



COMMUNITY DEVELOPMENT
**OUTLOOK
SURVEY**
2013



Contents: Data by Respondents

Introduction	3
All Respondents	4
Nonprofit Organizations	11
Financial Institutions	14
Community & Economic Development Organizations	17
All Metropolitan Respondents	20
All Rural Respondents	24

Introduction

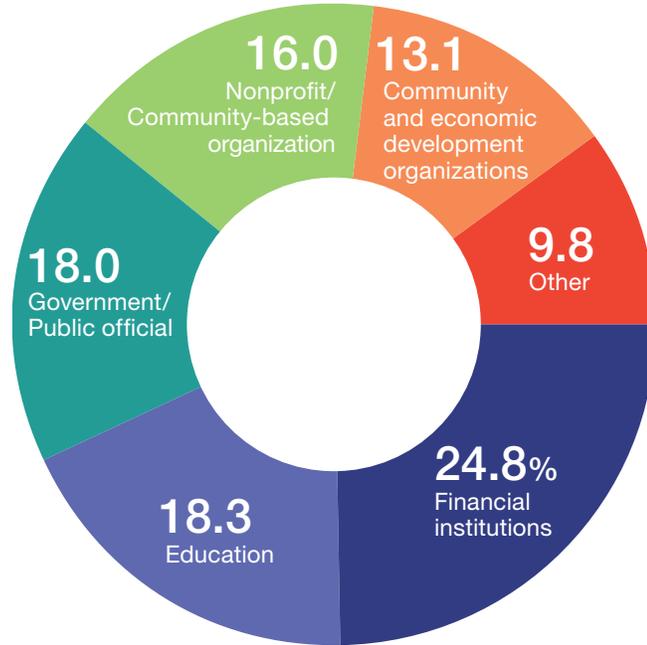
The Federal Reserve Bank of St. Louis' Community Development Outlook Survey (CDOS) collects original data that informs and guides the long-term programming of the St. Louis Fed Community Development staff and informs community development practitioners about trends and outlooks that affect low- and moderate-income (LMI) communities in the Eighth Federal Reserve District. The survey is an annual opinion poll that was sent to 2,712 community stakeholders in the seven states that comprise the Eighth District. Responses were received from 306 of those stakeholders between May 20 and June 9, 2013. The overall survey response rate was 11.3 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), financial institutions, government agencies, nonprofits, public officials and other community organizations. The number and type of questions that respondents 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.

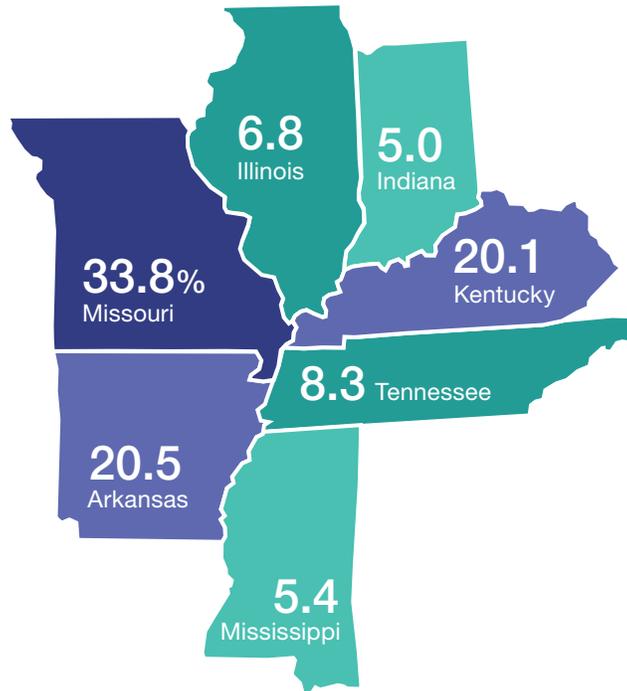
Respondent Profiles

Survey data is based on 306 responses.

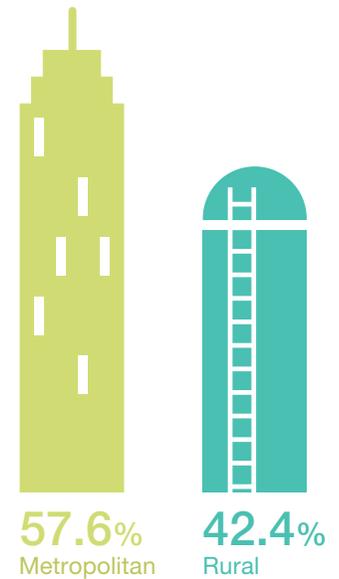
Respondent Breakdown by Place of Employment



Respondent Breakdown by States Represented



Respondent Breakdown by Population Served





QUESTIONS ANSWERED BY:

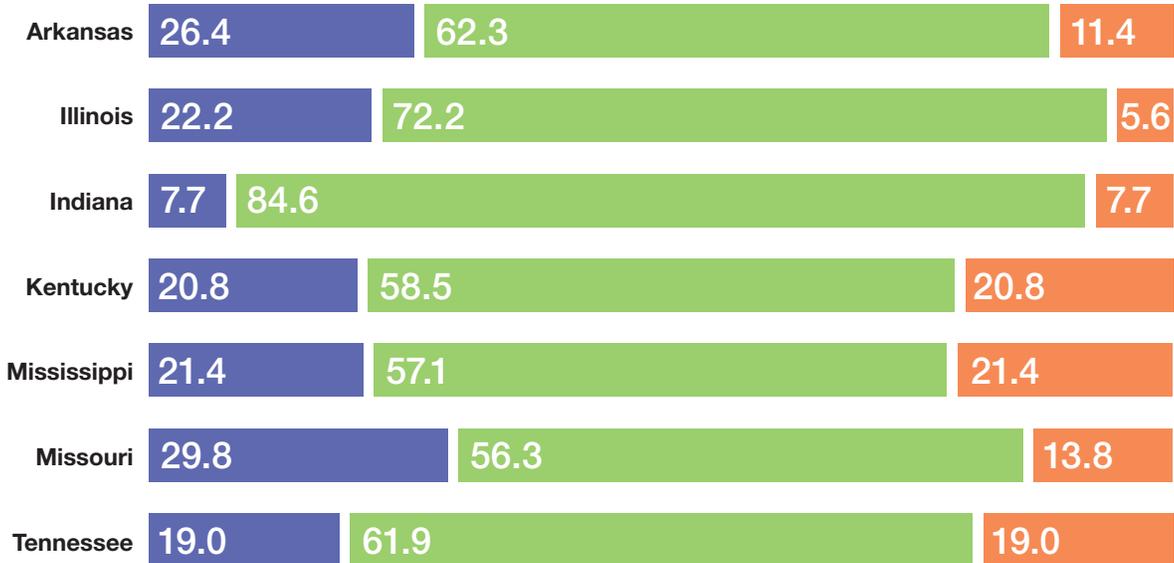
All Respondents

QUESTION

1 Compared with six months ago, general economic conditions of the LMI communities you serve are:



► For the first time since the survey began in 2011, the number of respondents indicating that general economic conditions for LMI communities are improving (23.2 percent) outweighed the number of survey respondents indicating that they are declining (15.8 percent).



○ All Respondents

The State of LMI Communities Across the Eighth District Is Generally Improving

Respondents from all seven states across the Eighth District indicated that general economic conditions for LMI communities are on an uptick. In Arkansas, 26.4 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 9.5 percent in October 2012), while 11.4 percent indicated that they are declining (compared with 34.9 percent in October 2012). In Illinois, 22.2 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 10.7 percent

in October 2012), while 5.6 percent indicated that they are declining (compared with 39.3 percent in October 2012). In Kentucky, 20.8 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 10.4 percent in October 2012), while 20.8 percent indicated that they are declining (compared with 45.8 percent in October 2012). Similarly, in Mississippi, 21.4 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 4.8 percent in October

2012), while 21.4 percent indicated that they are declining (compared with 23.8 percent in October 2012). In Missouri, 29.8 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 7.5 percent in October 2012), while 13.8 percent indicated that they are declining (compared with 36.8 percent in October 2012). Likewise, in Tennessee, 19.0 percent of respondents indicated that general economic conditions are improving for LMI communities (compared with 12.5 percent in October 2012),

while 19.0 percent indicated that they are declining (compared with 30.0 percent in October 2012). While Indiana is the only state that did not show an increase in the number of respondents indicating that general economic conditions are improving for LMI communities (7.7 percent in June 2013 compared with 9.5 percent in October 2012), the number of respondents indicating that conditions are declining has significantly decreased since the last survey (7.7 percent in June 2013 compared with 23.8 percent in October 2012).

QUESTION

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

17.5%
Improving

62.0
Staying the same

20.5
Declining

QUESTION

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

45.1%
Better

31.4
Unchanged

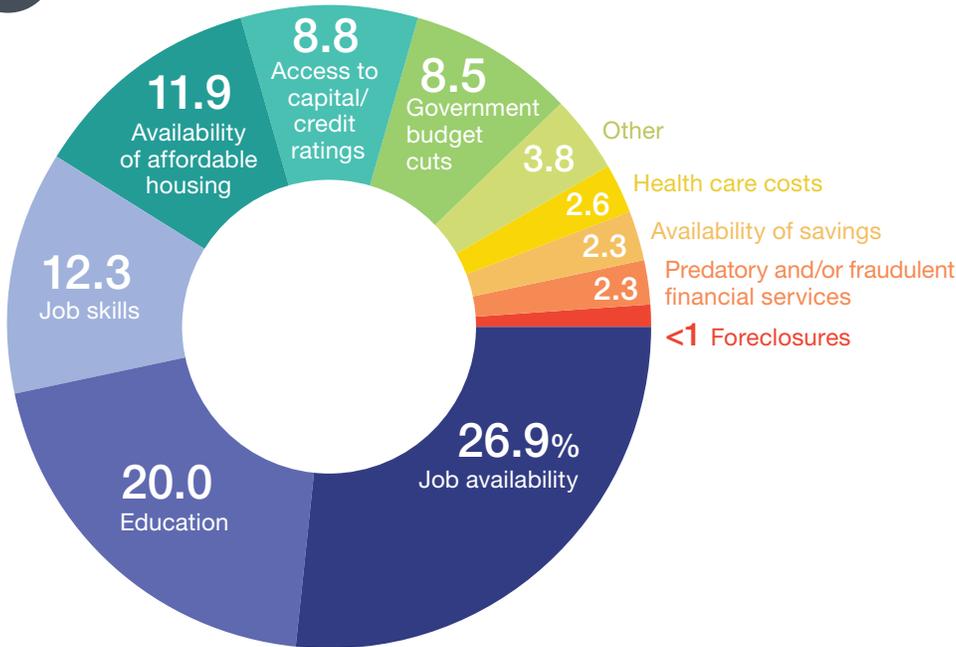
23.5
Worse

▶ According to survey respondents, the three- to five-year outlook for LMI individuals and households is trending positive. Almost half—45.1 percent—of all respondents believe that in three to five years the economic status of LMI individuals and households will be better, compared with 45.0 percent of respondents saying the same in October 2012; 38.6 percent of respondents in April 2012 and only 25.5 percent of respondents in October 2011 indicated that the three- to five-year outlook for LMI individuals would be better.

All Respondents

QUESTION

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



▶ Job availability, education and job skills have maintained prominence as the issues having the greatest negative impact on LMI households and communities. Since the survey's inception in 2011, job availability has continually been identified as the top issue and education has been ranked in the top three issues; job skills has been ranked in the top four.

Top Five Issues Across Metropolitan and Rural Areas



Metropolitan areas

1. Education
2. Job availability
3. Government budget cuts
4. Job skills
5. Access to capital/credit ratings



Rural areas

1. Job availability
2. Job skills
3. Availability of affordable housing
4. Education
5. Access to capital/credit ratings

“ Sequestration cuts in funding are negatively impacting my organization’s ability to provide affordable housing for LMI individuals and families.”

– Respondent, **Government Sector** (Ark. – Rural)

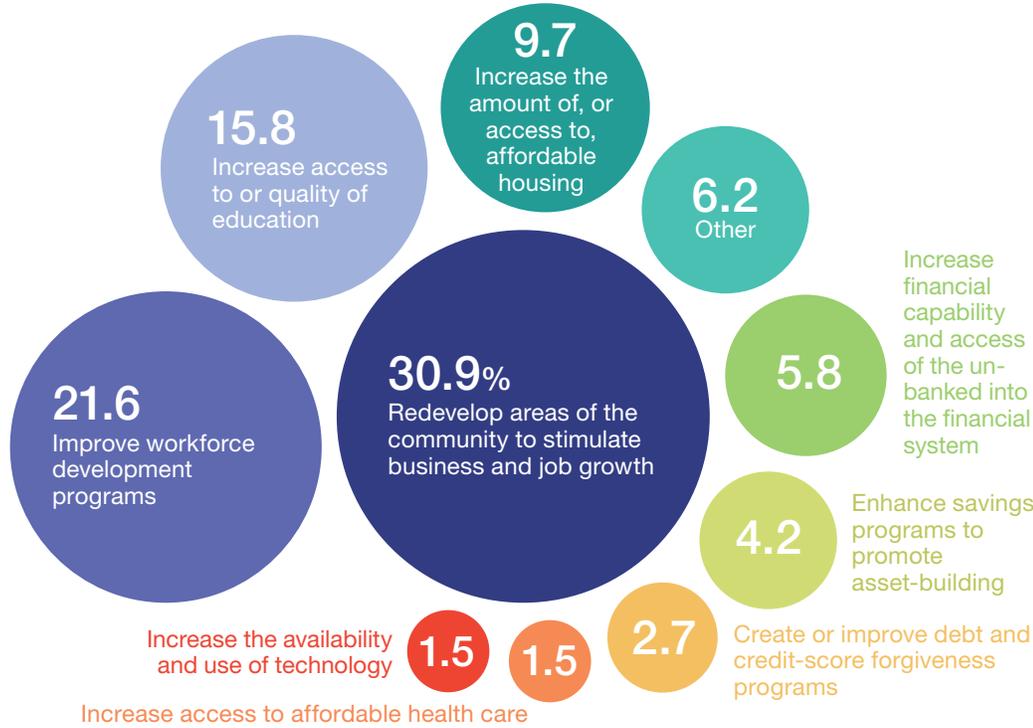
“ Poor individual credit ratings limit the access that LMI communities have to even small loans. This is coupled with limited job opportunities because of low education and little to no job skills. There are systematic problems, starting with basic education that doesn’t occur, or is provided at a substandard level, that then limits an individual’s chances at a financially independent life.”

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

All Respondents

QUESTION

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



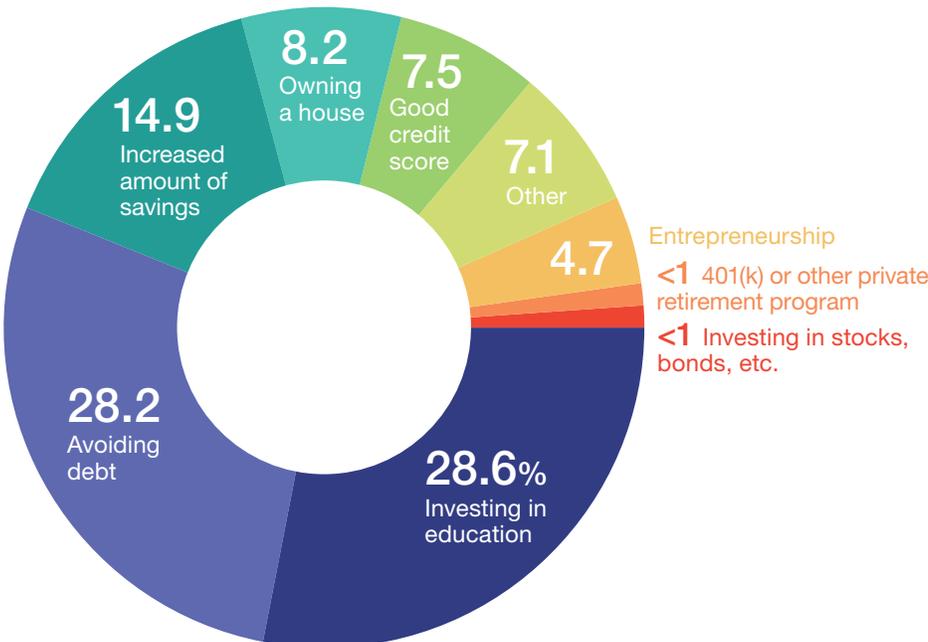
“Workforce development skills and training are not available locally.”
 – Respondent, **Financial Institutions Sector** (Ky. – Rural)

“In most of the rural areas we serve, manufacturing jobs are the primary source of employment. As manufacturing jobs leave, the demand for workers decreases along with wages.”
 – Respondent, **Financial Institutions Sector** (Ind. – Rural)

▶ The top three actions to improve LMI communities correlated with the top three issues having the greatest negative impact: job availability, education and job skills.

QUESTION

6 Which one of the following assets is most important in helping to increase the financial stability of LMI households?

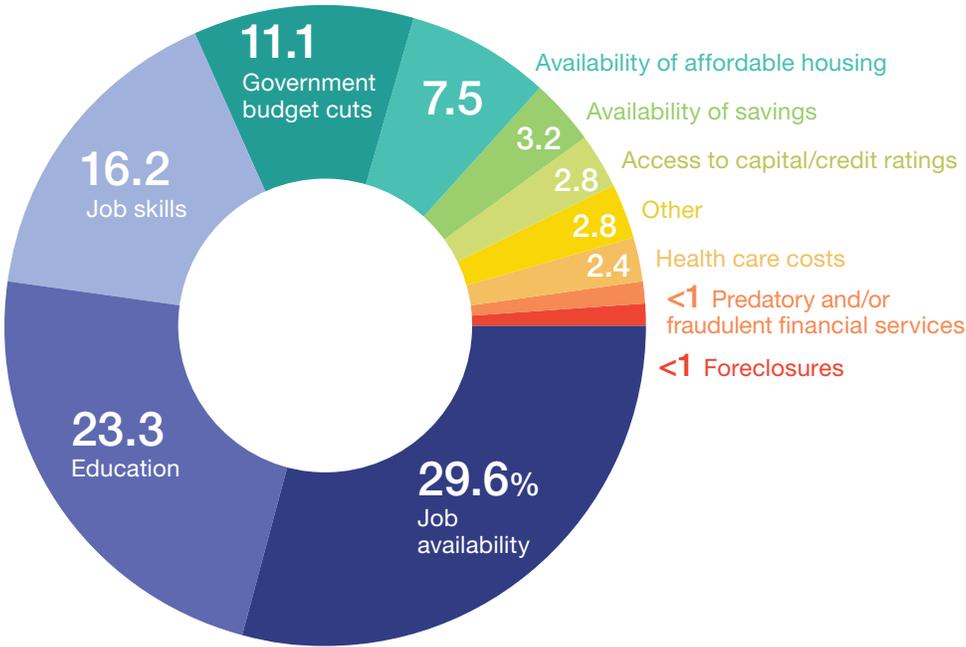


“We have 10 percent unemployment and yet companies say they have a hard time finding qualified workers and need a better trained, educated workforce to compete.”
 – Respondent, **Community and Economic Development Sector** (Ark. – Rural)

All Respondents

QUESTION

7 What will be the greatest challenges for the next generation in LMI communities?



► With job availability, education and job skills noted as the top three choices, the anticipated greatest challenges for the next generation are the same as those faced by the current generation, as reflected in Question 4.

“Our workforce lacks the skills it needs to attract and retain well-paying jobs to economically sustain individuals and families.”

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

“State government’s fiscal issues are reducing the quality of education...and increasing dramatically the cost of higher education.”

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

Education Is Key Theme Throughout the CDOS

Throughout the survey, respondents indicated that access to and quality of education is an influential factor in improving the economic future of LMI individuals and communities. Not only was education considered the No. 1 asset for creating financial stability, but 20.0 percent of survey respondents ranked

education as a top issue; only job availability ranked higher (26.9 percent). Education was also the issue cited most often when asked what LMI communities needed to take advantage of economic globalization.

Additionally, metropolitan and rural respondents alike ranked education as essen-

tial to improving the lives of the LMI population in their areas—31.7 percent of metropolitan respondents and 20.2 percent of rural respondents ranked “better education” as the best opportunity to improve the lives of the LMI population in their respective areas. In addition, 35.3 percent of metropolitan

respondents and 21.4 percent of rural respondents ranked “access to education” as the most difficult basic need for metropolitan LMI households to access.

All Respondents

QUESTION

8 What specific challenges or opportunities are affecting your organizations or LMI community?

Challenges

“No tools to develop affordable housing.”

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

“Regulations are making it harder to justify lending to high-risk individuals, thereby pushing the LMI community to payday lenders.”

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

“Uncertainty of the health care burden.”

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

“Regulatory compliance is diverting resources in our institution that could be better used for increasing credit to the LMI community.”

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

“Large companies are closing...slow growth, if any, of new companies.”

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

“Cuts in social service funding.”

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

“Financial aid loan interest rates are through the roof...Even if an LMI person wanted to go to college, they would not make enough money to make the minimum monthly repayment.”

– Respondent, **Government Sector** (Ark. – Metropolitan)

“A need for livable wages.”

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

“Stagnant low-end hourly wages vs. growing cost of housing and utilities.”

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

“Lack of economic stimulus. We have no grocery stores, no gas stations, no banking institutions.”

– Respondent, **Government Sector** (Ark. – Rural)

“Need money for library and computers for schoolchildren who must attend after-school activities.”

– Respondent, **Nonprofit Sector** (Ark. – Rural)

“Dwindling public funds and expanding demand for affordable housing are leaving many unserved.”

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

continued on Page 10

○ All Respondents

continued from Page 9

Opportunities

“Continuing to build more private and public partnerships.”

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

“Improve quality education in LMI communities.”

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

“Matching education and jobs....Need better linkages.”

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

“The philosophical rethinking and capitalization of philanthropy using modern portfolio theory techniques will accelerate the greater influence of the few on the many.”

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

“Affordable child care for working single parents. Education on the importance of a good credit score. Teach workplace readiness skills to high school students.”

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

“Young people need access to transportation to further their opportunities.”

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

“New ways of thinking about housing. We need more that is truly affordable. Let’s try more co-housing, tiny houses, rooming houses, but make sure they are kept up and safe. We also need more supportive housing.”

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

“Educating the LMI community about current options—using communication methods that meet their needs, both resource and timewise, so that they can attend programs; creating an overall arching program that will integrate existing programs and simplify the ability of folks to access needed resources; educate the broader public about what is happening and what is available, eliminating the stereotyping of the LMI community.”

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

“Our community has begun the work of creating a communitywide financial empowerment strategy.”

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



QUESTIONS ANSWERED BY:

Nonprofit Organizations

QUESTION

9 Over the past six months, how would you describe the demand by LMI individuals and households for the services your organization offers?



▶ Survey respondents have indicated that the demand for nonprofit services has been increasing (68.1 percent in October 2012, 54.5 percent in April 2012).

QUESTION

10 Over the past six months, how would you describe your organization's ability to provide direct assistance to the LMI community?



QUESTION

11 Over the past six months, have your funding sources:



Funding Trends Differ Between Metropolitan and Rural Areas

Respondents indicated that there might be a difference in nonprofit funding trends between metropolitan and rural areas. While a majority of all respondents indicated that nonprofit funding is indeed decreasing, the funding shortages are not felt equally, with 68.8 percent

of rural respondents and 51.7 percent of metropolitan respondents reporting decreases in funding sources over the past six months. Even more pronounced, only 6.3 percent of rural respondents indicated an increase in nonprofit funding, compared with 24.1 percent of met-

ropolitan respondents who reported funding increases. Data also indicated that loss of federal funding, in particular, is what has especially hurt the rural LMI communities: 63.6 percent of all rural nonprofits described federal funding as having the most negative impact on their orga-

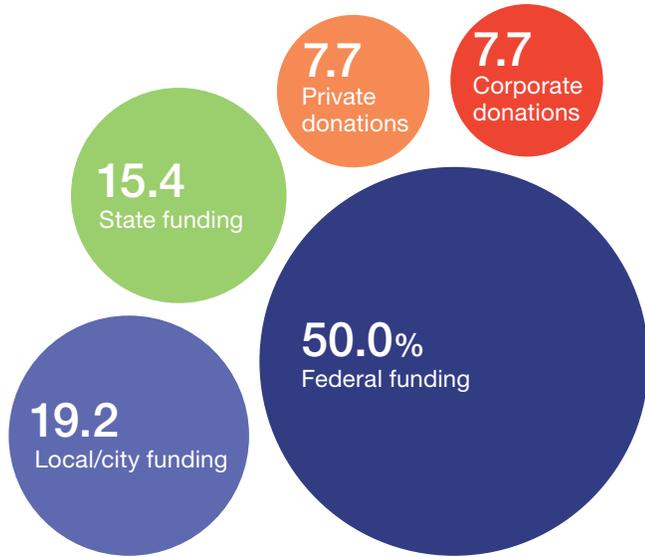
nization's ability to help the LMI community, compared with 40.0 percent of metropolitan nonprofit respondents who also reported the greatest negative impact as stemming from loss of federal funding.

Nonprofit Organizations

QUESTION

12

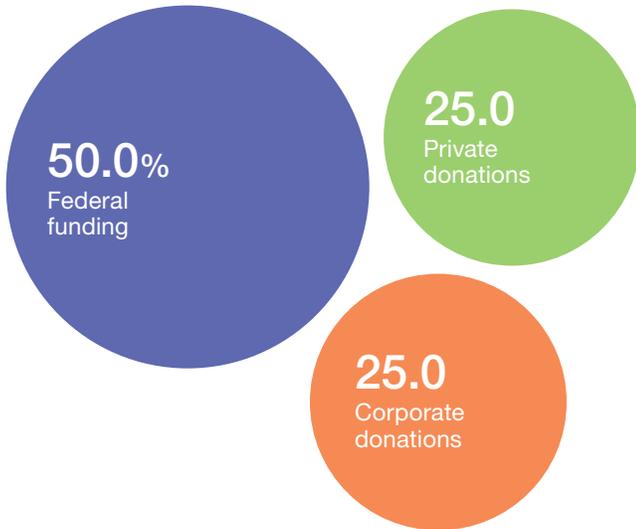
Which decreased funding source has had the greatest negative impact on your organization's ability to help the LMI community?



QUESTION

13

Which increased funding source has had the greatest positive impact on your organization's ability to help the LMI community?

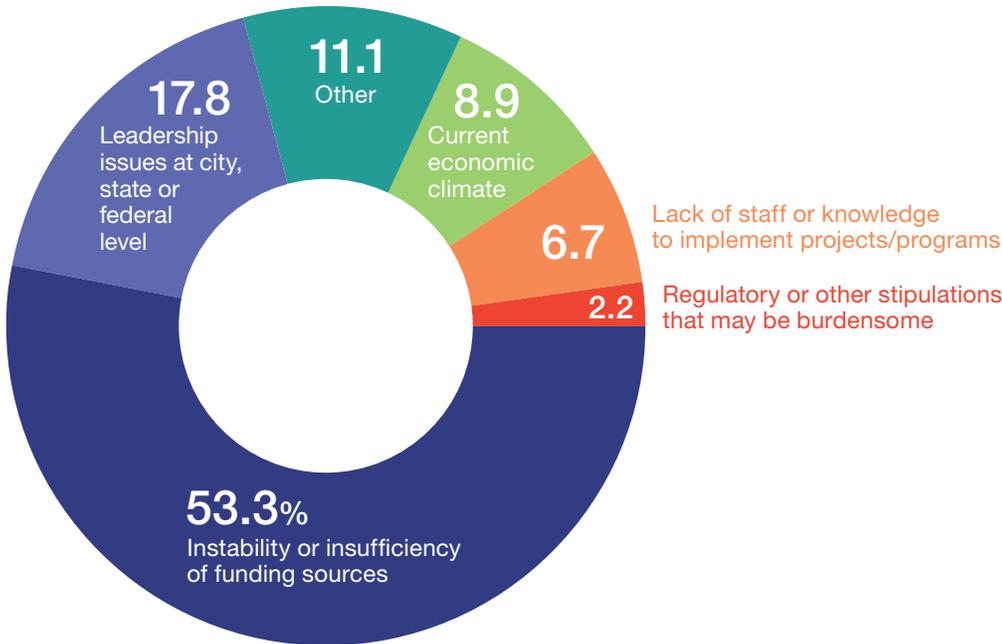


Nonprofit Organizations

QUESTION

14

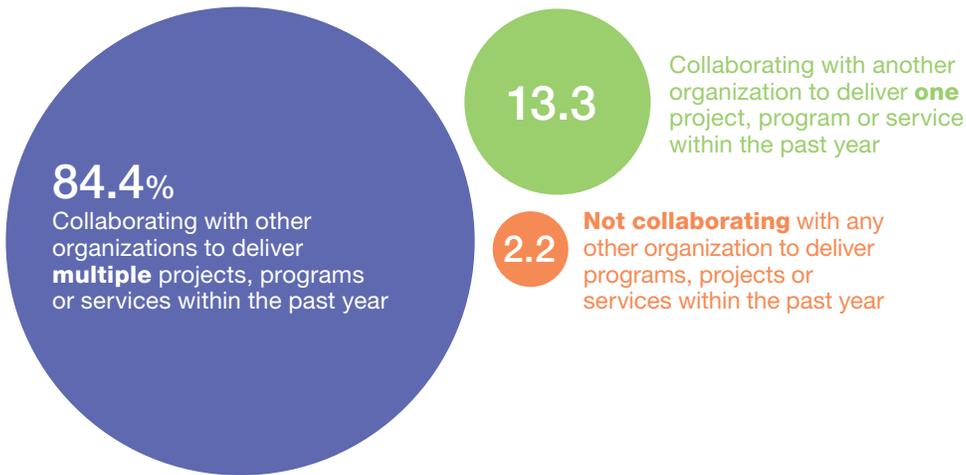
What is the greatest barrier your organization encounters in increasing the economic stability of LMI households and communities?



QUESTION

15

To what degree is your organization collaborating with others to deliver programs or services?



▶ Among nonprofit respondents, 97.7 percent indicate they have collaborated with another organization to deliver a project, program or service within the past year.



QUESTIONS ANSWERED BY:

Financial Institutions

QUESTION

16 Over the past six months, how would you describe the demand for loans for community and/or economic development projects in the LMI communities your institution serves?



▶ Loan demand within LMI communities differed significantly between metropolitan and rural areas. Among metropolitan financial institutions, 40.0 percent indicated demand has grown, while only 8.0 percent indicated demand has decreased. Conversely, only 8.1 percent of rural financial institutions indicate demand has grown, while 35.1 percent indicated that demand has decreased.

Responses by Area

Metropolitan areas



Rural areas



QUESTION

17 How would you characterize the current access to credit?



Responses by Area

Metropolitan areas



Rural areas



Financial Institutions

QUESTION

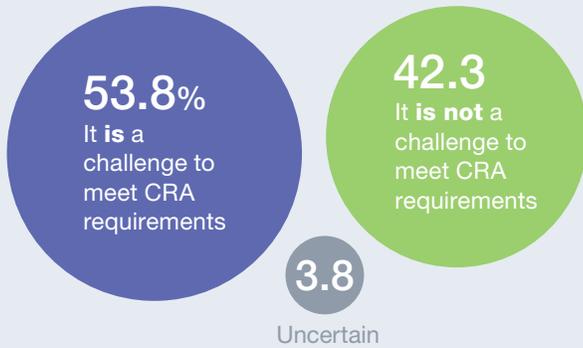
18 Do you find it a challenge to meet requirements of the Community Reinvestment Act in your communities?



As it relates to the Community Reinvestment Act (CRA), rural financial institutions indicated that it was less difficult to meet the requirements of the CRA than did their metropolitan peers. Of financial institutions serving a mostly rural market, 18.9 percent indicated that it was difficult to meet the requirements of CRA, while 53.8 percent of metropolitan respondents expressed difficulty.

Responses Vary by Area

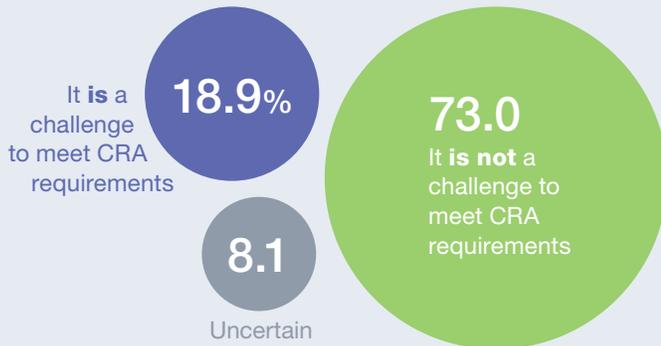
CRA in metropolitan areas



“ We have a robust strategy and focus to meet the needs of the LMI community. We have great partnerships with nonprofit and government agencies who serve the LMI community and are able to use those relationships to help attract and retain LMI customers.”

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

CRA in rural areas



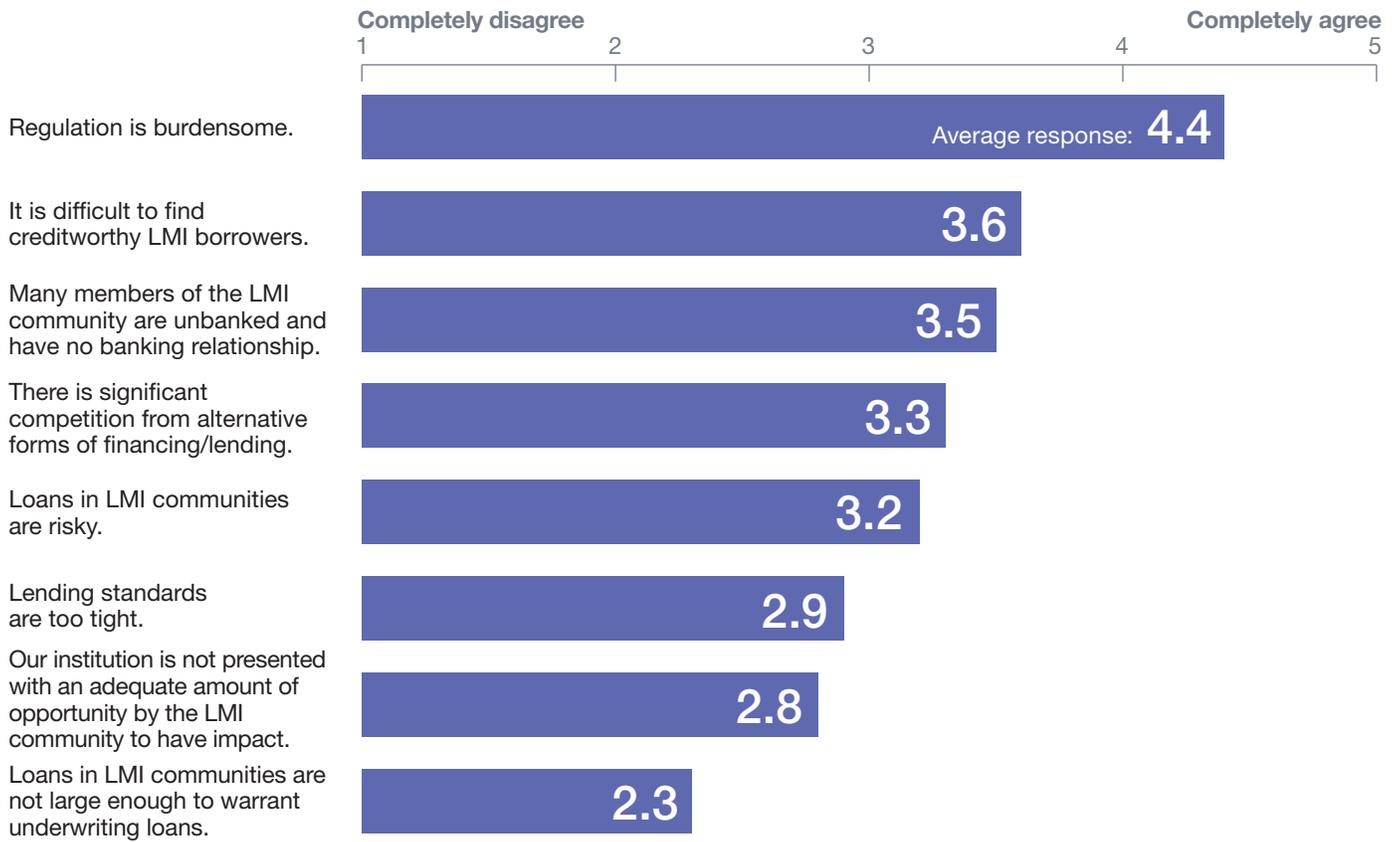
“ A small community bank cannot survive if they do not already meet the requirements of the CRA. It’s inherent in what we do.”

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

Financial Institutions

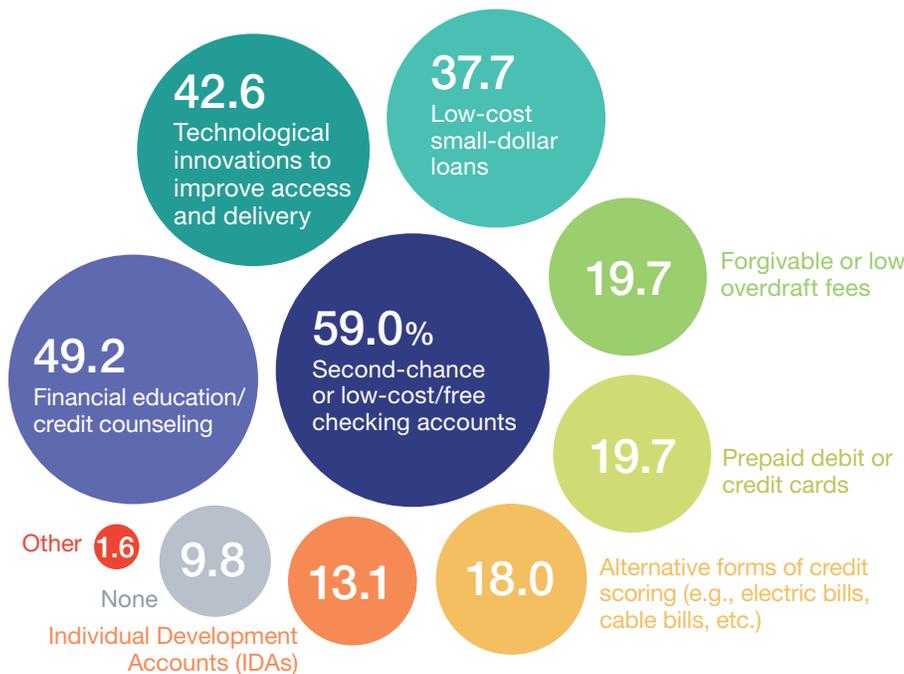
QUESTION

19 Indicate the measure to which you agree or disagree with the following statements (1 = completely disagree; 5 = completely agree):



QUESTION

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



Note: Each value for products or services is out of a possible 100 percent.

QUESTIONS ANSWERED BY:



Community & Economic Development Organizations

QUESTION

21

Over the past six months, how would you describe the interest for commercial real estate in the LMI communities you serve?

22.6%
Increasing

43.5
Staying the same

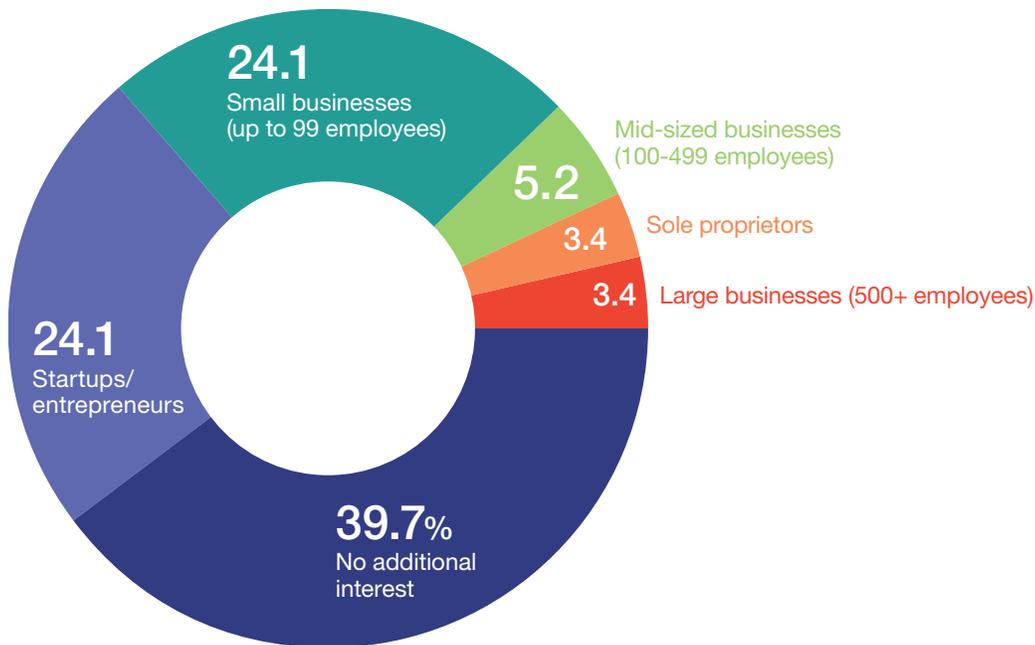
17.7
Decreasing

16.1
Unknown

QUESTION

22

In the LMI areas you serve, do you receive more interest about potential relocation from:

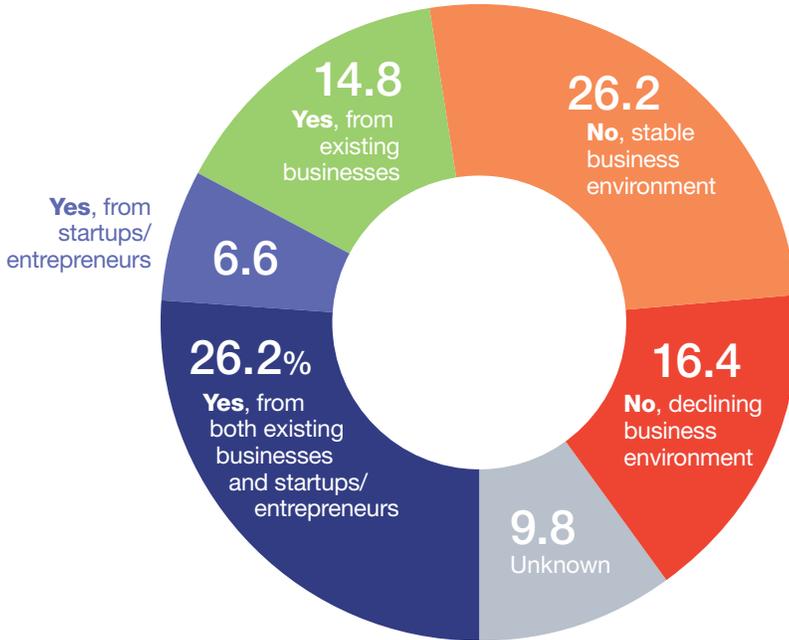


► Taken together, 48.2 percent of community and economic development respondents indicated they receive the most interest from startups and small businesses in the LMI areas they serve.

QUESTION

23

Have there been recent business expansions and job additions in the LMI areas in your community?



QUESTION

24

Overall, how would you assess the business and job outlook for your LMI communities during the next six months?



Business and Job Growth Outlook Trending Positive

More than two-thirds of respondents predict that job growth will hold steady or increase in the next six months. Pertaining to job growth in LMI areas, 36.1 percent of respondents expect there to be an increase in the next six months, compared with 23.4 percent in October

2012. In addition, the number of respondents who believe there will be a decrease in jobs has diminished from 26.3 percent in October 2012 to 19.7 percent currently. Overall, 36.1 percent of individuals believe that the job and business outlook will remain unchanged in LMI areas, in

contrast to 44.0 percent in the previous survey. Only a minimal number of respondents indicated a major increase (3.3 percent) or decrease (4.9 percent) in job expectations in the LMI geographies within their communities. Although the positive data for the job outlook continues to

trend upward, job availability remains the top issue having the most negative impact on LMI individuals, according to 26.9 percent of survey respondents (see Question 4).

25 What is needed for communities to take advantage of economic globalization?

“Affordable education.”

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

“Improved infrastructure—dependable water resources, accessible and affordable Internet connectivity, and good roads.”

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

“Support for entrepreneurship programs and increase skills capacity for LMI persons—in both construction trades and general business. Reduce crime and improve education at all levels.”

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

“A business support infrastructure that has the expertise to help local businesses leverage the availability of broadband to globalize their products/services.”

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

“Capital for small startup businesses.”

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

“Affordable high-speed broadband accessibility.”

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

“Better training and an understanding of the value of education and the return on investment over a person’s lifetime.”

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

“Access to technology (i.e., high-speed Internet).”

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

“Assistance to understand the impact of a changing business and financial environment—skills needed to gain employment.”

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

“We need a culture shift in the minds of our citizens to start thinking about how to solve problems differently. Our education system is failing our LMI communities and, as a result, our citizens are not being adequately prepared for the 21st-century workforce.”

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

“State and federal incentives for companies to locate in rural areas.”

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

“Education, education, education.”

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

“Better educational and technological preparedness.”

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

“Land assemblage and site preparation, job training and referrals.”

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

Education as a necessary strategy for responding to globalization was emphasized by 35.1 percent of respondents, while 32.3 percent noted that increased access to the Internet and technology is necessary, and 25.8 percent mentioned jobs or employment.



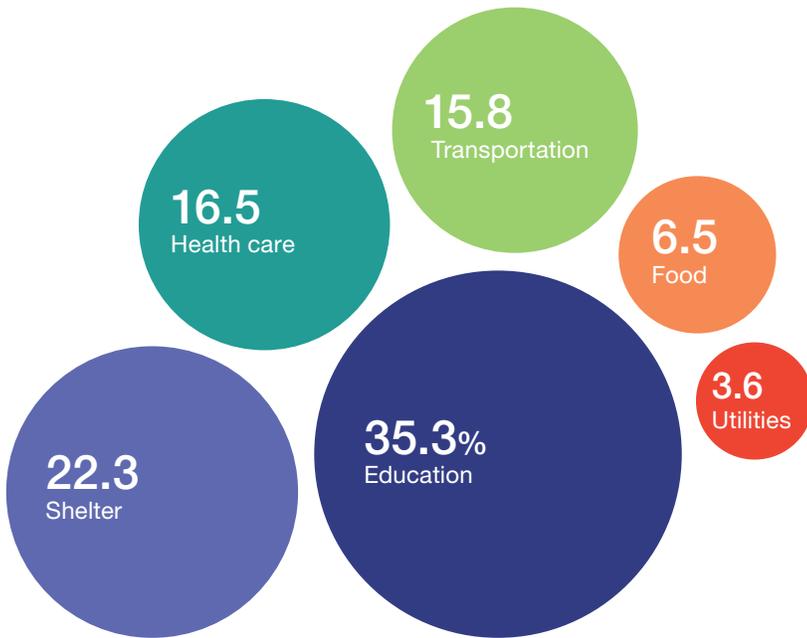
QUESTIONS ANSWERED BY:

All Metropolitan Respondents

QUESTION

26

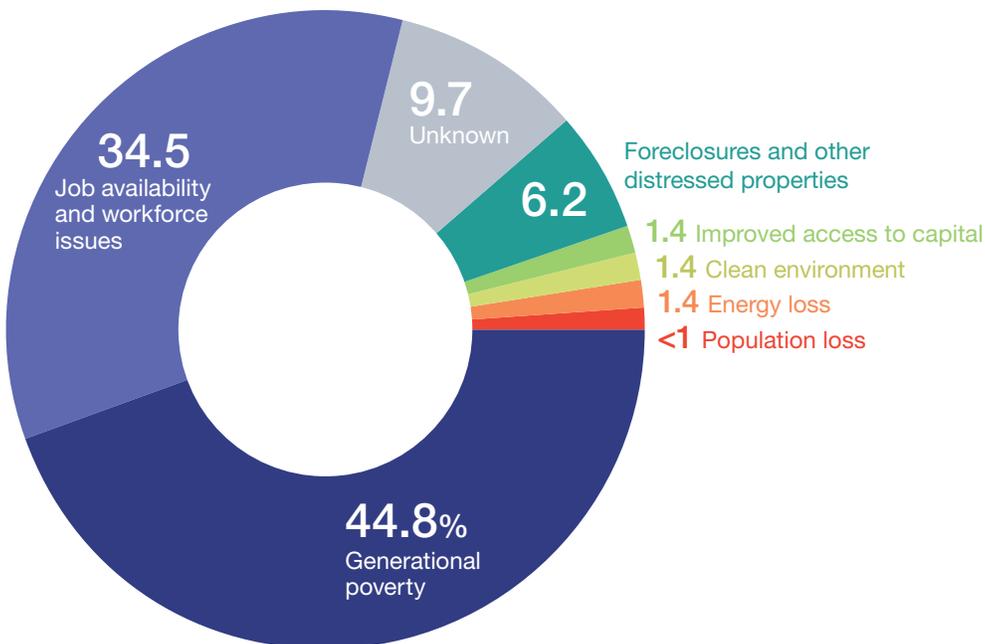
Which of these basic needs is most difficult for metropolitan LMI households to adequately access?



QUESTION

27

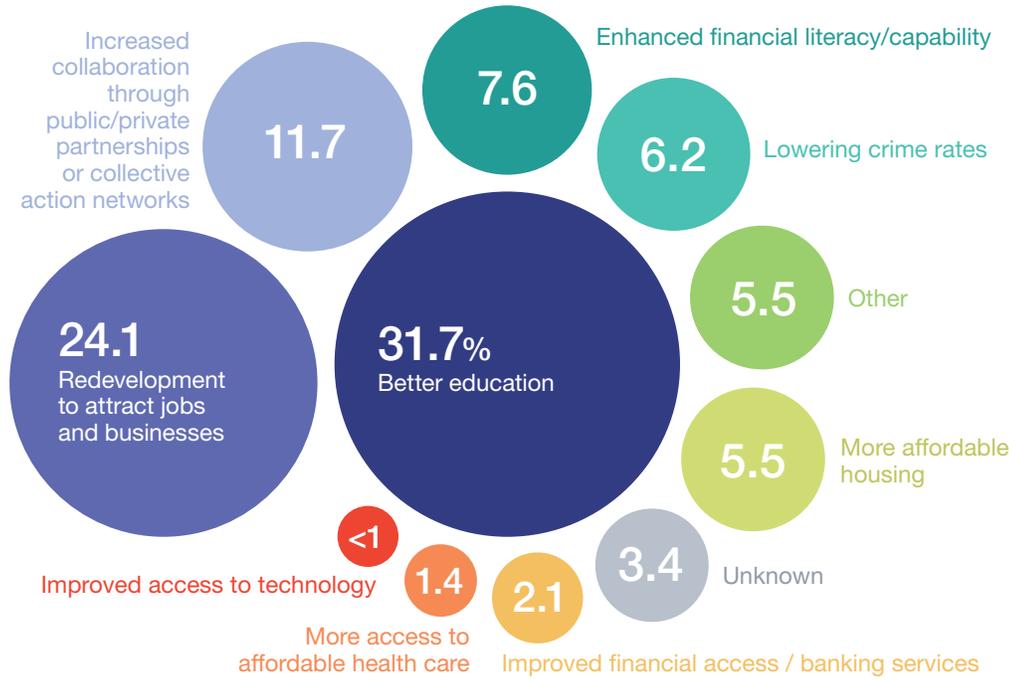
Which one of the following issues is affecting metropolitan LMI communities the most in the areas you serve?



All Metropolitan Respondents

QUESTION

28 Which one of the following offers the best opportunity to improve the LMI population in America’s metropolitan areas?



QUESTION

29 Over the past six months, has there been any loss of funding in your area that has affected your ability to help the LMI community?



How does the loss of funding impact the quality of life for LMI individuals in your area?

“Loss of funding decreases the amount of funding that we inject into LMI areas for affordable housing and some social programs.”

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

“Less money to address neighborhood stabilization issues.”

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

“People are going to have limited access to training, which means they won’t be prepared for jobs.”

– Respondent, **Government Sector** (Miss. – Metropolitan)

“Delays our ability to address distressed community needs.”

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

“It reduces the support systems for our community’s most vulnerable members.”

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

continued on Page 22

All Metropolitan Respondents

continued from Page 21

“The loss of funding we have suffered over the past four years has practically debilitated us, making it very difficult for us to respond adequately to the enormity of problems exacerbated by the recession.”

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

“Loss of funding can result in a loss in staff, which leads to lower production in providing affordable homeownership opportunities.”

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

QUESTION

30 How would you assess the current ability of an LMI individual or household in your metropolitan area to progress to a better economic situation?



QUESTION

31 What is the greatest asset of living in your metropolitan community?

“The modern infrastructure—highways, metro, parks, cultural institutions, sports teams, healthy food alternatives, varied education opportunities and available jobs.”

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

“The network of social service providers, nonprofits and other agencies in a concentrated area affords LMI households and the other organizations that serve these families with the best possible conditions to make impacts for the community. The better we become at collaboration, the better able we will be to change the conditions that create generational poverty.”

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

“The availability of services and the cultural and communal events that come with that concentration of persons.”

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

“Access to diversity of all sorts. Diversity of class, education, facilities, skills and temperament makes the difference in a metropolitan community.”

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

“We are a community who wants to be better. We have many people who are giving of their time, talent and treasure to solve problems that have developed in our community for several generations. We are tackling issues of access to safe, decent, affordable housing. We are encouraging our residents to become better educated. We are deploying resources to prepare young people for school and help them retain what they learn in the classroom when they are out of school. When called upon to help, we have many people who are ready to be deployed and use their skills to help make the community better.”

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

continued on Page 23

All Metropolitan Respondents

continued from Page 22

“For an LMI individual, there are a number of social service agencies to draw from for support. There are also a number of free cultural opportunities and more job opportunities than would be available in a smaller community.”

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

“Diversity, access to employment opportunities and cultural amenities.”

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

QUESTION

32

What is the greatest liability of living in your metropolitan community?

“The issues that are faced on the metropolitan stage can sometimes appear too big to address. We want to make changes that will help everyone, all at once. We need to step back, assess what providers can best serve specific needs, and then focus in on smaller areas within the metro area. When we find solutions that work, then we can start to bring those efforts to scale.”

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

“We have systemic and long-standing barriers in place that make upward mobility nearly impossible.”

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

“Because of the size of the community, many times LMI households may fall through the cracks.”

– Respondent, **Financial Institutions Sector** (Ind. – Metropolitan)

“Expensive and deteriorating infrastructure.”

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

“Amount, as in numbers, of overall poverty can seem overwhelming.”

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

“For an LMI person, the greatest liability of living in a metropolitan area...is the lack of good public schools and the resulting poor job prospects.”

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



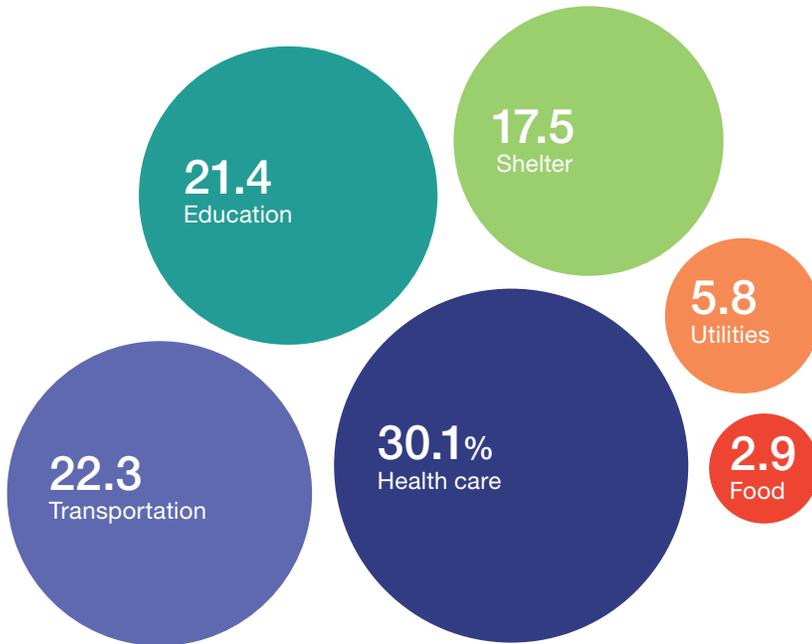
QUESTIONS ANSWERED BY:

All Rural Respondents

QUESTION

33

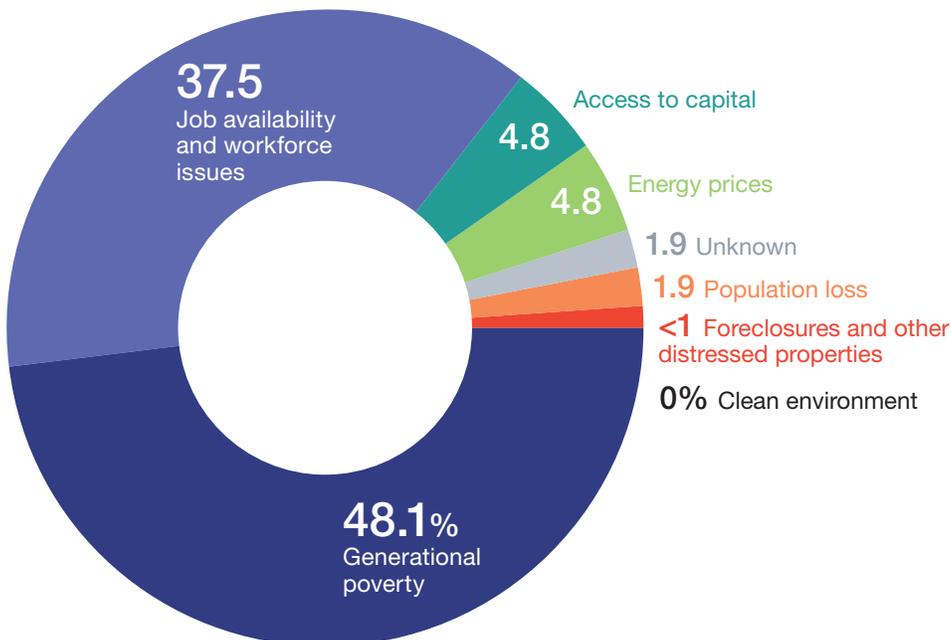
Which of these basic needs is most difficult for rural LMI households to adequately access?



QUESTION

34

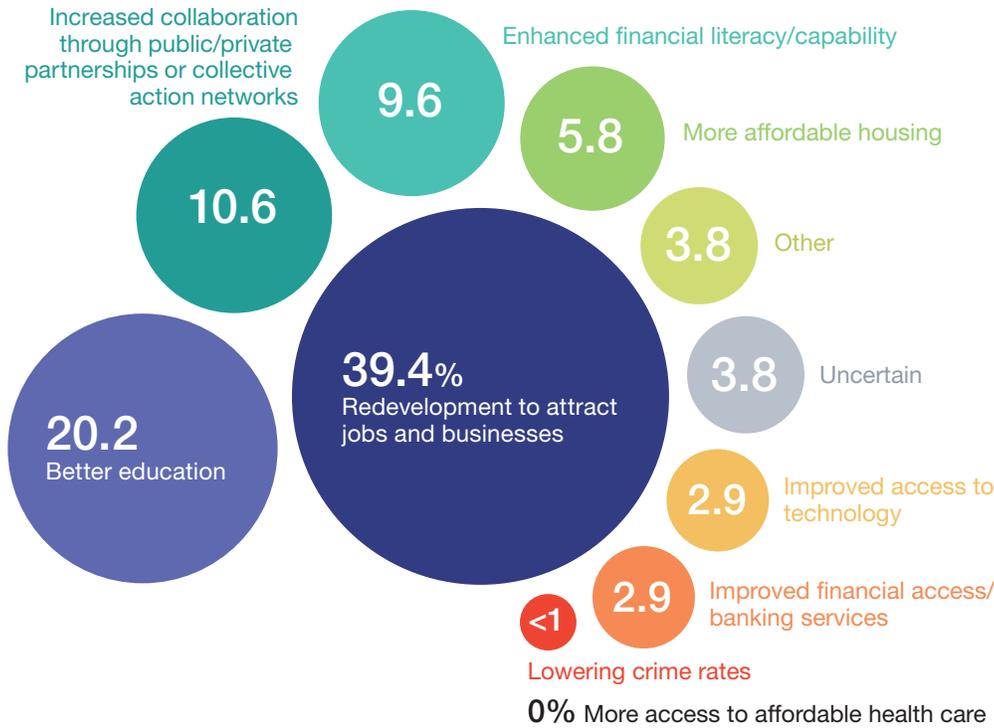
Which one of the following issues is affecting rural LMI communities the most in the areas you serve?



All Rural Respondents

QUESTION

35 Which one of the following offers the best opportunity to improve the LMI population in rural America?



QUESTION

36 Over the past six months, has there been any loss of funding in your area that has affected your ability to help the LMI community?



How does the loss of funding impact the quality of life for LMI individuals in your area?

“Some LMI individuals will not obtain services needed to maintain self-sustainability.”

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

“Programs such as Head Start and mental health providers seem to have lost funds that affect LMI the most.”

– Respondent, **Financial Institutions Sector** (Ind. – Rural)

“We have to offer less programs, or charge fees, or find sponsors/grants to meet LMI needs.”

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

“Our city is unable to keep infrastructure maintained.”

– Respondent, **Government Sector** (Ark. – Rural)

continued on Page 26

All Rural Respondents

continued from Page 25

“Individuals have less access to supportive services.”

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

“Sequestration budget cuts will reduce the number of persons my organization can assist with their affordable housing needs.”

– Respondent, **Government Sector** (Ark. – Rural)

QUESTION

37 How would you assess the current ability of an LMI individual or household in your area to progress to a better economic situation?



QUESTION

38 What is the greatest asset of living in your rural community?

“The community spirit is a great asset when dealing with hardships.

Communities and individuals can come together to achieve objectives and accomplish goals. People know their neighbors and enjoy the benefits a small town can offer.”

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

“Slower pace of life—more scenic, tranquil and diverse in its offerings to those who enjoy the outdoors. Generally a lower cost of living.”

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

“Low crime, lower cost of living.”

– Respondent, **Financial Institutions Sector** (Ind. – Rural)

“Sense of community.”

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

“The number of people to be assisted is smaller; therefore, it is easier to accomplish change in a shorter amount of time.”

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

“Good environment for raising a family, strong local schools and a sense of community.”

– Respondent, **Nonprofit Sector** (Ark. – Rural)

“You know most of the community members personally—their families, their struggles and their successes. Also, the cost of living is somewhat cheaper than in larger cities. You have more opportunities to discuss your concerns with the local leadership.”

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

All Rural Respondents

QUESTION

39 What is the greatest liability of living in your rural community?

“Access to good-paying jobs; more demand than supply makes it harder for LMI individuals to get a good-paying job. Energy costs prevent LMI individuals from commuting as well. Upside-down mortgages due to declining home values are also an issue affecting mobility.”

– Respondent, **Financial Institutions Sector** (Ind. – Rural)

“Individuals have no access to recreation, jobs or transportation.”

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

“Higher education is difficult because there is little local availability. Jobs are scarce.”

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

“Isolation from resources.”

– Respondent, **Nonprofit Sector** (Ark. – Rural)

“Lack of access to services—transportation, technology, housing and jobs.”

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

“The steady out-migration of educated youth from rural communities may in the long term (over several generations) make rural life and rural communities relatively unsustainable.”

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

“Decreasing tax base to generate revenues for community services. Aging water/wastewater systems. Out-migration of downtown businesses. Competition with urban areas for funds. Allocation of programs and funds based on population. Declining populations.”

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

“Job market offers few well-paying jobs with benefits.”

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

“Limited job availability, low-wage jobs, ‘brain drain’ as youth leave community for higher education and do not return to the community due to a lack of appropriate jobs.”

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

If you have questions about this report or would like to participate in future surveys, please contact:

Drew Pack

Federal Reserve Bank of St. Louis—Little Rock Branch

501-324-8495

Andrew.A.Pack@stls.frb.org



CENTRAL TO AMERICA'S ECONOMY®
STLOUISFED.ORG