenges to meet demand:

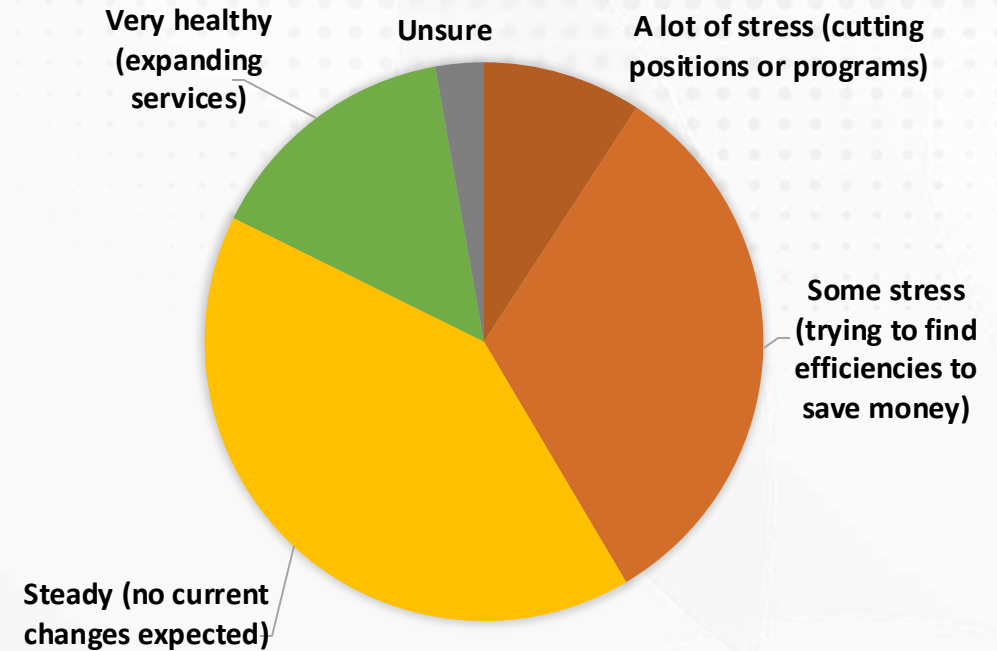
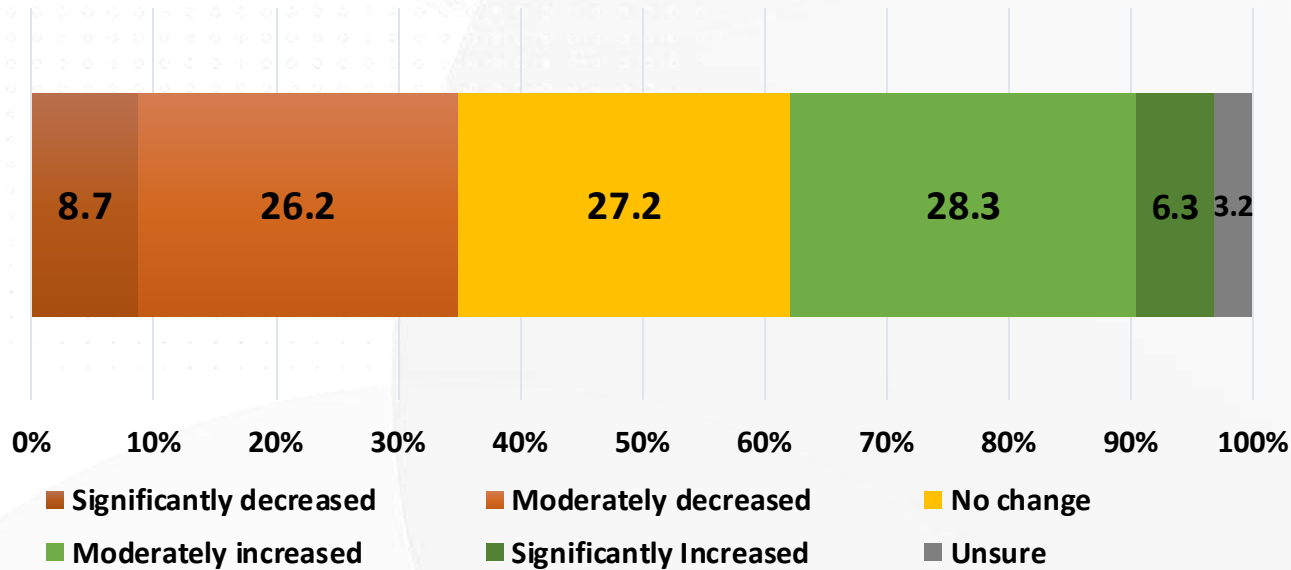
1. Lack of funding
2. Increase in demand
3. Lack of staff and/or volunteers

“Our funding does not keep up with the demand for services”



Funding, Revenue, and Financial Health

Change in Revenue since 2023



- More entities have reported an increase in revenue rather than a decrease (except donations)
- Individual and corporate donations have decreased for approximately 40% of respondents.
- Over half of respondents indicated steady or very healthy conditions

Summary

- **LMI people and communities**
 - Conditions for economic mobility are poor
 - Strong labor market, but wages are not enough
 - Housing conditions were poor with no improvement in outlook
- **Entities serving LMI communities**
 - Good ability to serve despite high demand and rising expenses
 - Funding or fundraising is a top challenge
 - About 60% of entities reported steady or improving financial health



Closing remarks and requests

- Materials from today's event will be available within two weeks.
- Please complete the post-event survey.
- Visit www.fedcommunities.org for more Fed resources on community development topics.
- Follow Fed Communities on social media. We're on LinkedIn, X, Instagram, and Facebook.
- Subscribe to the Fed Communities monthly newsletter at fedcommunities.org/About Us/Subscribe
- Mark your calendars for October 10th and join us for the next Connecting Communities webinar for a discussion about solutions to address urgent climate and community needs that affect vulnerable and lower-wealth communities of color. Registration is now open.

