

COMMUNITY DEVELOPMENT

OUTLOOK SURVEY

2019

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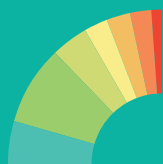
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Introduction

The Federal Reserve Bank of St. Louis' Community Development Outlook Survey (CDOS) collects original data that informs and guides the long-term programming of the St. Louis Fed's Community Development staff and informs community development practitioners about trends and outlooks that affect low- and moderate-income (LMI) communities in the Eighth Federal Reserve District. The survey is an annual opinion poll that was sent to 3,486 community stakeholders in the seven states that comprise the Eighth District. Responses were received from 673 of those stakeholders between October 29 and December 9, 2019. The overall survey response rate was 19.3 percent. Please note that percentages have been rounded and may not equal 100 percent.

A variety of community stakeholders were invited to participate in the CDOS, including community and economic development organizations, educational institutions (K-12 and colleges or universities), financial institutions, government agencies, nonprofits, public officials, and other community organizations. The number and type of questions that a respondent received depended on their self-identified type of organization. Responses were grouped into organizational categories (e.g., nonprofits, community and economic development organizations, financial institutions), as well as metropolitan and rural categories.

Respondent Profiles

Survey data is based on 673 responses.

Respondent Breakdown by Place of Employment



26.1%	Financial institution
26.1%	Nonprofit/community-based organization
15.5%	Government/public official
11.6%	Education
10.9%	Community and economic development organization
9.8%	Other

Respondent Breakdown by Policy Area



25.6%	Housing and neighborhood development
19.6%	Community and economic development finance
19.4%	Small business
18.3%	Financial security (asset building, financial capability, etc.)
17.1%	Workforce development

Respondent Breakdown by States Represented



22.6%	Missouri
20.3%	Arkansas
17.8%	Kentucky
16.0%	Tennessee
12.3%	Mississippi
8.2%	Illinois
2.8%	Indiana

Respondent Breakdown by Population Served



52.5%	Metropolitan
47.5%	Rural

All Respondents

The State of LMI Communities Across the Eighth District

In 2019, 26.6% of respondents report that general economic conditions for LMI communities are improving, an increase from 2017 (19.4% of respondents). Additionally, 27.4% of respondents report a decline in economic conditions for LMI communities as compared with 2017 (18.7%). Finally, 42.1% of respondents report that economic conditions remained the same for LMI communities in 2019.

In **Arkansas**, 46.4% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 61% in 2017), while 29.1% indicate that they are improving (compared with 21% in 2017), and 20.0% indicate declining conditions (compared with 18.1% in 2017).

In **Illinois**, 44.4% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 63.6% in 2017), while 11.1% indicate that they are improving (compared with 12.7% in 2017), and 40% indicate declining conditions (compared with 23.6% in 2017).

In **Indiana**, 17.6% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 52.4% in 2017), while 41.2% indicate that they are improving (compared with 33.3% in 2017), and 41.2% indicate declining conditions (compared with 14.3% in 2017).

In **Kentucky**, 44.1% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 58.6% in 2017), while 27.5% indicate that they are improving (compared with 25.9% in 2017), and 25.5% indicate declining conditions (compared with 15.5% in 2017).

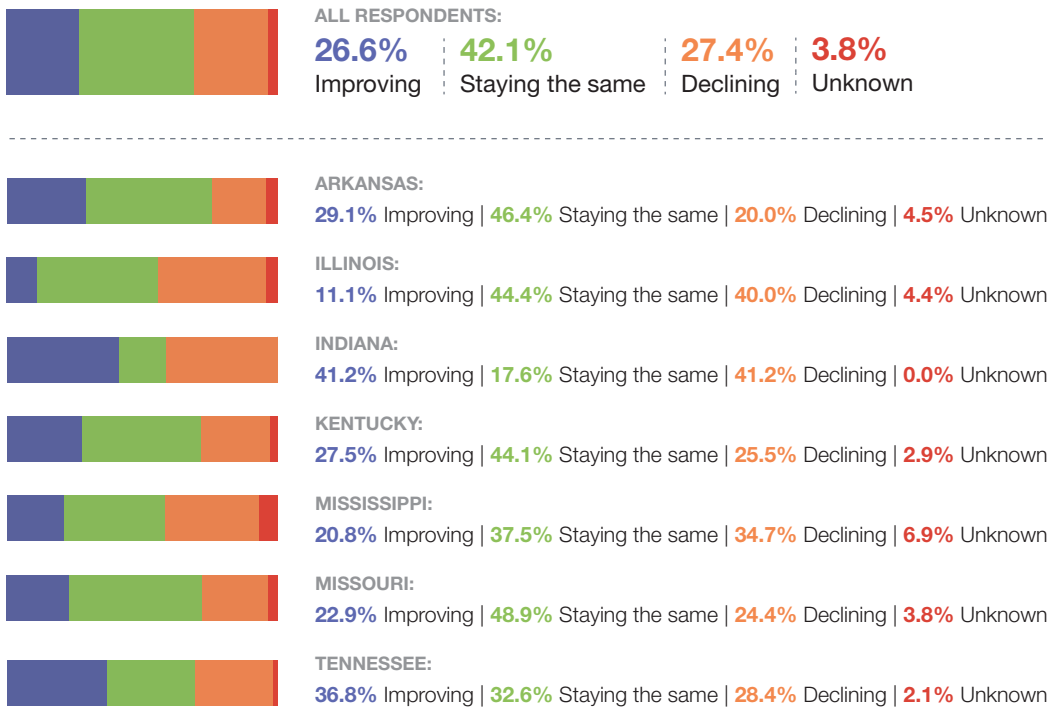
In **Mississippi**, 37.5% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 62.6% in 2017), while 20.8% indicate that they are improving (compared with 15.7% in 2017), and 34.7% indicate declining conditions (compared with 21.7% in 2017).

In **Missouri**, 48.9% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 70.5% in 2017), while 22.9% indicate that they are improving (compared with 11.6% in 2017), and 24.4% indicate declining conditions (compared with 17.8% in 2017).

In **Tennessee**, 32.6% of respondents indicate that general economic conditions are staying the same for LMI communities (compared with 55.3% in 2017) while 36.8% indicate that they are improving (compared with 24.5% in 2017), and 28.4% indicate declining conditions (compared with 20.2% in 2017).

All Respondents

1. Compared with two years ago, general economic conditions of the LMI communities you serve are:



■ Compared to 2017 results, a greater percentage of 2019 respondents indicated general economic conditions were improving (26.6% in 2019, 19.4% in 2017) or declining (27.4% in 2019, 18.7% in 2017) in their LMI communities, rather than staying the same (42.1% in 2019, 61.9% in 2017). Similarly, an increased number of respondents reported economic conditions are either improving or declining across the Eighth District in 2019, although most states indicated steady economic conditions in 2017.

2. Compared with two years ago, the well-being of LMI individuals in your area and their ability to meet basic needs are:



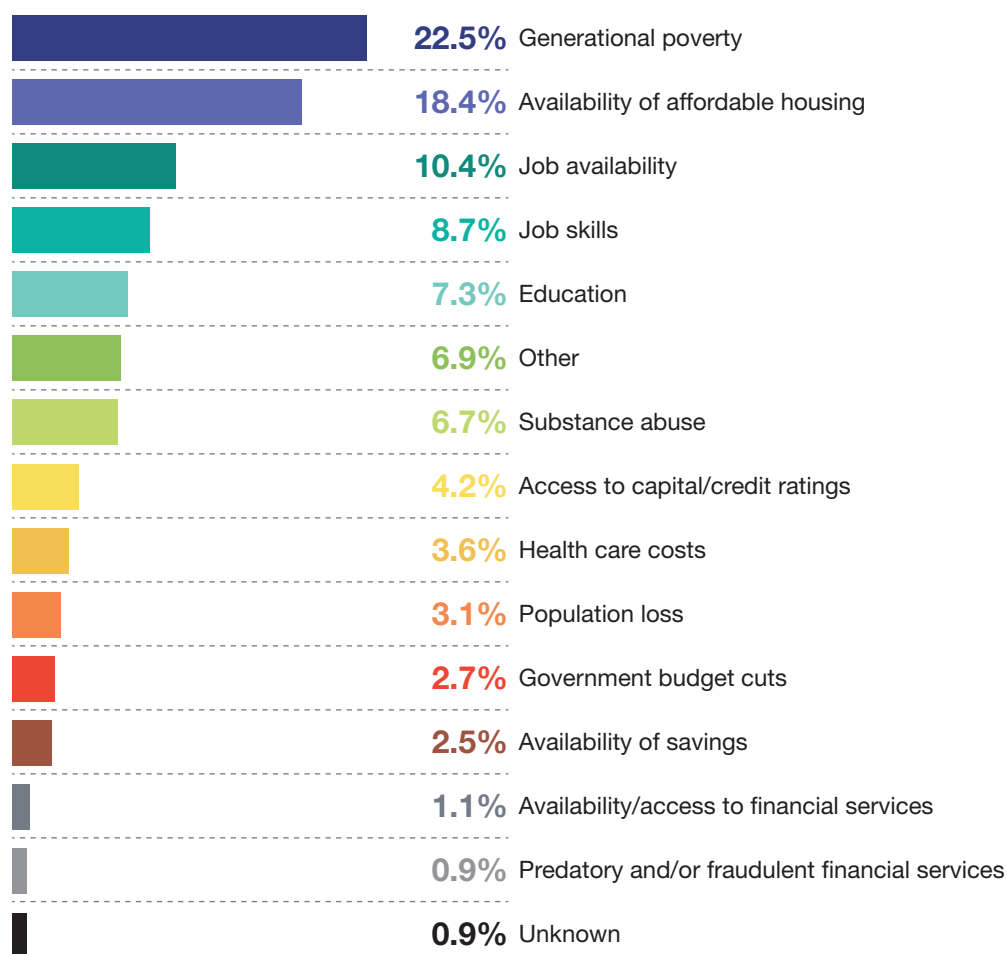
3. In three to five years, what will be the status of LMI individuals and households in your community?



■ Responses were split relatively evenly across the response categories in the 2019 survey, resulting in the most even distribution of responses since the question was first introduced in the 2012 survey.

All Respondents

4. What issue is having the greatest negative impact on LMI households and communities?



4A.



Top five issues across metropolitan areas:

1. Availability of affordable housing
2. Generational poverty
3. Job skills
4. Other
5. Education

■ Generational poverty and the availability of affordable housing were the top two issues in the 2016 and 2017 surveys, respectively. The 2019 survey is the first in which respondents indicated that the availability of affordable housing is a more pressing issue than generational poverty in metropolitan areas.

4B.



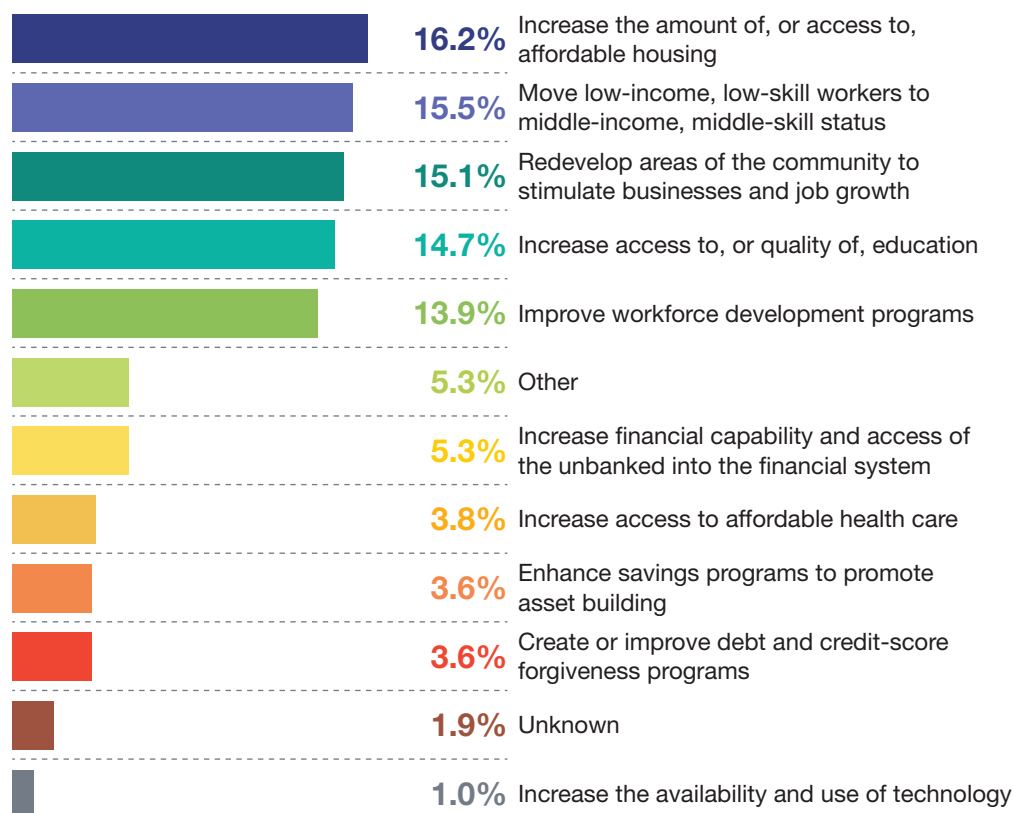
Top five issues across rural areas:

1. Generational poverty
2. Job availability
3. Availability of affordable housing
4. Education
5. Job skills

■ Generational poverty was the top issue facing rural communities according to the 2016 and 2017 surveys.

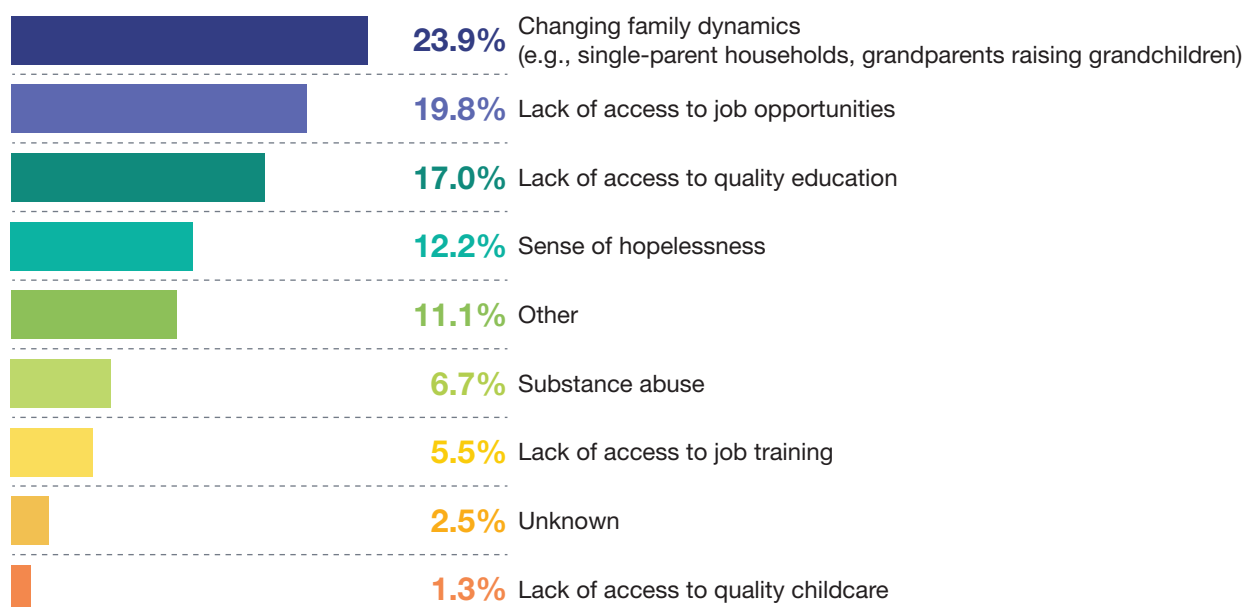
All Respondents

5. If funding were not a concern, what one best action could an organization or community take to improve the outlook for LMI individuals?



■ The 2019 survey marks the first time since 2016 that respondents indicated affordable housing as the best action to improve the outlook for individuals with low incomes, surpassing community redevelopment, which was the top response in the past two surveys.

6. What is the leading contributing factor to generational poverty in the LMI communities you serve?



7. If the economy slows down, what are the implications for the LMI communities that you serve?

“The community is very generous in prosperous times, but donations slow down with the economy.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Rural)

“Greater financial pressure on local governments and nonprofits to fund programs that combat generational poverty, failing school systems, lack of home support for youth, etc.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“General inability to get ahead...the high cost of being poor is real.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“More families will be locked into the generational cycle of poverty with less and less opportunity to break out. Families and communities will continue to destabilize due to stress.”

– Respondent, **Other Sector** (Mo. – Metropolitan)

“I believe their situations and sense of hopelessness becomes worse. As many of them work low-wage jobs, even the current economic ‘boom’ is not benefiting them.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“Fixed living expenses are not decreasing, but effective purchasing power for low-income individuals is diminishing.”

– Respondent, **Financial Institution Sector** (Ky. – Rural)

“They will continue to be oppressed by a system they did not create.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ark. – Rural)

“An economic slowdown would hurt governmental revenue, which in turn would hurt public assistance in our area. Illinois is raising taxes to meet minimum payment needs and a slowdown could overburden tax payers.”

– Respondent, **Financial Institution Sector** (Ill. – Rural)

“Wages will not increase to keep pace with costs. There are not enough incentives to develop affordable housing. Education costs will continue to climb. Public benefits are difficult to maintain with the various requirements.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Metropolitan)

“We will likely see an increase of use in the payday lending agencies, which will take more disposable income out of the local community.”

– Respondent, **Financial Institution Sector** (Tenn. – Rural)

“More homelessness and strain on a nearly nonexistent social service system in the suburbs. People will go hungry and without shelter.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Rural)

“Cycles of generational poverty would continue to grow. The income disparity that exists between minorities and white citizens will continue to widen. The poor socioeconomic conditions of LMI communities will remain unchanged.”

– Respondent, **Community and Economic Development Organization Sector** (Mo. – Metropolitan)

“Continue the status quo of disinvestment, low educational attainment, low job skills, and lack of affordable housing and wealth creation.”

– Respondent, **Government/Public Official Sector** (Ky. – Metropolitan)

“As many would lose jobs with a declining economy, they would also lose their homes and find difficulty maintaining healthcare. High-skill and high-wage workers would continue to migrate out of the area, lowering the tax base. Necessary public goods and utilities would degrade. A declining economy literally risks the survival of people in our communities.”

– Respondent, **Community and Economic Development Organization Sector** (Miss. – Rural)

“If the economy slows, our ability to attract new and/or expanding businesses into low-income communities will be severely constrained; as a general rule, few companies will start or expand during a recession. In fact, businesses operating in low-income communities typically have thin profit margins and will be at increased risk of failure. Accessible, quality jobs are critical if we are to transform low-income neighborhoods into places of equitable opportunity.”

– Respondent, **Other Sector** (Ky. – Metropolitan)

“They will suffer greatly. Most have not recovered from the 2008 recession and are highly vulnerable. An economic slowdown will only make a bad situation worse.”

– Respondent, **Education Sector** (Mo. – Rural)

“Every family issue becomes a crisis. Every family crisis becomes a community issue. Every community issue becomes a reason that individuals and families cannot thrive.”

– Respondent, **Other Sector** (Mo. – Metropolitan)

“With the lack of a social safety net, increasingly unaffordable housing and the threat of turning Medicare into a block grant, it is grim.”

– Respondent, **Education Sector** (Tenn. – Metropolitan)

All Respondents

Question 7: If the economy slows down, what are the implications for the LMI communities that you serve?

“LMI families will be the first to suffer from a slowdown. Currently, we have a full-employment environment where many LMI individuals have more than one job, which are often classified as low-skill and low-wage. A slowdown could reduce the availability of these types of jobs.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Metropolitan)

“They’ll disproportionately feel the repercussions. LMI communities are already struggling to experience the economic growth that has been sustained at the national level. A slower economy will likely inhibit their opportunities drastically.”

– Respondent, **Government/Public Official Sector** (Tenn. – Rural)

“Increased mortality due to lack of access to healthcare, further entrenchment of generational poverty and its value system, disengagement from civic institutions, increased pressure to assign blame to specific social groups (e.g., immigrants and refugees) and a mistrust of government.”

– Respondent, **Education Sector** (Ky. – Metropolitan)

“Their economies are already slow within their communities. This means they have to leave their area to find jobs and even quality food sources. The implications are dire if we do not take a hard look at transportation issues across rural parts of states.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Miss. – Rural)

“Increased strain on governmental services and nonprofit agencies who attend to the symptoms and crisis needs without being able to address the underlying core issues.”

– Respondent, **Education Sector** (Ill. – Rural)

“Longer commutes, decline in local services, faster out-migration, fewer job choices and more dependency on government programs.”

– Respondent, **Government/Public Official Sector** (Ark. – Metropolitan)

“When the economy slows, the tax base shrinks. When the tax base shrinks, social services through the county health department and other entities are negatively affected, which directly impacts those in low- to moderate-income brackets.”

– Respondent, **Community and Economic Development Organization Sector** (Ill. – Rural)

“Persons living on the margins lose the modicum of stability they have attained. Jobs disappear, health outcomes deteriorate and people become homeless.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Miss. – Rural)

“They suffer more because no one is working collaboratively on the issues that affect these communities.”

– Respondent, **Government/Public Official Sector** (Tenn. – Metropolitan)

“More and more children and families in poverty are not able to meet basic needs.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Metropolitan)

“Their situation is likely to become more challenging as funds become tighter for everyone. This could translate to fewer service/support opportunities, higher risk of accessing payday lenders, potential job loss, etc.”

– Respondent, **Other Sector** (Miss. – Rural)

“Budget cuts will be implemented, and these will very negatively affect people with low- and moderate-incomes. Access to healthcare, transportation and childcare will be reserved to people with higher incomes, and others will be excluded.”

– Respondent, **Education Sector** (Tenn. – Metropolitan)

“Low-income households seem to have been the hardest hit in recent recessions, but ‘recovery’ does not improve conditions for the most vulnerable. The rate of broad economic growth may not be a helpful predictive measure for actual conditions.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“When the economy slows down, so does the growth/stabilization of the community.”

– Respondent, **Government/Public Official Sector** (Ky. – Rural)

“History shows they will be hit hardest and take the longest (if at all) to recover.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“Residents will leave, especially the younger generations.”

– Respondent, **Education Sector** (Mo. – Rural)

“All of the advancement that has happened over the last 3-5 years will be erased.”

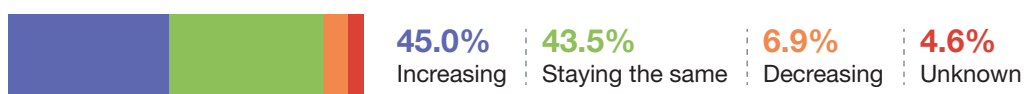
– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Metropolitan)

“With the low stock of affordable housing in rural areas, the increase of predatory lending, the lack of public transportation, training opportunities and adequate health care—the situation is already dire, so an economy slowdown would be absolutely devastating.”

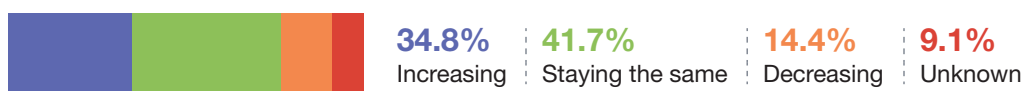
– Respondent, **Government/Public Official Sector** (Miss. – Rural)

Community and Economic Development Finance

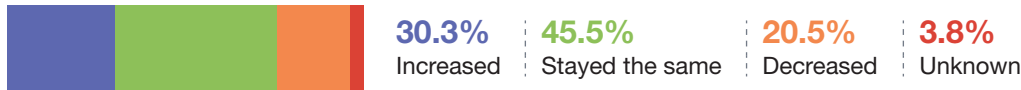
8. Compared with two years ago, how would you describe the demand by institutions that serve LMI individuals and households for the community development financial products and services your organization offers?



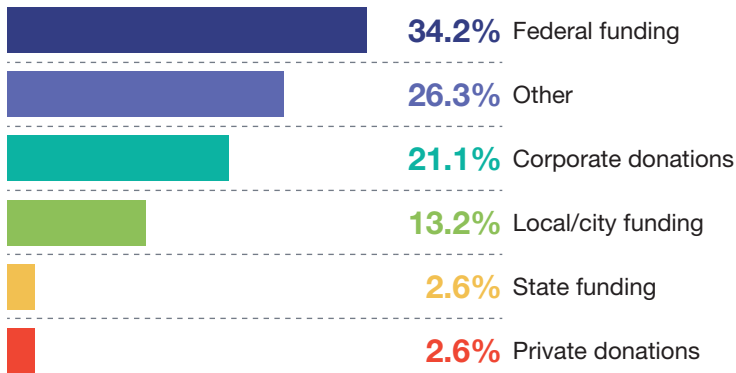
9. Compared with two years ago, how would you describe your organization's ability to deploy capital to the LMI community?



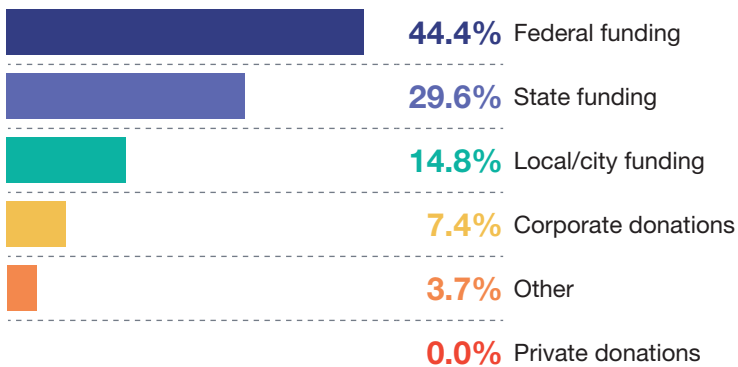
10. Compared with two years ago, have your funding sources for community development finance:



10A. Which increased funding source for community development finance has had the greatest positive impact on your organization's ability to help the LMI community?



10B. Which decreased funding source for community development finance has had the greatest negative impact on your organization's ability to help the LMI community?



11. What specific obstacle is affecting progress for community development finance in your LMI community?

“Lack of entrepreneurs willing to risk development in LMI communities when viewing competing alternatives for their investment.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Lack of capacity to tackle challenges, especially in rural communities.”

– Respondent, [Education Sector](#) (Tenn. – Rural)

“Lack of community development products (e.g., affordable mortgages, individual development account (IDA) match funds, etc.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“Process is cumbersome and difficult. Predatory lenders offer faster, less burdensome financing.”

– Respondent, [Education Sector](#) (Mo. – Rural)

“Lack of education and awareness of products, services and opportunities.”

– Respondent, [Community and Economic Development Organization Sector](#) (Miss. – Rural)

“Community development block grant funds were taken away from community organizations, which caused many to shut down. This created a huge void, as people would normally turn to them when they needed help.”

– Respondent, [Government/Public Official Sector](#) (Mo. – Metropolitan)

“Access to traditional and nontraditional capital.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Competition with other banks.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“Lack of grant or low-cost capital to relend to businesses that seek to expand into low-wealth neighborhoods and communities.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Metropolitan)

“Lack of small developer capital. Lack of home ownership.”

– Respondent, [Government/Public Official Sector](#) (Ky. – Metropolitan)

“Healthcare is a silent obstacle. Lack of adequate access means no preventative care or good health lifestyle practices, such as grocery stores with healthy foods.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Lack of New Markets Tax Credits.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“CRA guidelines do not incentivize direct or indirect investments in the communities that need them most, as the banks with CRA needs left those communities long ago.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Lack of local match and ability of the local officials to take leadership in the efforts.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Rural)

“Limited staff to conduct educational programming due to funding constraints.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“Lack of interest on the part of those with capital.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Credit continues to be a huge obstacle for both small businesses and homeownership.”

– Respondent, [Financial Institution Sector](#) (Ky. – Rural)

“Communities are not being actively listened to with regard to their actual community development finance needs, so funding is sometimes tied to outcomes disconnected from what is needed.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Miss. – Rural)

“Borrowers have insufficient equity to support potential loans. Difficult to find strong deals. Depressed property values affect affordable housing development.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Rural)

“Enough partners to meet funding needs.”

– Respondent, [Financial Institution Sector](#) (Ill. – Metropolitan)

“Equity availability.”

– Respondent, [Government/Public Official Sector](#) (Tenn. – Metropolitan)

“Credit or the lack of a good credit score.”

– Respondent, [Financial Institution Sector](#) (Miss. – Metropolitan)

12. What specific opportunity is affecting progress for community development finance in your LMI community?

“Favorable tax treatment and availability of Opportunity Zones.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Funding opportunities from federal, state and local agencies exist. We ought to develop capacity and skill-up to address the challenges.”

– Respondent, [Education Sector](#) (Tenn. – Rural)

“Talented young people wanting to address racial and economic disparities.”

– Respondent, [Government/Public Official Sector](#) (Mo. – Metropolitan)

“Fair access to capital with a racial and historic lens.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Lots of interest in LMI communities due to the Opportunity Zone legislation. The policy is creating a lot of conversation among groups that have not frequently been in dialogue.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“It is often perceived that opportunities and programming are readily available to fulfill the needs of individuals in our low- to moderate-income communities. However, given current staffing and funding levels, access and program reach are limited. In addition, the perceived need for programming on financial literacy topics is not often considered a high priority in our region.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“Access to free financial education, primarily in the form of one-on-one coaching, is a necessary and critical intervention which can help people of all means (especially low-income individuals) advance their financial goals.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Local leadership is rethinking the impact of job loss on their communities. Also, we are seeing ‘compassionate’ communities emerge that are fighting the opioid crisis through treatment and economic opportunity, rather than by incarceration alone.”

– Respondent, [Other Sector](#) (Ky. – Rural)

“Educating business owners on the banking process and community development to allow for additional lending opportunities in LMI areas.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Rules and regulations need to be changed so capital is available in truly rural and impoverished areas.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Rural)

“Finding qualified leadership to serve in minority communities.”

– Respondent, [Education Sector](#) (Ark. – Metropolitan)

“The New Markets Tax Credit program.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“People are more aware of opportunities, even if they can’t easily access them from the rural homes due to distance or lack of broadband.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Good community collaboration.”

– Respondent, [Education Sector](#) (Mo. – Rural)

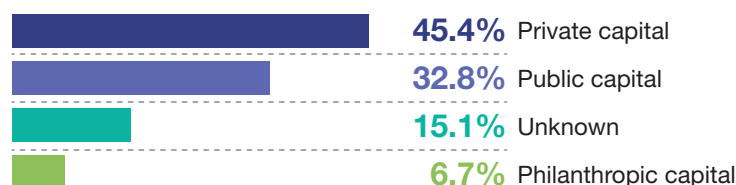
“I believe as corporations get further away from the recession, their giving and spending levels will increase.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

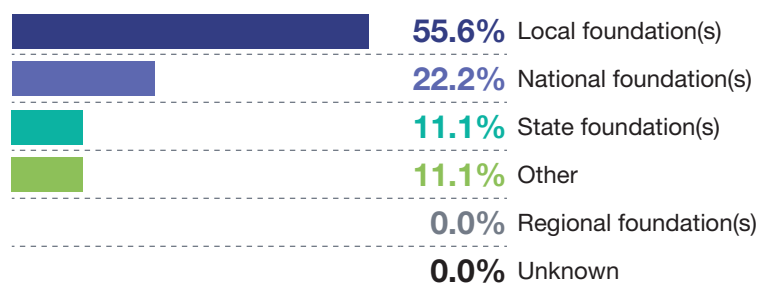
“Access to providers.”

– Respondent, [Community and Economic Development Organization Sector](#) (Miss. – Rural)

13. Regarding investments/loans made in LMI geographies, what is your primary source of capital?

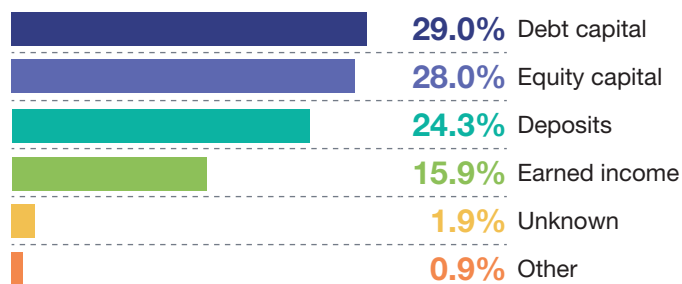


13A. What specific types of philanthropic capital? Select all that apply.

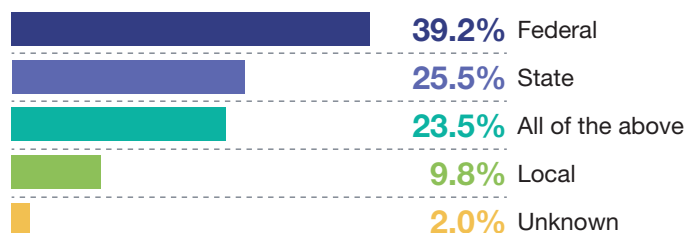


■ Comparing the 2017 and 2019 surveys, 25.1% more respondents indicated that their organizations receive funding from local foundations in 2019.

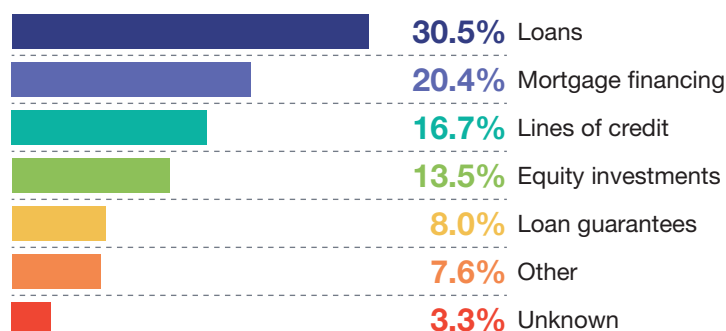
13B. What specific types of private capital? Select all that apply.



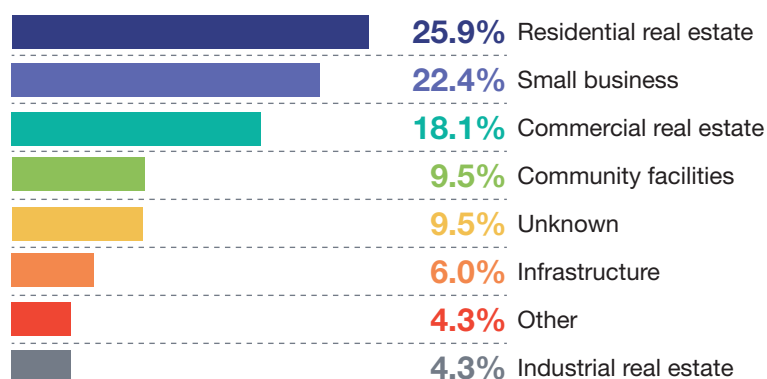
13C. From what unit(s) of government do you receive capital? Select all that apply.



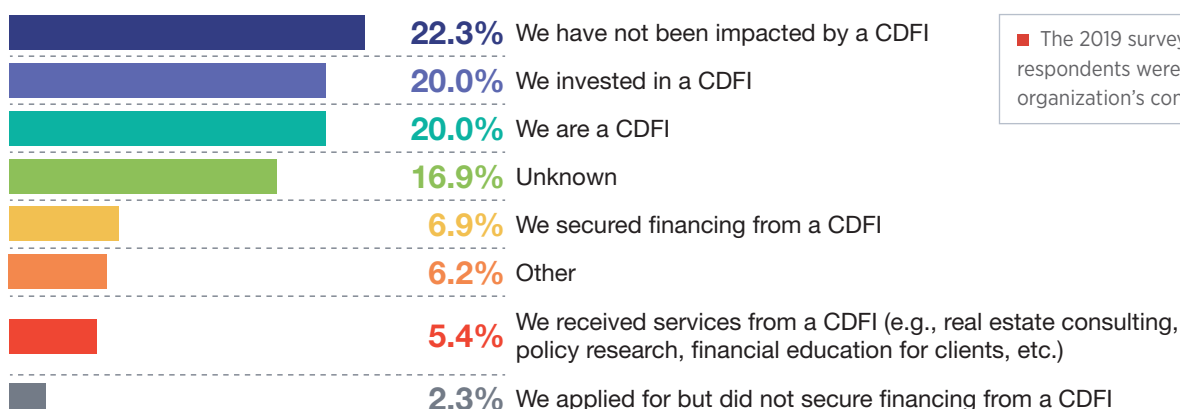
14. What financial products do you currently offer in LMI geographies? Select all that apply.



15. From your perspective, what type of project is attracting the most investment in LMI areas?



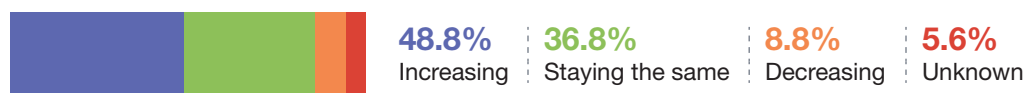
16. How has your organization been impacted by a community development financial institution (CDFI) in the last 12 months? Select all that apply.



■ The 2019 survey was the first in which respondents were asked about their organization's connection to CDFIs.

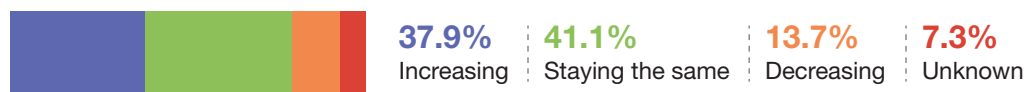
Financial Security

17. Compared with two years ago, how would you describe the demand by LMI individuals and households for products and services to support financial security (e.g., programs to support asset building, financial capability and financial empowerment)?

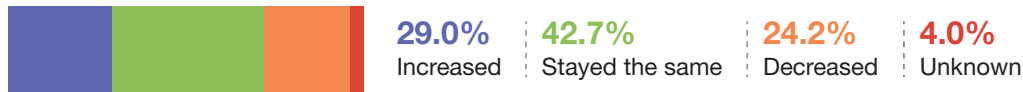


■ Almost twice as many respondents indicated that demand for products and services to support financial security was decreasing in 2019 (8.8%) than in 2017 (4.5%).

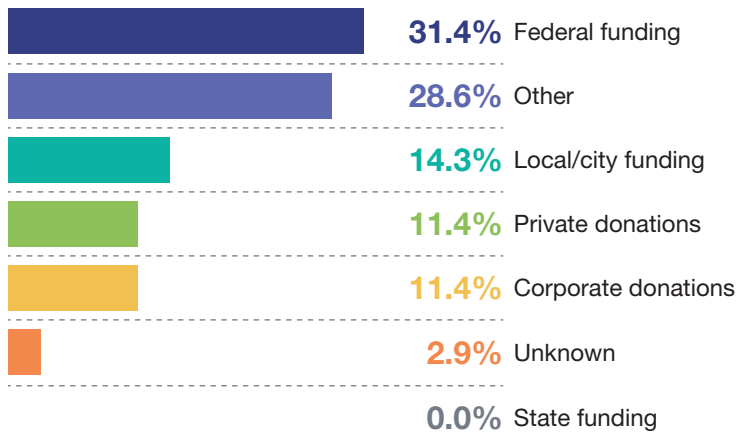
18. Compared with two years ago, how would you describe your organization's ability to provide direct assistance to the LMI community through products or services related to financial security?



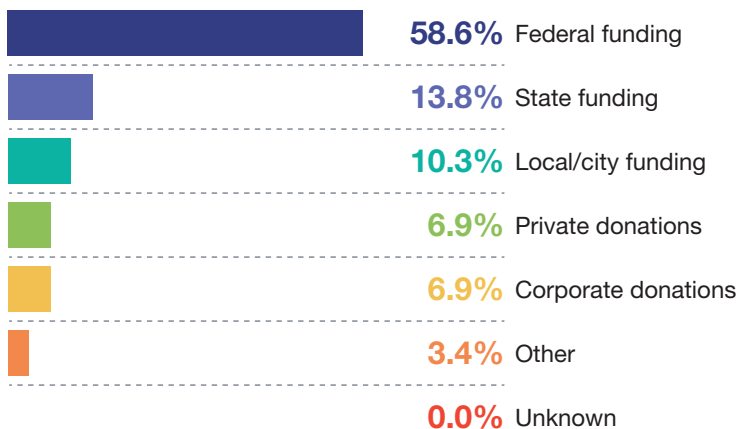
19. Compared with two years ago, have your funding sources to support products and services related to financial health and security:



19A. Which increased funding source for financial security services has had the greatest positive impact on your organization's ability to help the LMI community?



19B. Which decreased funding source for financial security services has had the greatest negative impact on your organization's ability to help the LMI community?



20. What specific obstacle is impeding the progress of individuals in your LMI community toward financial security?

“Lack of job readiness. Job training/work force development programs are available, but generational poverty prevails.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“The tug between working more hours and getting a better job and promotions, to losing governmental benefits to truly become financially secure.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Miss. – Metropolitan)

“Lack of employment and knowledgeable information about the handling of personal finances.”

– Respondent, [Education Sector](#) (Ill. – Metropolitan)

“Our local government preys on the citizens with fees and fines that put them in a de facto permanent debt situation by predatory actions via driving infractions. Eliminating this one practice and releasing the citizens from the warrants could provide opportunities for the citizenry to build rather than chase or run from fines.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Systemic disinvestment and wealth extraction.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Lack of quality employment with benefits and a career trajectory.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

“Access to capital (borrowing power).”

– Respondent, [Other Sector](#) (Ky. – Metropolitan)

“Lack of savings and being stuck in a cycle of payday lending.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Perpetual financial crisis.”

– Respondent, [Other Sector](#) (Tenn. – Metropolitan)

“Lack of generational wealth - including home ownership and the stability that comes from home.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“The lack of financial literacy is the obstacle that must be removed to improve the low- to moderate-income community's financial security.”

– Respondent, [Other Sector](#) (Miss. – Rural)

“Lack of real wage earning job opportunities, high cost of secondary education, lack of quality childcare and a lack of small-business programs.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Rural)

“Financial security for low-income families, especially in areas of generational poverty, is a wicked problem.”

– Respondent, [Other Sector](#) (Ark. – Rural)

“Structural factors that exist within the state agencies and federal agencies.”

– Respondent, [Government/Public Official Sector](#) (Miss. – Rural)

“Health insurance costs, food costs and utility costs.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

“Limited funding, particularly for programs like matched savings accounts, which significantly increase the ability of LMI people to secure and repair housing, seek education and invest in business ventures. Federal and state funding that used to provide IDA matches no longer exists, and many foundations are reluctant to fund these as they directly benefit individuals.”

– Respondent, [Other Sector](#) (Miss. – Rural)

“Low wages. The minimum wage has not increased since 2009, which means that more and more people fall below poverty even when working full-time, year round.”

– Respondent, [Education Sector](#) (Tenn. – Metropolitan)

“Education around home financial security and budgeting.”

– Respondent, [Government/Public Official Sector](#) (Ky. – Rural)

“Lack of education about financial services available and how to rebuild a banking relationship after messing up in the past. Many individuals do not know about investing and asset building either.”

– Respondent, [Other Sector](#) (Ky. – Metropolitan)

“While our resources remain fairly similar, there continues to be dramatic increases in predatory lending, especially in the vehicle space. Digital lending is a new frontier. Big banks are often more interested in investing in predatory lenders than holistic ones.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

21. What specific opportunity holds the most promise for moving individuals in your LMI community toward financial security?

“Barring continued limited funding for matched savings, Bank On accounts are a big opportunity and are becoming more available to those who are unbanked and underbanked.”

– Respondent, **Other Sector** (Miss. – Rural)

“Individual Development Accounts (IDAs).”

– Respondent, **Financial Institution Sector** (Ark. – Metropolitan)

“Promote people that have made the break from the cycle of poverty. Get them to share their story and have resources and opportunities on hand to help others who now may be motivated to take advantage of resources on hand.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“Workforce education and improved public education.”

– Respondent, **Financial Institution Sector** (Miss. – Rural)

“Having access to good financial institutions in their communities.”

– Respondent, **Education Sector** (Ill. – Metropolitan)

“Infrastructure improvements that allow people to access jobs, opportunities and education services beyond where they live.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“If people can be trained in technology applications that are useful in the job market, they can gain wages that are above the living wage and have an ability to have upward mobility.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Metropolitan)

“As the economy has improved, lesser-trained people have been able to get jobs. This is a big help because as they get work experience, they are more likely to get a better job. When the economy is improving, employers are more interested in providing on-the-job training.”

– Respondent, **Other Sector** (Ky. – Rural)

“Training and certification programs blended with financial coaching.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Metropolitan)

“Fair and equitable projects within Opportunity Zones.”

– Respondent, **Financial Institution Sector** (Mo. – Metropolitan)

“Developing our youth through programs like YouthBuild, Conservation Corps and other related programs that help to stem the generational joblessness that so many families are experiencing.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Miss. – Rural)

“Workforce development programs that layer training and the opportunity to secure transportation into the hiring process.”

– Respondent, **Financial Institution Sector** (Mo. – Metropolitan)

“Programs and policies that incentivize asset building. Changes to the ‘benefits cliff’ so that families can increase assets without losing essential supports.”

– Respondent, **Other Sector** (Tenn. – Metropolitan)

“Affordable housing opportunities, increase in jobs with the potential of upward mobility with the real cost of living wages.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Rural)

“Quick training and certification programs to allow individuals to move into living-wage jobs. Affordable housing to allow individuals earning a lower wage to find and remain in housing across the community.”

– Respondent, **Government/Public Official Sector** (Ky. – Metropolitan)

“LMI individuals need access to childcare, so that parents can go to work and attend skills trainings.”

– Respondent, **Financial Institution Sector** (Mo. – Metropolitan)

“Remove structural barriers at the state, federal and local levels, while providing access to resources that meet the needs of the area (e.g., money for infrastructure, investment in local economies on various levels, small business development, money to pay for education, etc.).”

– Respondent, **Government/Public Official Sector** (Miss. – Rural)

“The movement toward a living wage.”

– Respondent, **Education Sector** (Tenn. – Metropolitan)

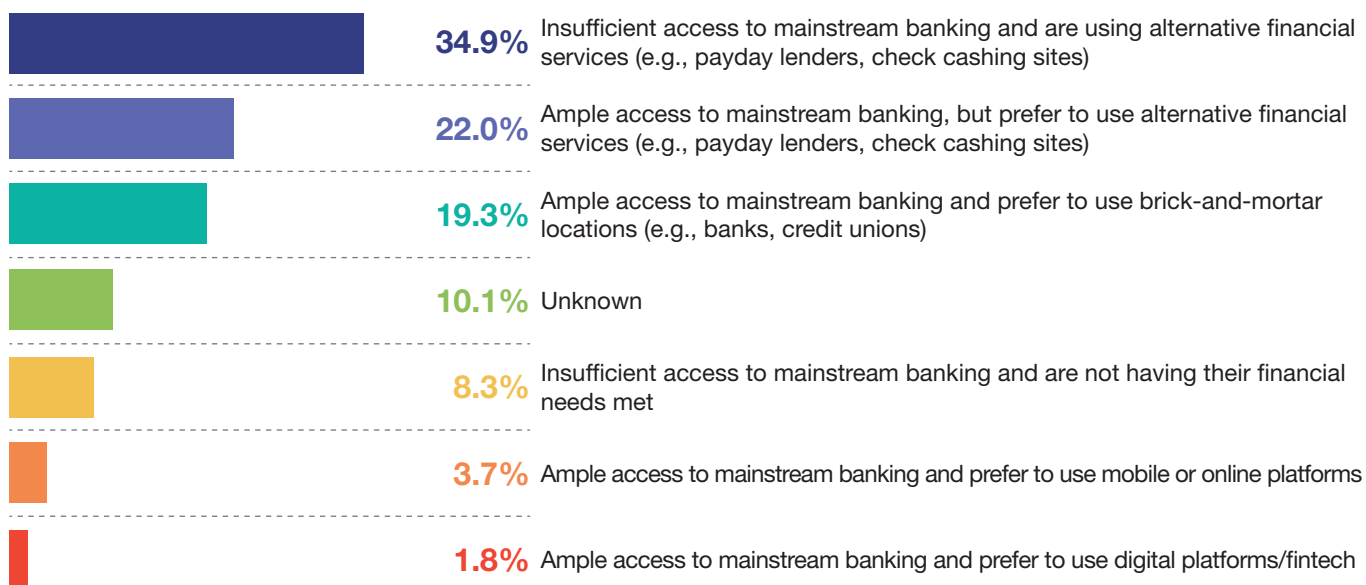
“Program funding for development assistance to promote financial literacy in our region.”

– Respondent, **Community and Economic Development Organization Sector** (Ark. – Rural)

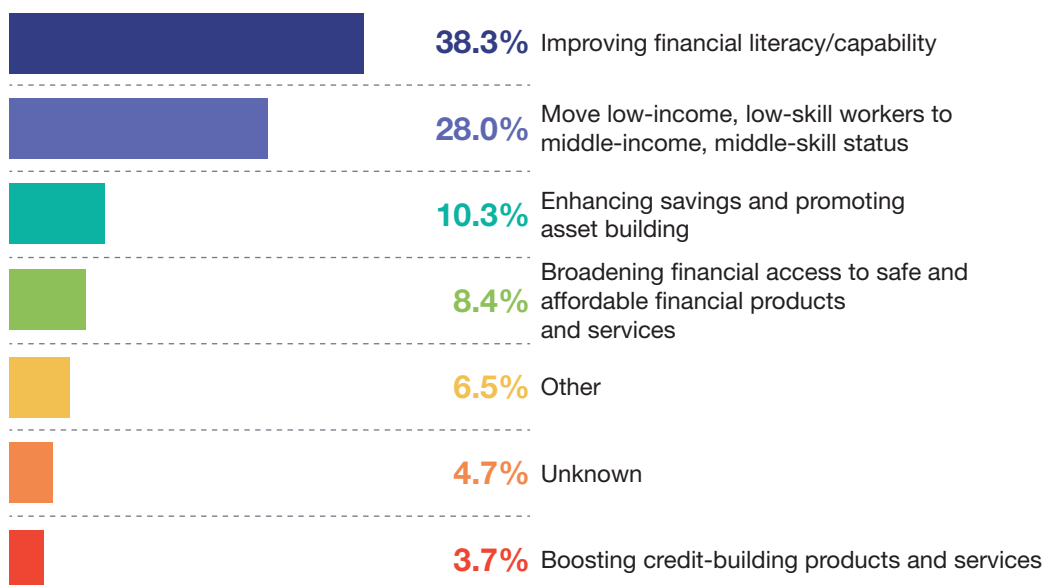
“Investments in workforce development to increase skills to earn living wages.”

– Respondent, **Financial Institution Sector** (Ky. – Metropolitan)

22. When considering access to safe and affordable financial products and services (including credit and financial transactions) to meet their financial needs, individuals in your LMI community have:



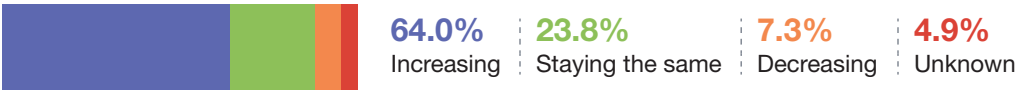
23. The strategy that is most effective for improving the financial security of individuals in your LMI community is:



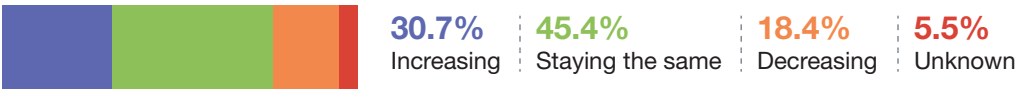
■ The 2019 survey is the first in which respondents could choose "move low-income, low-skill workers to middle-income, middle-skill status" as the most effective strategy for improving financial security. It received the second highest percentage following "improving financial literacy/capability," which was also the top response in the 2017 survey.

Housing and Neighborhood Development

24. Compared with two years ago, how would you describe the demand by LMI individuals and households for the housing and neighborhood development services your organization offers?

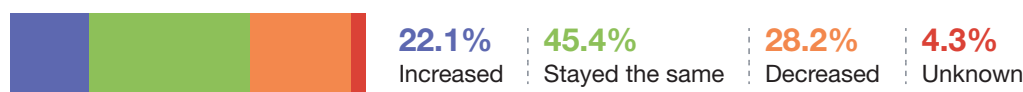


25. Compared with two years ago, how would you describe your organization's ability to provide direct assistance on housing and neighborhood development to the LMI community?

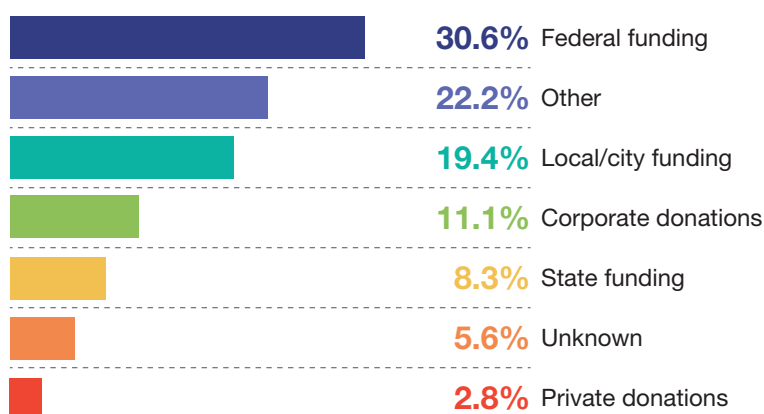


Housing and Neighborhood Development

26. Compared with two years ago, have your funding sources for housing and neighborhood development:

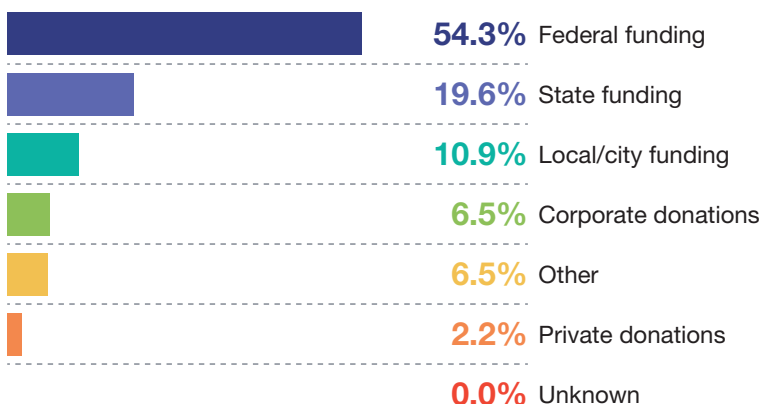


26A. Which increased funding source for housing and neighborhood development has had the greatest positive impact on your organization's ability to help the LMI community:



■ Federal funding was chosen as the most significant increased and decreased source of funding for housing and neighborhood development by respondents to the 2019 survey.

26B. Which decreased funding source for housing and neighborhood development has had the greatest negative impact on your organization's ability to help the LMI community?



27. What specific obstacle is affecting progress for housing and neighborhood development in your LMI community?

“Government regulation ties the hands of community banks. If they don’t fit the box they are denied.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Access to capital and qualified construction labor.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Lack of coordination from development to action.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Funding to support asset mapping, community assessments and other tools that help set the stage for local residents and leaders to make informed decisions in the beginning.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Lack of available and affordable vacant land.”

– Respondent, [Other Sector](#) (Ky. – Rural)

“Being able to redevelop housing in low-income neighborhoods. We cannot recover investment and sell redeveloped homes for the appraised values.”

– Respondent, [Community and Economic Development Organization Sector](#) (Tenn. – Rural)

“Gentrification and ‘not in my backyard (NIMBY)’ attitudes.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“The feeding frenzy on single-family homes by investors is a prime factor.”

– Respondent, [Community and Economic Development Organization Sector](#) (Tenn. – Metropolitan)

“The large percentage of renters in low-income neighborhoods, zoning regulations and the concentration of poverty in LMI neighborhoods.”

– Respondent, [Government/Public Official Sector](#) (Tenn. – Metropolitan)

“Lack of job opportunity.”

– Respondent, [Financial Institution Sector](#) (Miss. – Rural)

“Not enough funds available for place-based community development initiatives compared to direct human service activities.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“Lack of community-wide affordable housing for individuals in the 0-30% area median income (AMI) range.”

– Respondent, [Financial Institution Sector](#) (Ky. – Metropolitan)

“A lack of financial support, lack of comprehensive community planning and absence of well-organized and involved residents.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“For the nonprofit sector that serves the LMI communities, funding seems to be the biggest obstacle they face. They do not have sufficient funding to offer repair assistance, build new inventory of affordable housing options, or the capacity to grow internally to be better prepared to provide assistance to this growing community.”

– Respondent, [Government/Public Official Sector](#) (Tenn. – Metropolitan)

“Rising construction costs make LMI housing less profitable for investors.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“The state has no funding mechanism for affordable housing, so it relies on federal funds.”

– Respondent, [Government/Public Official Sector](#) (Miss. – Rural)

“Not enough knowledge is being shared to encourage more developers, who may have resources to offer. There are barriers to entry for potential developers.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“The cost of building a new home is too expensive and available homes are often substandard.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Jobs.”

– Respondent, [Financial Institution Sector](#) (Ill. – Rural)

“Awareness of program opportunities.”

– Respondent, [Other Sector](#) (Tenn. – Rural)

“Organizational capacity and access to resources.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Limited supply of competitive tax credits.”

– Respondent, [Other Sector](#) (Miss. – Rural)

■ Housing and Neighborhood Development

Question 27: What specific obstacle is affecting progress for housing and neighborhood development in your LMI community?

“Federal funding and tax credit programs are increasingly difficult to cobble together to fund needed affordable housing.”

– Respondent, **Government/Public Official Sector**
(Tenn. – Metropolitan)

“Trust.”

– Respondent, **Nonprofit/Community-based Organization Sector**
(Ind. – Metropolitan)

“The lack of access to land and the disinterest of developers to provide lower-income housing.”

– Respondent, **Financial Institution Sector** (Ky. – Rural)

“Existing residents are increasingly losing affordable housing in LMI communities they grew up in. More affluent individuals and households with middle-income levels are the only ones that can afford market rate housing.”

– Respondent, **Nonprofit/Community-based Organization Sector**
(Tenn. – Metropolitan)

28. What specific opportunity holds the most promise for affecting progress for housing and neighborhood development in your LMI community?

“Local leaders are beginning to see the benefit of working with local residents to make decisions about a community’s future.”

– Respondent, **Community and Economic Development Organization Sector** (Ark. – Rural)

“Building a no-interest/low-interest loan fund.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Metropolitan)

“Basic training in how to manage finances, coupled with programs that help individuals accumulate wealth.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“Economic development and the introduction of better paying jobs in our community. We have an abundance of low-paying jobs that most adults can’t support their families with.”

– Respondent, **Government/Public Official Sector** (Ky. – Rural)

“More sources of occupational education and training from specialized public schools and corporate-supported job centers.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Metropolitan)

“Putting grants and real estate investors together.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“Inventory of parcels for development within the federal Opportunity Zones.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Rural)

“Funds to offset value compare to cost.”

– Respondent, **Financial Institution Sector** (Ill. – Metropolitan)

“Ability to get state tax credits reinstated.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Rural)

“Rehabbing blighted, abandoned and dilapidated housing. Cities in Kentucky have adopted more aggressive tactics to clean up these structures and, in some cases, replace them with LMI housing.”

– Respondent, **Other Sector** (Ky. – Rural)

“Great neighborhood partnerships and infrastructure with pent up capacity to strengthen housing and services if funding were available.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Mo. – Rural)

“If we could attract more business and manufacturing to our area, we could give our families a brighter, more stable future by having a better financial outlook.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Rural)

“Low-Income Housing Tax Credit (LIHTC) and New Markets Tax Credits (NMTC).”

– Respondent, **Government/Public Official Sector** (Tenn. – Metropolitan)

“Opportunity Zones, if the developers use it to assist those in need with housing and not pursue projects that are directed toward middle- and high-income residents in the area.”

– Respondent, **Other Sector** (Miss. – Rural)

“Innovative housing models to better suit the changing needs of families and individuals, such as micro-housing, multigenerational housing and modular construction.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Tenn. – Metropolitan)

“Federal and state funding assistance.”

– Respondent, **Other Sector** (Tenn. – Rural)

“Other unconventional funding mechanisms.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Rural)

“A new zoning ordinance will allow mixed-use development (including residential) in commercial areas.”

– Respondent, **Government/Public Official Sector** (Tenn. – Metropolitan)

“Creating cost restriction requirements for publicly owned land in LMI neighborhoods. By restricting publicly owned land targeted for development/redevelopment in LMI communities, LMI individuals and households will be able to afford lower housing costs.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Tenn. – Metropolitan)

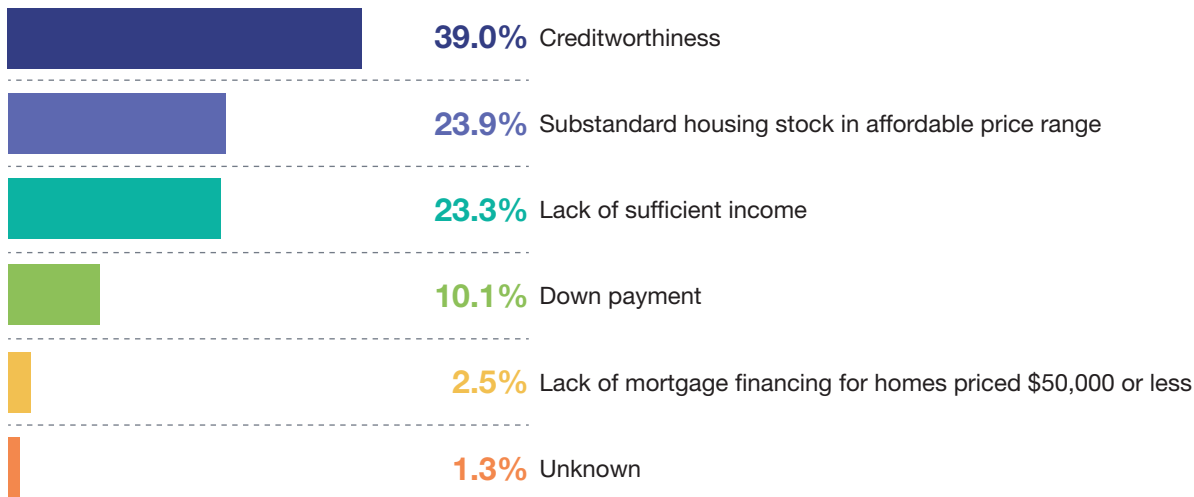
“The financing of single-family units.”

– Respondent, **Other Sector** (Miss. – Rural)

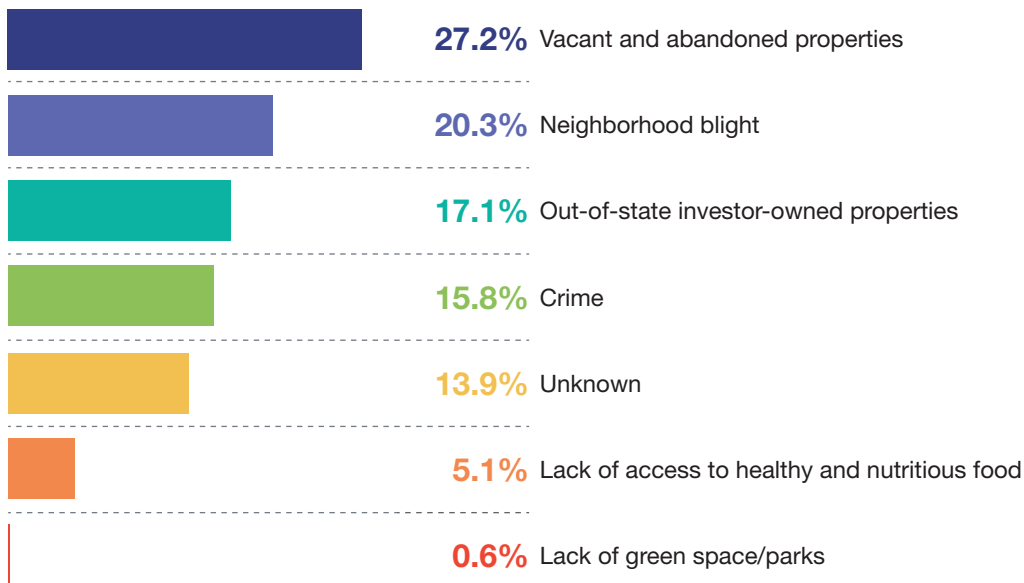
“Proposed legislation on tax credits to offset the appraisal gap. Efforts to increase wages by connecting residents to career opportunities and jobs with better wages.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ky. – Metropolitan)

29. Which one of these factors would you rate as the most significant barrier to homeownership for LMI individuals and households?

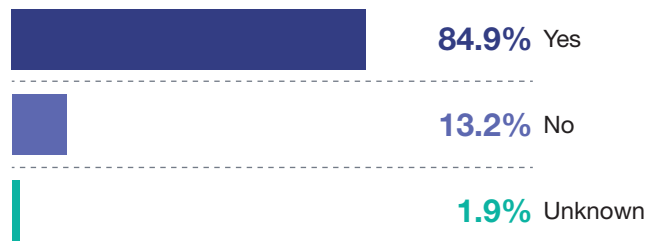


30. What is the greatest challenge facing the LMI community you serve?



■ Crime dropped to be the fourth greatest challenge facing LMI communities from the response's second-place position in 2017.

31. Do affordable housing shortages exist in the LMI community you serve?



32. What can be done to address affordable housing shortages in the LMI community you serve?

“Lack of developers and investment. Affordable housing continues to plague rural communities.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Builder incentives for developing LMI housing.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“Homebuyer education and help with improving credit scores.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Tenn. – Rural)

“Allow banks to make larger mortgage loans based on the financial capability of the buyers, rather than the appraised values, which are far below the cost to build or renovate old homes in depressed areas.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Metropolitan)

“Land trusts or rent control to make housing affordable. Knocking down or renovating dilapidated buildings. Offering supportive services to help people with housing if they want it.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Getting the government to see the need and provide support for building affordable housing (ownership and rentals) via providing land, financial support for development costs and/or re-zoning as needed.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Tenn. – Rural)

“Need coordinated efforts between government, developers, charities, action groups, taxing authority and federal financing agencies. Financial institutions cannot bear the responsibility alone, especially with most home loans being done by non-bank entities.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“First, build more affordable housing units. Second, come up with creative ways for people to qualify for financing. Third, assist people to understand the importance of building positive credit ratings.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Miss. – Rural)

“Make funding available to redevelop the low-income, blighted areas.”

– Respondent, [Community and Economic Development Organization Sector](#) (Tenn. – Rural)

“Provide mechanisms to own from rentership.”

– Respondent, [Other Sector](#) (Tenn. – Metropolitan)

“Reduce punitive taxes. Governments need to stop giving tax dollars and government owned land to developers.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Make more dollars available for construction of new single and multi-family housing, and more dollars for rehab of blighted homes so that nonprofits can rent them out to LMI families at an affordable rate.”

– Respondent, [Government/Public Official Sector](#) (Miss. – Rural)

“Reduction of out-of-state investor owned properties. Mandatory restriction on market rate renting. Extreme enforcement of code violations of investment/landlord properties.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Rural)

“More tax credit programs aimed toward the development of LMI housing.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“Increasing the skills of low-skill workers to make a living wage so that we need less affordable housing.”

– Respondent, [Financial Institution Sector](#) (Ky. – Metropolitan)

“Find ways to tilt the equation towards owner occupancy to help recover losses from the foreclosure epidemic.”

– Respondent, [Community and Economic Development Organization Sector](#) (Tenn. – Metropolitan)

“The supply needs to be increased. That is the challenge with rising production costs.”

– Respondent, [Financial Institution Sector](#) (Tenn. – Metropolitan)

“More downpayment assistance and housing counseling.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Tenn. – Rural)

“Municipal funding should be used to incent developers to build quality housing. Both rural and urban markets are in need. Our source of incentive cannot solely be federal funds.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

■ Housing and Neighborhood Development

Question 32: *What can be done to address affordable housing shortages in the LMI community you serve?*

“Create a funding platform to address the gap between cost to build and appraisal value.”

– Respondent, **Other Sector** (Miss. – Rural)

“Increased equity funding to develop new or preserve existing affordable housing, especially sources that can mobilize quickly to compete with market-rate investors.”

– Respondent, **Nonprofit/Community-based Organization Sector**
(Tenn. – Metropolitan)

“We need to be able to provide products that increase interest for developers that provide low-income housing.”

– Respondent, **Financial Institution Sector** (Ky. – Rural)

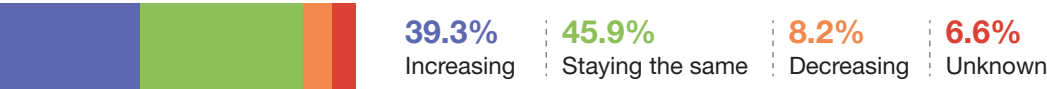
Small Business

33. Compared with two years ago, how would you describe the demand by LMI individuals and households for the small-business development services your organization offers?



■ There was an 11% increase in the number of survey respondents who noted an increasing demand for small business development services between the 2017 (38.2%) and 2019 surveys (49.2%).

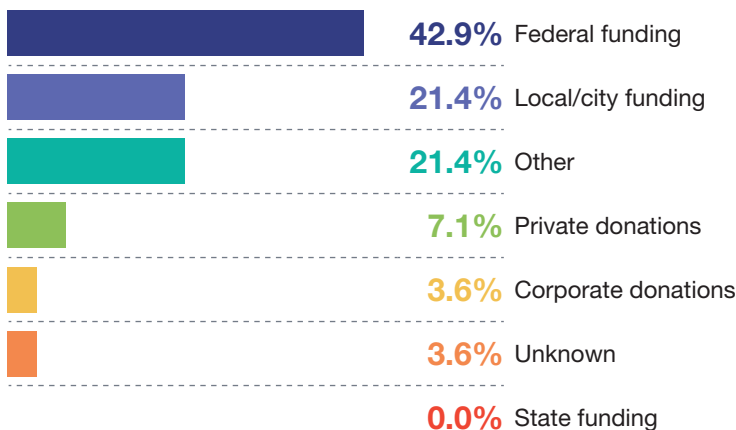
34. Compared with two years ago, how would you describe your organization’s ability to provide direct assistance for small-business development to the LMI community?



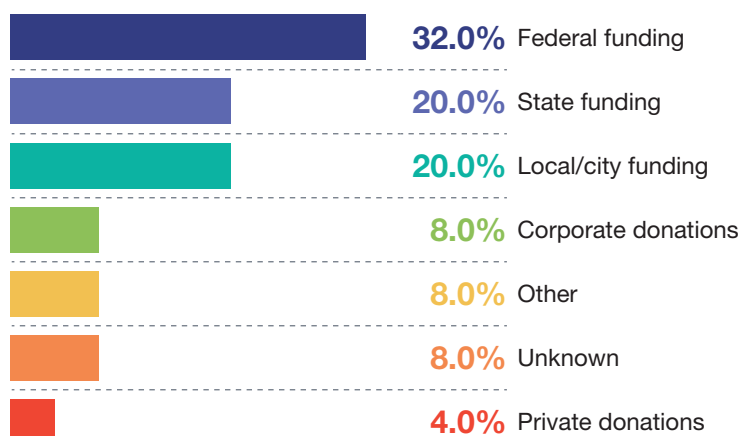
35. Compared with two years ago, have your funding sources for small-business development:



35A. Which increased funding source for small-business development has had the greatest positive impact on your organization's ability to help the LMI community?



35B. Which decreased funding source for small-business development has had the greatest negative impact on your organization's ability to help the LMI community?



36. What specific obstacle is affecting progress for small-business development in your LMI community?

“Lack of business experience coupled with inability to construct a realistic business plan.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Small businesses and self-employed individuals need more lending options, such as: peer lending, revolving loan funds, increased access to microloans and resources to assist with improving credit.”

– Respondent, [Education Sector](#) (Ark. – Metropolitan)

“The obstacles are two-fold: need for increased capacity along with additional sources of funding.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Rural)

“The Small Business Administration (SBA) loan process is cumbersome and difficult. Predatory lenders offer faster, less burdensome financing.”

– Respondent, [Education Sector](#) (Mo. – Rural)

“Fair access to capital with a racial and historic lens.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Increases in crime, poor infrastructure, low employee skills and barriers to access debt/equity capital.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“There are a lot of CDFI entities in the market, but all lack access to long-term capital at rates that they can loan out.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Low-wealth, low-income customers often get credit through alternative lenders that charge exorbitant rates and unrealistic terms. Our customers are already in financial harm’s way. Often, we cannot make a new loan for enough funding to right their business and to get the high-rate lender out of the picture.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

“Providing wrap-around services to businesses that need it to qualify for loans.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Limited appreciation and support for the growth and vitality of small businesses in rural communities.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“Stricter safety and soundness examinations.”

– Respondent, [Financial Institution Sector](#) (Ill. – Rural)

“Immigrant entrepreneurs recognize that their core market, other immigrants, is under attack. This causes great concern when thinking about starting or expanding their businesses.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Interest on the part of funders.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Lack of education does not allow the community to take advantage of hidden opportunities.”

– Respondent, [Other Sector](#) (Ky. – Metropolitan)

“Access to capital plus access to financial technical/business assistance.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Rural)

“Access to small dollar lending (microloans).”

– Respondent, [Financial Institution Sector](#) (Tenn. – Metropolitan)

“Most programs that provide capital have very stringent underwriting requirements that do not serve LMI or underprivileged business owners well. There is no forgivable startup capital available.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“Lack of qualified applicants.”

– Respondent, [Financial Institution Sector](#) (Miss. – Rural)

“Identifying substantive numbers of minority, veteran and women-owned small-businesses and entrepreneurs.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Shortage of skilled, reliable workers.”

– Respondent, [Education Sector](#) (Mo. – Metropolitan)

37. What specific opportunity holds the most promise for affecting progress for small-business development in your LMI community?

“Current and prospective small-business owners are accessing training from validation to commercialization that is increasing their ability to provide their product and generate revenue.”

– Respondent, **Community and Economic Development Organization Sector** (Ark. – Rural)

“Training and assistance with business plan development, advisory services and more access to SBA financing.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“Meeting people in their actual communities to discuss their options and how they could be entrepreneurs. Sometimes it’s just not possible for them to open a small business right away, but we can always do more to educate them on the steps to get them ready to start the process.”

– Respondent, **Community and Economic Development Organization Sector** (Ark. – Metropolitan)

“Job growth and creation, the wherewithal to create generational wealth sustainability and self-sufficiency.”

– Respondent, **Financial Institution Sector** (Ark. – Metropolitan)

“Ability to reach entrepreneurs through virtual means.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ark. – Rural)

“Incentives to increase public/private partnerships.”

– Respondent, **Financial Institution Sector** (Tenn. – Metropolitan)

“Banks as a local platform for business education. Greater buy-in, involvement and support from local lenders, including the delivery of teleconsulting and online education that is developed by the SBA, United States Department of Agriculture (USDA) and the state Department of Commerce. If local lenders were involved, chambers of commerce would be more responsive as well.”

– Respondent, **Education Sector** (Ill. – Rural)

“One-on-one mentors to work with entrepreneurs.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“Increased programmatic funding from federal sources, which allow us to deploy more staff to meet the neediest entrepreneurs where they are in our region.”

– Respondent, **Community and Economic Development Organization Sector** (Ark. – Rural)

“Better training for applicants through workforce programs.”

– Respondent, **Financial Institution Sector** (Miss. – Rural)

“CDFI funding. Create low-interest bearing loans and/or forgivable loans to spur growth or start a business.”

– Respondent, **Community and Economic Development Organization Sector** (Ky. – Metropolitan)

“Access to flexible capital beyond traditional loans.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

“Opportunity Zones and potential development.”

– Respondent, **Government/Public Official Sector** (Ill. – Rural)

“Not enough entrepreneurial education occurring in secondary and postsecondary schools. There is too much emphasis on being an employee rather than an employer.”

– Respondent, **Financial Institution Sector** (Mo. – Metropolitan)

“Entrepreneurial support from the community.”

– Respondent, **Nonprofit/Community-based Organization Sector** (Ind. – Metropolitan)

“The SBA is a great resource for small-businesses. Additional education programs and joint efforts to educate the communities on the SBA would be a tremendous asset.”

– Respondent, **Financial Institution Sector** (Ark. – Rural)

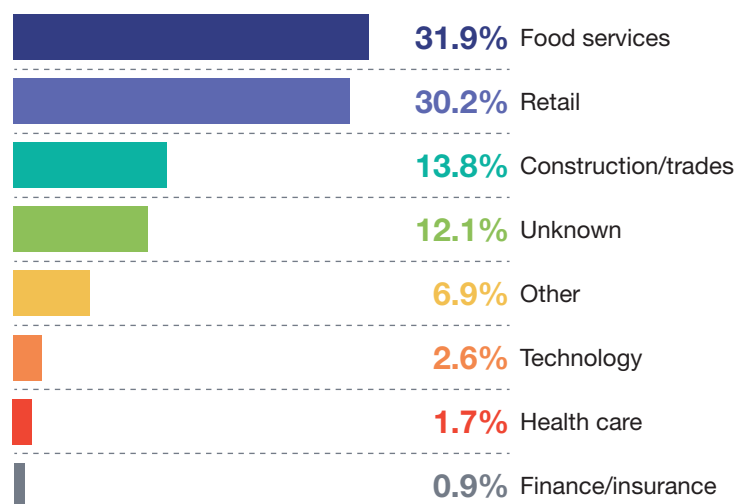
“Lowering health care costs and increasing access to quality health care would help relieve the uncertainty and stress that makes people reluctant to take a chance, allowing them to begin to save.”

– Respondent, **Other Sector** (Mo. – Metropolitan)

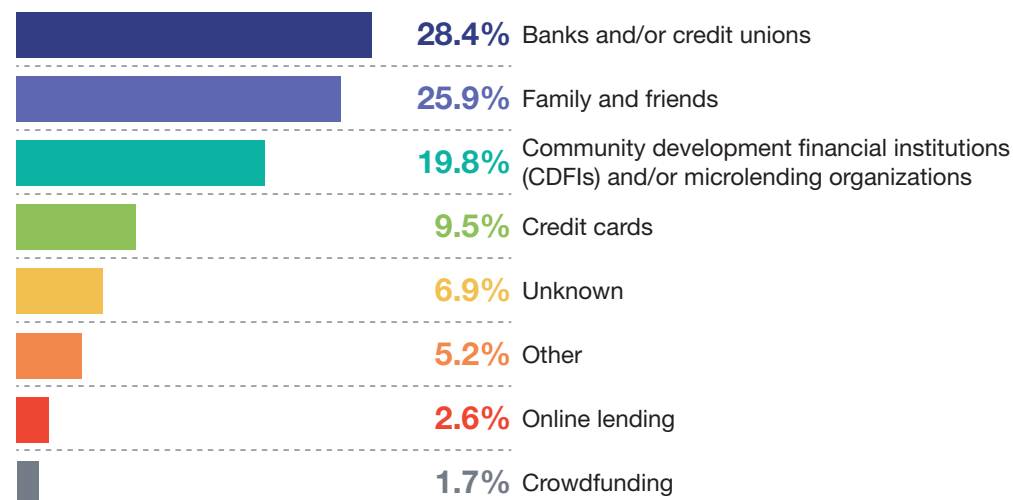
“Availability to help non-bankable businesses get funding from a CDFI supported by a bank.”

– Respondent, **Financial Institution Sector** (Tenn. – Metropolitan)

38. In your experience, what is the primary small business your clients want to start in LMI areas?



39. What source of capital are most of your clients using to start small businesses in LMI areas?



40. What are the most important types of training and technical assistance needed for improving entrepreneurship and small-business development in your LMI community?

“Understanding basic finance and cash flow.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Navigating the complex web of government regulations and finding financial assistance opportunities, such as grants, low-interest loans and tax credits.”

– Respondent, [Education Sector](#) (Mo. – Metropolitan)

“Startups need training on the business startup process (licenses, permits, and taxes), business planning, financing and marketing. Existing small-businesses need help with marketing, cash flow and financing.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ark. – Rural)

“Developing a comprehensive business plan.”

– Respondent, [Financial Institution Sector](#) (Ill. – Metropolitan)

“Training or technical assistance with a focus on rural entrepreneurship and small-business would be beneficial.”

– Respondent, [Education Sector](#) (Tenn. – Rural)

“Individual coaching.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Programs that are culturally appropriate and come with low-barrier, low-cost financial assistance upon completion.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Support for community college vocational and technical programs to build an employee workforce.”

– Respondent, [Financial Institution Sector](#) (Miss. – Rural)

“Utilizing the expertise of small business owners more effectively. Small-business owners should be in front of aspiring entrepreneurs often, whether it’s at high schools, colleges, etc. They can educate and inspire the next wave of business owners.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Increased access/availability is needed in rural areas for entrepreneurship and small-business development programming. Plus, rural communities need to invest in the future of their communities by supporting efforts to aid entrepreneurs and small-businesses through education, leadership development and/or youth entrepreneurship programs.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“One-on-one technical assistance that is specific to the business owner. These services are available in urban areas, but not so much in the rural ones.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Basic credit management and credit building is an essential building block. Marketing and business management are also crucial.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Education customized to each community’s needs and targeting the different barriers that impact the community (e.g., varying languages, family time limitations, schedules and education).”

– Respondent, [Other Sector](#) (Ky. – Metropolitan)

“Structured and proven business curriculum models, intensive training on developing and analyzing financial statements and ratios. Additionally, technical assistance on customer recruitment/retention, marketing and sales.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Tenn. – Metropolitan)

“Teaching the basic dynamics of business management. The most important forms of technical assistance are managing cash and the assets on the balance sheet.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ky. – Rural)

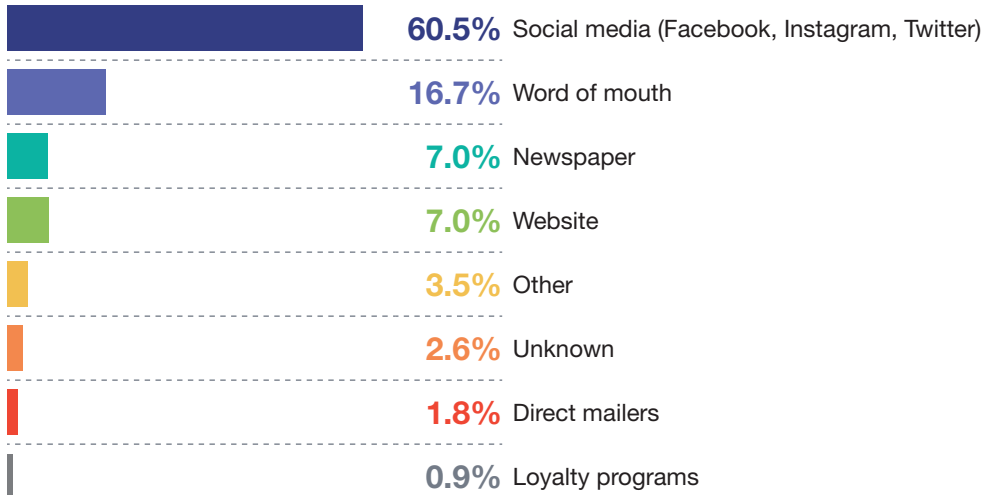
“Financial education and mentoring.”

– Respondent, [Financial Institution Sector](#) (Tenn. – Metropolitan)

“Financial literacy training. Technical assistance pre- and post-loan to help the customer be loan-ready and support business success in a post-loan environment.”

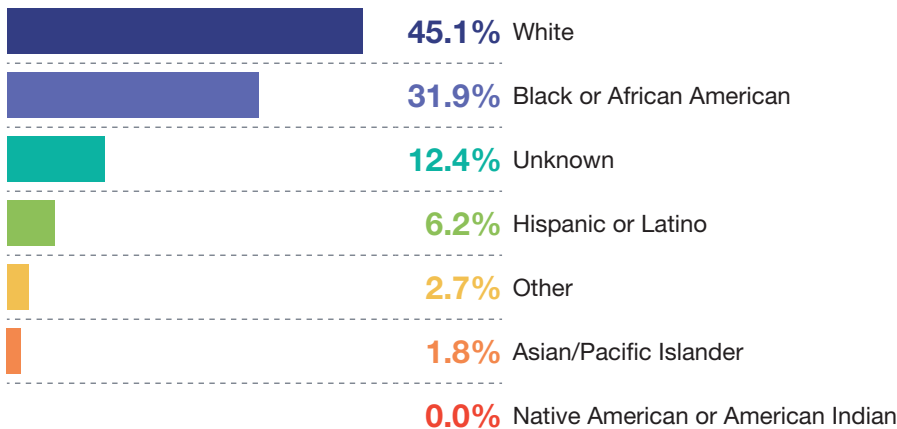
– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

41. What type of marketing efforts do small businesses in your community use to inform and build support for their small business?



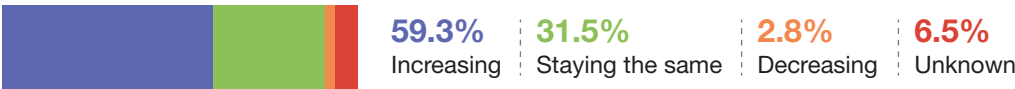
■ The 2019 survey was the first to ask respondents to report on small businesses' marketing tactics. Social media and word of mouth are the two most popular channels small businesses use to promote their services.

42. Research suggests that women-owned businesses are the fastest growing segment of small businesses. Of the women-owned businesses in the community you serve, which of the following represents the fastest growing demographic group of female business owners?



Workforce Development

43. Compared with two years ago, how would you describe the demand by LMI individuals and households for the workforce development services your organization offers?

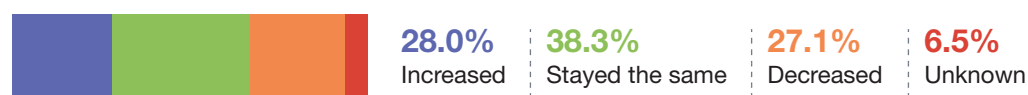


44. Compared with two years ago, how would you describe your organization's ability to provide direct assistance on workforce development to the LMI community?

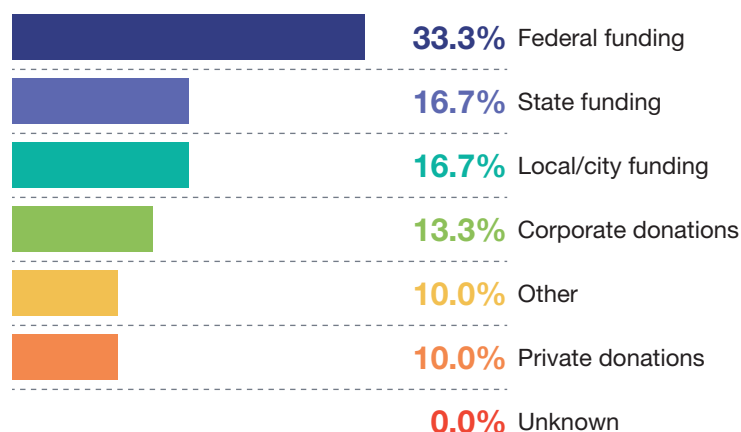


Workforce Development

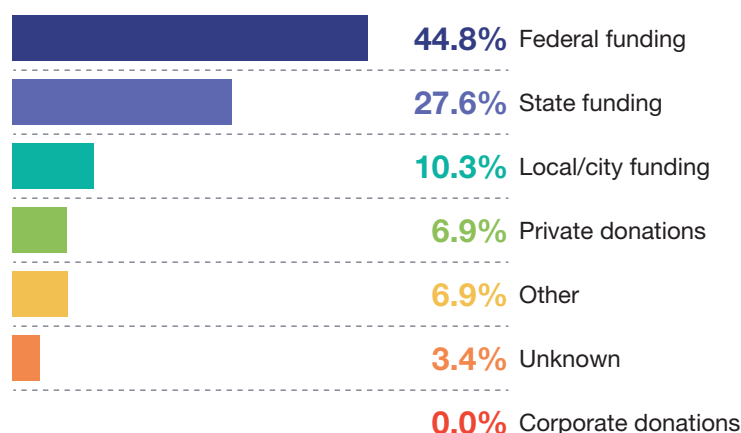
45. Compared with two years ago, have your funding sources for workforce development:



45A. Which increased funding source for workforce development has had the greatest positive impact on your organization's ability to help the LMI community?



45B. Which decreased funding source for workforce development has had the greatest negative impact on your organization's ability to help the LMI community?



46. What specific obstacle is affecting progress for workforce development in your LMI community?

“Employers will not recognize foreign credentials as legitimate and comparable to American credentials.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Lack of education beyond high school.”

– Respondent, [Financial Institution Sector](#) (Ark. – Rural)

“Although jobs are somewhat plentiful, most of them are not living-wage jobs.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“Lack of potential workforce.”

– Respondent, [Education Sector](#) (Mo. – Rural)

“The digital divide.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Seasonality of tourism and low wages for service-oriented jobs.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Rural)

“Lack of quality jobs. People are getting low-wage jobs which require two jobs (per person and per household) to stay afloat. This leaves no time to develop skills for higher paying jobs and keeps them in a cycle of decreasing returns.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

“The public education system is substandard and leaves the future workforce at a disadvantage.”

– Respondent, [Government/Public Official Sector](#) (Tenn. – Rural)

“Lack of diverse job opportunities. This region is reliant on manufacturing and retail.”

– Respondent, [Community and Economic Development Organization Sector](#) (Miss. – Rural)

“Individuals who need the training are not provided enough of an incentive to participate. Clients struggle with lack of childcare, transportation, substance abuse and mental health.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“Transportation. We can get them skilled, but if they can’t get to work they won’t persist.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Miss. – Rural)

“Economic disparities that cause lack of access to needed tools, such as transportation, child care and direct hire jobs.”

– Respondent, [Government/Public Official Sector](#) (Tenn. – Metropolitan)

“Lack of communication between organizations and doubling of efforts.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ark. – Metropolitan)

“Not promoting trade schools more effectively and high schools not integrating trades into their current curriculum. This would help in creating more opportunities after graduation.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Training dollars to support individuals needing to learn a new trade.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Lack of consistent funding to cover programming and staff.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

“Individuals do not always know where to get help.”

– Respondent, [Financial Institution Sector](#) (Ky. – Rural)

“Too many programs and not enough depth.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Mo. – Metropolitan)

47. What specific opportunity holds the most promise for affecting progress for workforce development in your LMI community?

“Increase in creative modes of transportation initiated by employers. Employers hiring those involved in the justice system and those with limited English-speaking ability. Access to training opportunities in high growth employment industries with good wages.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Developing partnerships with organizations that provide workforce development.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“Reentry programs and high school training for necessary jobs.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ark. – Metropolitan)

“Recent developments to increase availability of affordable technical training.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“Utilizing individuals with other language abilities to serve those within their own community in areas such as healthcare, business and the trades.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“There are more and more employers (but not enough) that are interested in seeking employees in LMI communities as a strategy to work on improving economic justice.”

– Respondent, [Government/Public Official Sector](#) (Mo. – Metropolitan)

“Creating a one-stop shop for workforce needs.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Miss. – Metropolitan)

“Vocational training programs, apprenticeships and increased access to programs that support the concept of growing our own entrepreneurs and small businesses.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“Setting up trades and workforce development facilities in underserved communities along with transportation and more worksites in these communities to balance the transportation hurdle.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“Reentry programs designed to help those who are incarcerated or in transitional housing.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Tenn. – Rural)

“Training development for skilled labor positions in partnership with local businesses.”

– Respondent, [Community and Economic Development Organization Sector](#) (Mo. – Metropolitan)

“Nontraditional apprenticeships.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“The role of the community college in supporting workforce development initiatives and training opportunities.”

– Respondent, [Education Sector](#) (Mo. – Metropolitan)

“Programs that work with those that struggle with substance abuse and others that are outside of the workforce to develop their employment beyond a specific career or job training (e.g., career coaching and workforce mentoring).”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Rural)

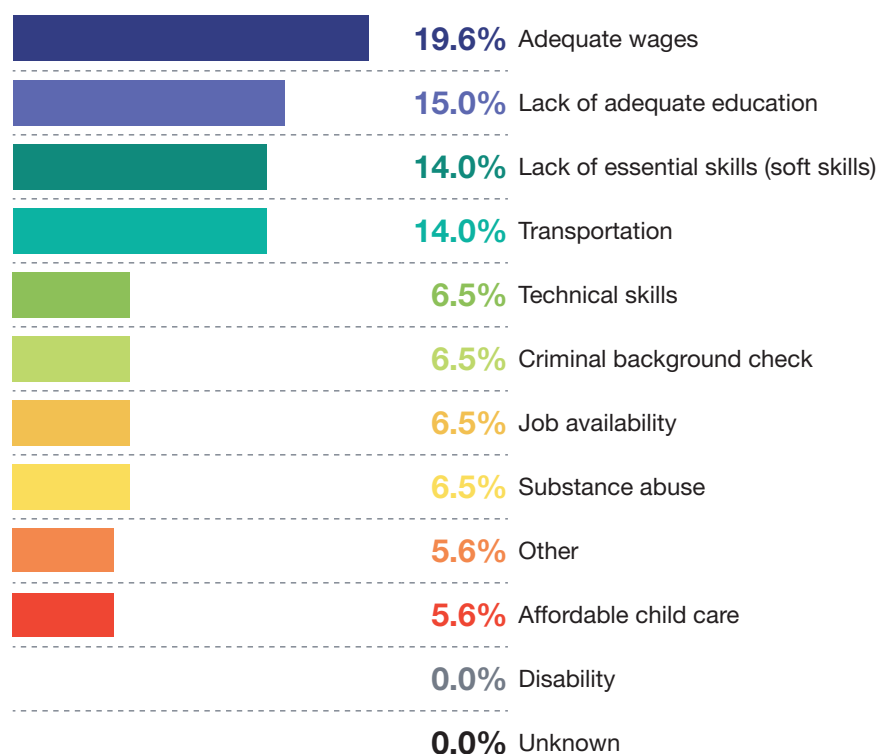
“Apprenticeships and other forms of work-based learning.”

– Respondent, [Community and Economic Development Organization Sector](#) (Ill. – Metropolitan)

“Paid, on-the-job training.”

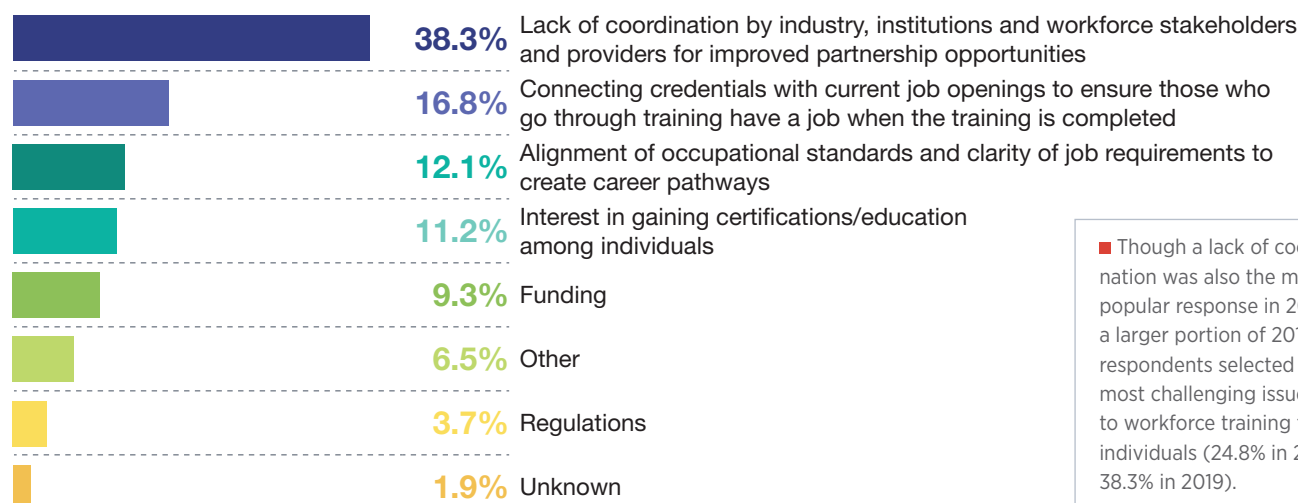
– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

48. What is the greatest employment barrier facing people living in LMI communities?



■ Adequate wages moved from the third-place position in 2017 (11.9%) to be considered the greatest employment barrier in 2019 (19.6%). Transportation also became an increasingly important employment barrier (11.0% in 2017, 14.0% in 2019).

49. What is the most challenging issue related to training LMI individuals for the demands of the current workforce?

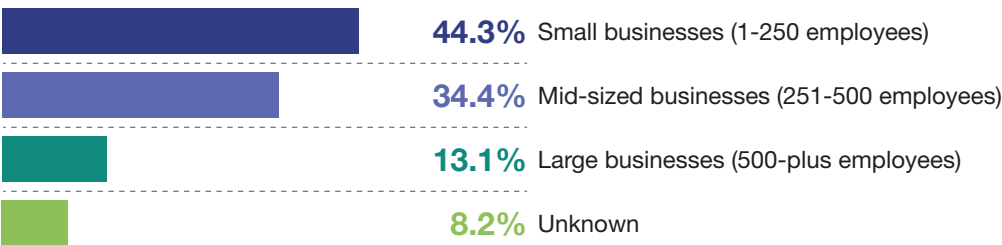


■ Though a lack of coordination was also the most popular response in 2017, a larger portion of 2019 respondents selected it as the most challenging issue related to workforce training for LMI individuals (24.8% in 2017 and 38.3% in 2019).

50. Does your workforce agency work directly with businesses on hiring or improving credentials of current employees?

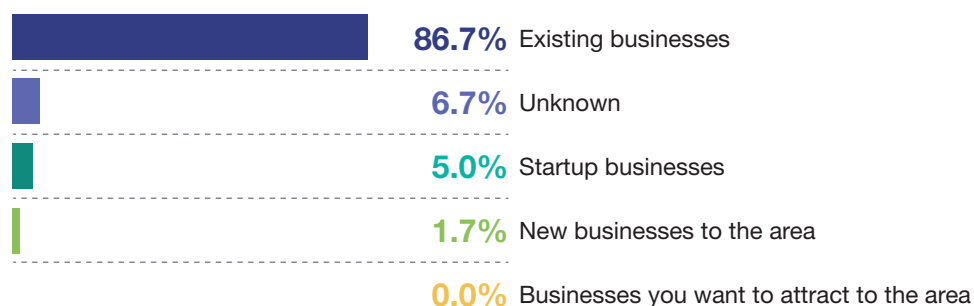


51. What size business does your workforce organization predominantly work/partner with to enhance employment skills so businesses have more “work-ready” employees?

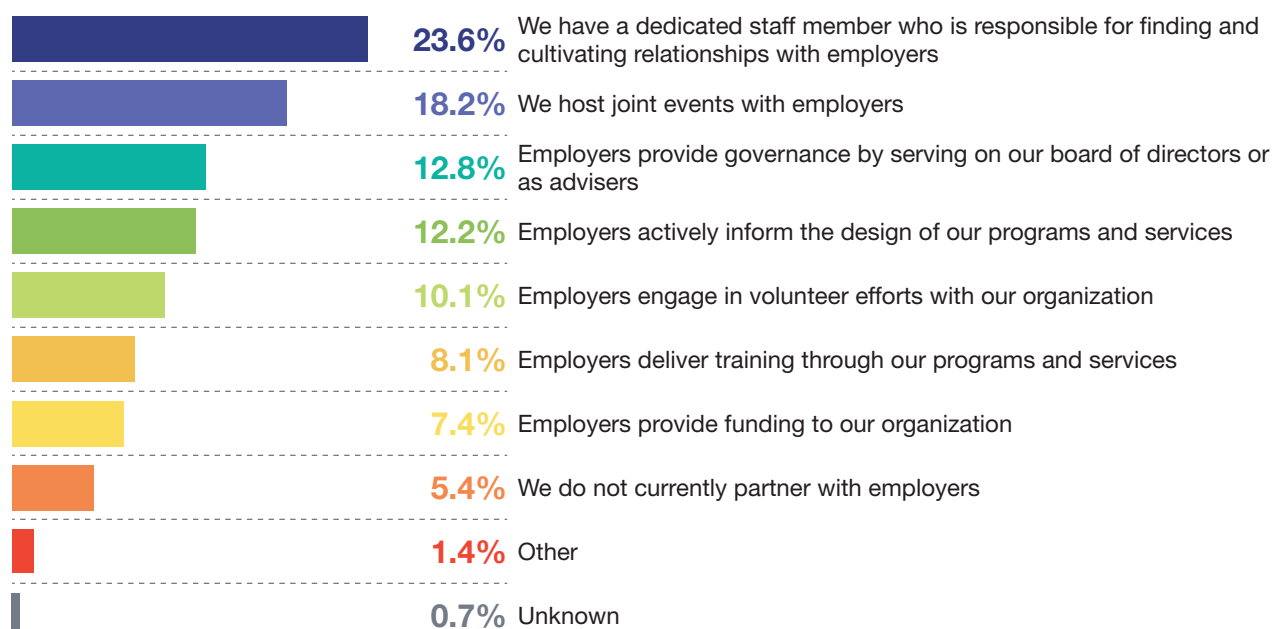


■ More respondents reported working with mid-sized businesses in 2019 (34.4%) than in 2017 (22.0%).

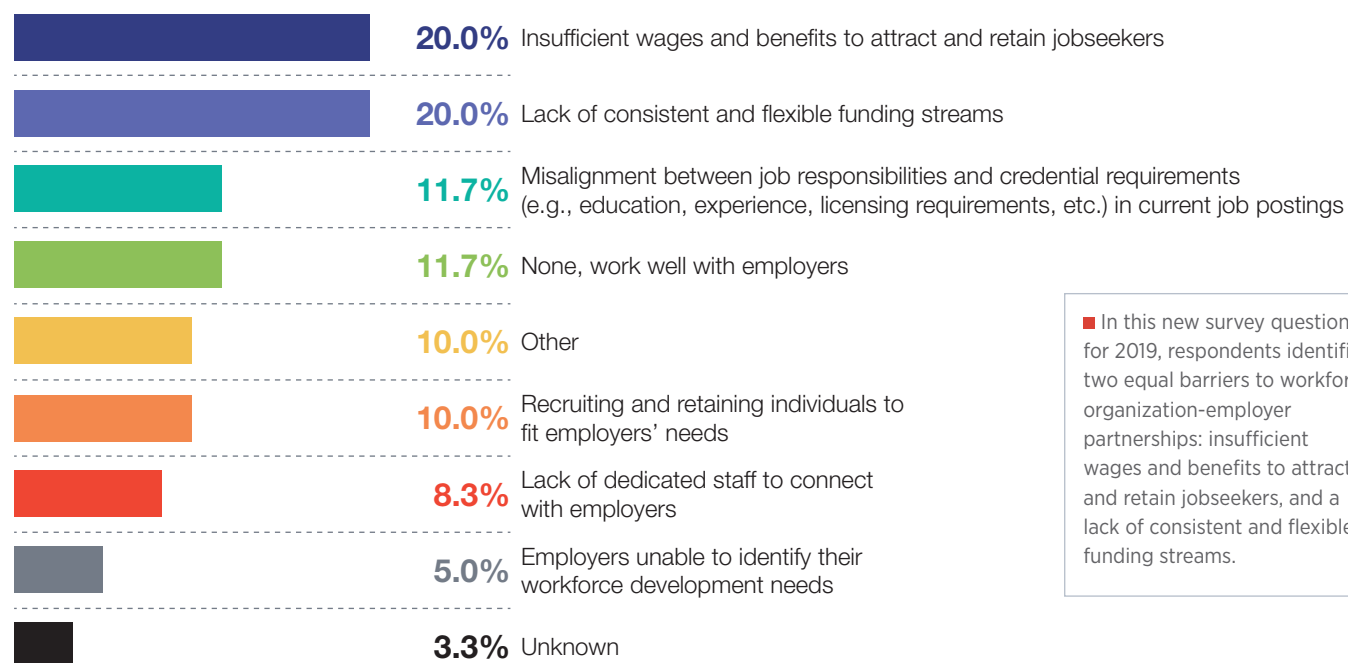
52. The businesses you are most engaged with on developing workforce programs are predominantly:



53. In what way does your organization work with employers in the community you serve? Select the description that describes the nature of your partnerships with employers. Select all that apply.



54. In your experience, what is the primary obstacle preventing partnerships between workforce organizations and employers?



■ In this new survey question for 2019, respondents identified two equal barriers to workforce organization-employer partnerships: insufficient wages and benefits to attract and retain jobseekers, and a lack of consistent and flexible funding streams.

55. How are employers advancing workforce development opportunities in the communities you serve?

“Employers are beginning to look at the living conditions of some of their younger employees. Some are even looking at transitional dormitory arrangements to protect these young employees, which gives them an opportunity to establish and find stable housing on their own after a transitional period.”

– Respondent, [Financial Institution Sector](#) (Ky. – Rural)

“Participating in apprenticeship programs and other workforce initiatives and partnering with community colleges on training.”

– Respondent, [Government/Public Official Sector](#) (Ill. – Rural)

“Some employers in this area are willing to take foreign-educated individuals on as interns, giving them vital experience that can lead to further employment opportunities in the future.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ky. – Metropolitan)

“Social media.”

– Respondent, [Financial Institution Sector](#) (Ark. – Metropolitan)

“They are being more acceptable to people with a criminal background history and have shown some flexibility in work schedules.”

– Respondent, [Other Sector](#) (Mo. – Metropolitan)

“Employers are reducing barriers, including accepting more criminal backgrounds and reducing drug screening.”

– Respondent, [Nonprofit/Community-based Organization Sector](#) (Ind. – Metropolitan)

“We work directly with employers to develop training to meet their needs. Apprenticeship opportunities for both new and incumbent workers is also important. Upskilling the current workforce is equally as important as training new hires.”

– Respondent, [Education Sector](#) (Mo. – Rural)

“Employers work to recruit employees within the support and supplier industry. This expands the need for workers in similar jobs.”

– Respondent, [Community and Economic Development Organization Sector](#) (Miss. – Rural)

“Some employers are connecting with apprenticeship programs to train workers.”

– Respondent, [Financial Institution Sector](#) (Ky. – Metropolitan)

“Creating partnerships and establishing better ecosystems to connect employers with underserved communities and individuals.”

– Respondent, [Financial Institution Sector](#) (Mo. – Metropolitan)

“More employers are stepping forward to develop and participate in apprenticeship programs. These employers are acknowledging ownership in developing solutions to identify and connect with the community.”

– Respondent, [Government/Public Official Sector](#) (Mo. – Metropolitan)

“Participating in high school and community college programs that integrate community leadership.”

– Respondent, [Education Sector](#) (Ill. – Rural)

“They are participating energetically in the development of more robust career academies in the public school system. Some are partnering with short-term training programs, especially in manufacturing, and demonstrating a willingness to take a risk on hiring individuals with criminal backgrounds. Due to the tight labor market, many are making a true effort to recruit and hire in traditionally underserved communities. Many have raised wages or enhanced their benefits packages to attract more workers in a tight labor market.”

– Respondent, [Government/Public Official Sector](#) (Ky. – Metropolitan)

Community Reinvestment Act (CRA)

56. Compared with two years ago, how would you describe demand for loans for community and/or economic development projects in the LMI communities your institution serves?



ALL RESPONDENTS:

35.6% Increasing | **31.9%** Staying the same | **8.1%** Decreasing | **24.4%** Unknown



METROPOLITAN RESPONDENTS:

37.5% Increasing | **27.2%** Staying the same | **5.6%** Decreasing | **29.7%** Unknown



RURAL RESPONDENTS:

33.3% Increasing | **37.4%** Staying the same | **11.1%** Decreasing | **18.2%** Unknown

57. How would you characterize the current access to credit?



ALL RESPONDENTS:

3.7% Excellent | **27.2%** Good | **26.7%** Fair
18.1% Marginal | **12.8%** Poor | **11.4%** Unknown

■ 2019 responses suggest that credit is more difficult to access now than it was in 2017. A greater number of 2019 respondents indicated that credit access is marginal or poor (18.1% and 12.8%, respectively) than 2017 respondents did (4.4% and 1.7%, respectively).



METROPOLITAN RESPONDENTS:

2.6% Excellent | **24.6%** Good | **27.2%** Fair | **20.7%** Marginal | **12.5%** Poor | **12.5%** Unknown



RURAL RESPONDENTS:

5.1% Excellent | **30.3%** Good | **26.3%** Fair | **15.2%** Marginal | **13.1%** Poor | **10.1%** Unknown

58. Do you and your staff have a strong understanding of the CRA?



54.7% Yes | **32.5%** No | **12.8%** Unknown

Community Reinvestment Act (CRA)

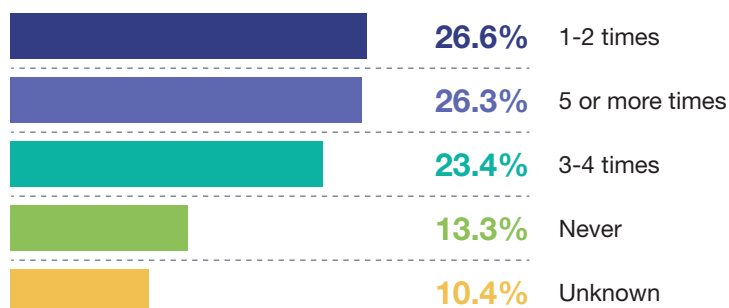
59. Is the CRA effective in spurring community development activity in the LMI communities you serve?



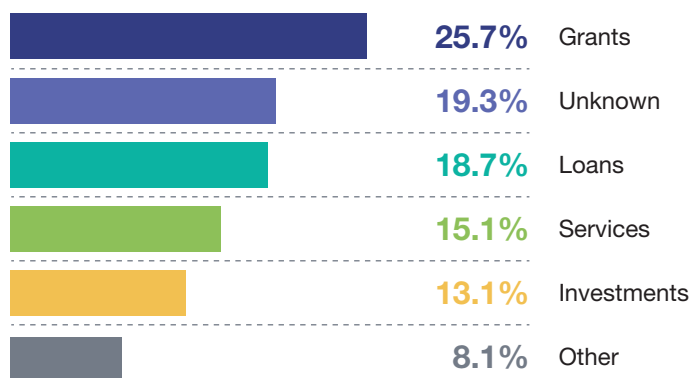
60. Are you and your staff knowledgeable about what community development activities fall under the CRA?



61. In the last year, how many times have you or your staff engaged with financial institutions about partnership opportunities?

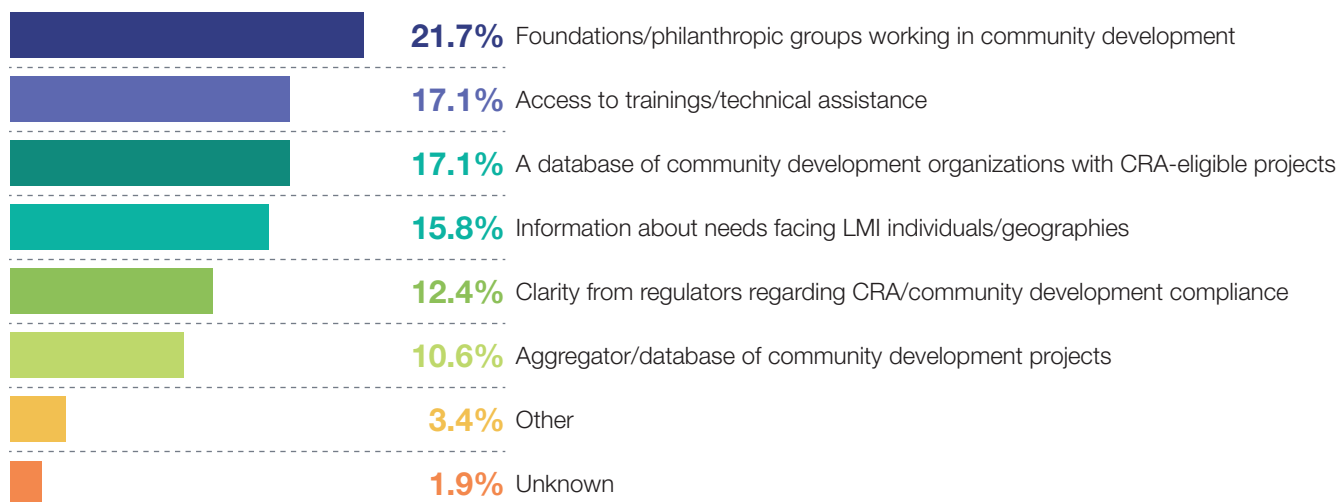


62. What type of support has your financial organization sought from financial institutions for CRA-eligible programs/projects? Select all that apply.

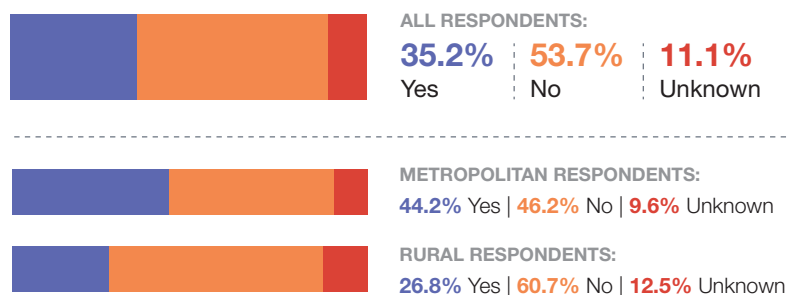


Community Reinvestment Act (CRA)

63. What is needed to advance community development projects in your community? Select all that apply.

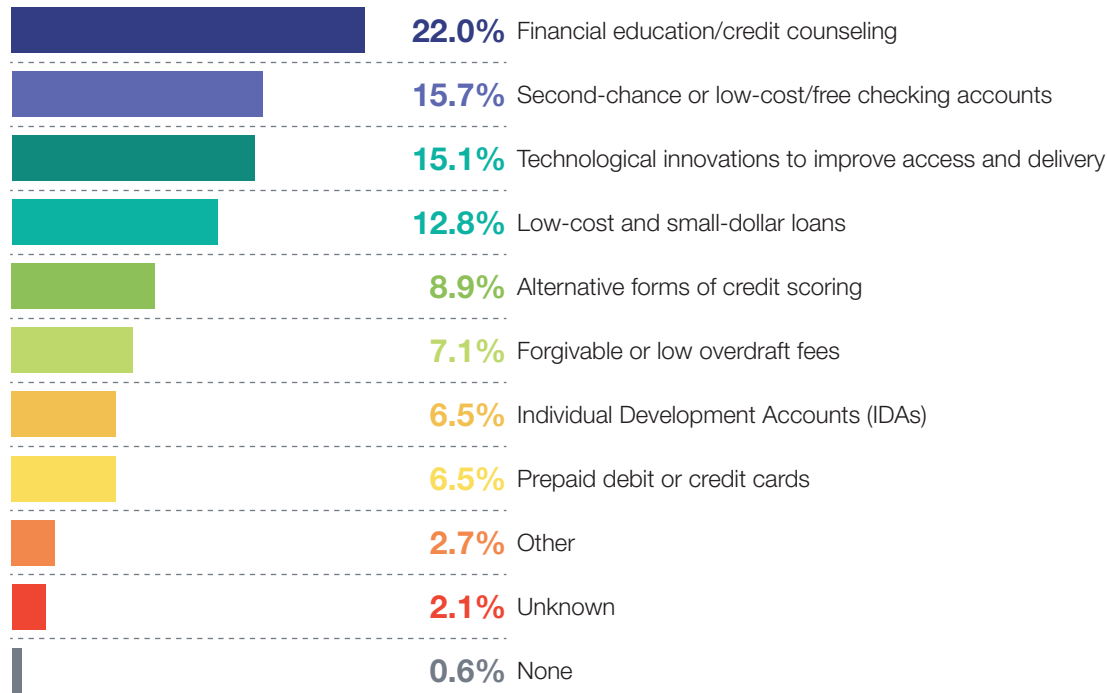


64. Do you find it a challenge to meet requirements of the CRA in your communities?

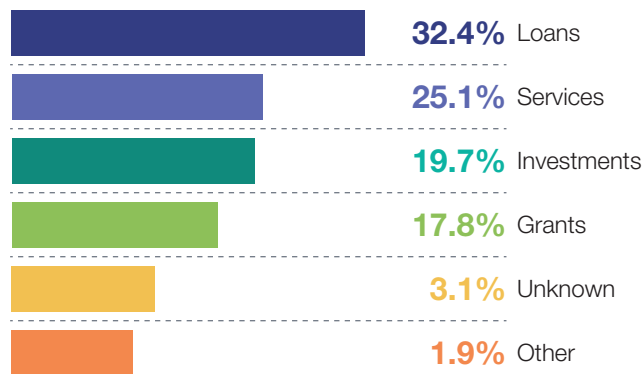


Community Reinvestment Act (CRA)

65. What types of LMI financial products or services is your institution offering or planning to offer? Check all that apply.

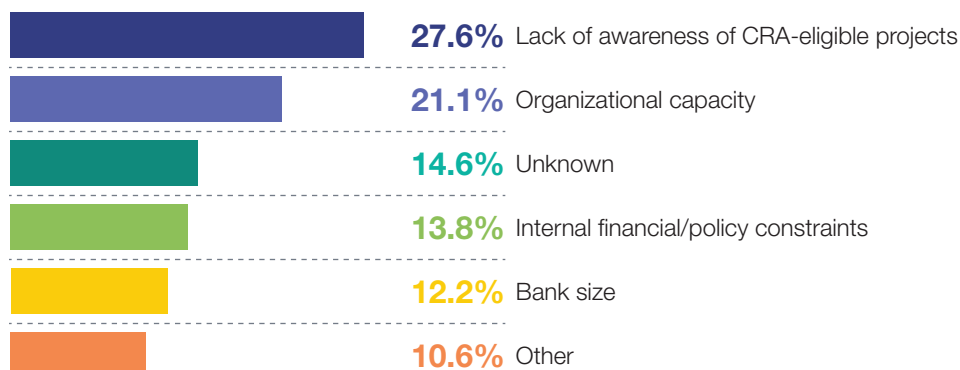


66. What type of support has your financial institution provided for projects that benefit the LMI individuals and communities you serve? Select all that apply.

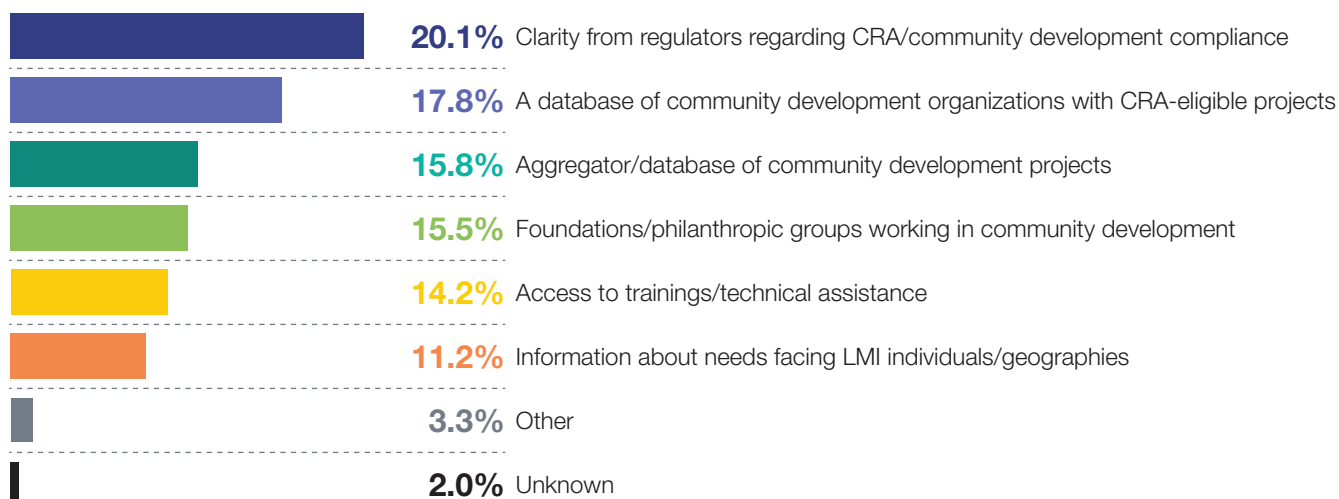


■ Community Reinvestment Act (CRA)

67. Over the last year, what barriers have prevented your financial institution from participating in community development projects? Select all that apply.



68. What is needed to advance community development projects in your community? Select all that apply.





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