Contents: Data by Respondents

Introduction ................................................................. 1
Conditions of LMI communities served by the entities............... 2
Condition of the entities represented by the respondents ........... 6
Impact of COVID-19 .......................................................... 8

www.stlouisfed.org/cdos
Introduction

The Federal Reserve Bank of St. Louis’ Community Development Outlook Survey (CDOS) collects original data that guide the long-term programming of the St Louis Fed’s Community Development department. These data also inform community development practitioners about trends and outlooks affecting low-to moderate-income (LMI) communities in the Eighth Federal Reserve District. The survey is a biannual opinion poll sent to 3,550 community stakeholders in the seven states that compose the Eighth District. Responses were received from 260 of those stakeholders between June 15 and July 6. The overall survey response rate was 13.6%. In addition to asking about general economic conditions, the survey polled respondents about the impact of COVID-19 on their communities. The results provide insights into how LMI communities and the organizations serving them have fared during the pandemic.

Key Findings

- Compared to two years ago, 42% of the respondents noted that general economic conditions in the LMI communities they serve are declining. This is a significant increase from the 2019 survey, in which 27% noted the same.
- Similarly, a higher proportion of respondents noted that the ability to meet basic needs (45%) and well-being (47%) of the LMI communities they serve have been declining compared to the 2019 survey.
- Respondents noted that jobs paying a family sustaining wage, generational poverty and the availability of affordable housing were the top three issues having the greatest negative impact on the people and communities they serve.
- Compared to two years ago, the demand for services increased for 76% of the organizations surveyed, while 50% said their ability to provide services also increased.
- 39% cited impacts on small businesses and 27% cited income loss, job loss and unemployment as the top impacts of COVID-19 on the people and communities they serve.
- One-third of the respondents noted that it would take 12 months or more for the people and communities they serve to return to pre-COVID-19 conditions.
- Regarding COVID-19 relief, respondents cited stimulus checks, unemployment benefits and eviction moratoriums as the most impactful measures.
In 2021, 27% of respondents reported that general economic conditions for LMI communities are improving, like the 2019 survey. However, 42% of respondents reported a decline in economic conditions for LMI communities compared with 2019 (27.4%). Finally, 29% of respondents reported that economic conditions remained the same for LMI communities in 2019.

In Arkansas, 40% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 46.4% in 2019), while 26% indicated that they are improving (compared with 29% in 2019). Thirty-four percent indicated declining conditions (compared with 40% in 2019).

In Illinois, 29% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 44.4% in 2019), while 29% indicated that they are improving (compared with 11.1% in 2019). Thirty percent indicated declining conditions (compared with 40% in 2019).

In Indiana, 20% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 17.6% in 2019), while 40% indicated that they are improving (compared with 41.2% in 2019). Forty percent indicated declining conditions (compared with 41.2% in 2019).

In Kentucky, 11% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 44.1% in 2019), while 46% indicated that they are improving (compared with 27.5% in 2019). Forty-three percent indicated declining conditions (compared with 25.5% in 2019).

In Mississippi, 18% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 37.5% in 2019), while 14% indicated that they are improving (compared with 20.8% in 2019). Sixty-nine percent indicated declining conditions (compared with 34.7% in 2019).

In Missouri, 24% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 48.9% in 2019), while 28% indicated that they are improving (compared with 22.9% in 2019). Forty-seven percent indicated declining conditions (compared with 24.4% in 2019).

In Tennessee, 32% of respondents indicated that general economic conditions are staying the same for LMI communities (compared with 32.6% in 2019), while 29% indicated that they are improving (compared with 36.8% in 2019). Thirty-nine percent indicated declining conditions (compared with 28.4% in 2019).
# Conditions of LMI communities served by the entities

1. Compared with two years ago, general economic conditions of the communities with low- to moderate-incomes that you serve are:

<table>
<thead>
<tr>
<th>Community</th>
<th>Significantly Declining</th>
<th>Modestly Declining</th>
<th>Staying the Same</th>
<th>Modestly Improving</th>
<th>Significantly Improving</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>14%</td>
<td>20%</td>
<td>40%</td>
<td>23%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Illinois</td>
<td>6%</td>
<td>24%</td>
<td>29%</td>
<td>29%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Indiana</td>
<td>40%</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>14%</td>
<td>29%</td>
<td>11%</td>
<td>46%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>14%</td>
<td>55%</td>
<td>18%</td>
<td>9%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Missouri</td>
<td>19%</td>
<td>28%</td>
<td>24%</td>
<td>19%</td>
<td>9%</td>
<td>2%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>9%</td>
<td>30%</td>
<td>32%</td>
<td>23%</td>
<td>6%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- Compared with 2019 results, a much greater percentage of respondents indicated that general economic conditions were declining (42% in 2021 and 27.4% in 2019) in their LMI communities, rather than staying the same (29 % in 2019 and 42.1% in 2019).

2. Compared with two years ago, the ability of individuals in your area with low- to-moderate incomes to meet their basic needs has been:

<table>
<thead>
<tr>
<th>Community</th>
<th>Significantly Declining</th>
<th>Modestly Declining</th>
<th>Staying the Same</th>
<th>Modestly Improving</th>
<th>Significantly Improving</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>16%</td>
<td>29%</td>
<td>30%</td>
<td>21%</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

- Compared to 2019 results, a greater percentage of 2021 respondents indicated that the ability to meet basic needs was declining (45% in 2021 and 31% in 2019). Similarly, almost half the respondents noted that the well-being of individuals with low- to-moderate incomes has been declining.

3. Compared with two years ago, the well-being of individuals with low- to-moderate incomes has been:

<table>
<thead>
<tr>
<th>Community</th>
<th>Significantly Declining</th>
<th>Modestly Declining</th>
<th>Staying the Same</th>
<th>Modestly Improving</th>
<th>Significantly Improving</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arkansas</td>
<td>15%</td>
<td>32%</td>
<td>30%</td>
<td>18%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

4. In three to five years, what will be the status of people and households in your community with low- to-moderate incomes?

<table>
<thead>
<tr>
<th>Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worse</td>
<td>31%</td>
</tr>
<tr>
<td>Unchanged</td>
<td>24%</td>
</tr>
<tr>
<td>Better</td>
<td>32%</td>
</tr>
<tr>
<td>Unknown</td>
<td>13%</td>
</tr>
</tbody>
</table>

- Although respondents noted current declining economic conditions, almost a third were positive about the future of their communities.
At this point in time, what issues are having the greatest negative impact on households and communities with low- to-moderate incomes?

1. Generational poverty (16% Metro | 17% Rural)
2. Jobs that pay a family sustaining wage (16% Metro | 17% Rural)
3. Availability of affordable housing (15% Metro | 15% Rural)
4. Job skills (12% Metro | 10% Rural)
5. Education (10% Metro | 8% Rural)

6. Substance abuse (8% Metro | 16% Rural)
7. Structural discrimination (6% Metro | 2% Rural)
8. Access to capital/credit ratings (5% Metro | 3% Rural)
9. Health care costs (5% Metro | 3% Rural)
10. Population loss (3% Metro | 3% Rural)
11. Unemployment (3% Metro | 3% Rural)
12. Other (3% Metro | 3% Rural)
13. Government budget cuts (1% Metro | 0% Rural)
14. Unknown (0.4% Metro | 0% Rural)

Respondents serving metropolitan and rural areas chose lack of jobs that pay families a sustainable wage, generational poverty and availability of affordable housing. Generational poverty and affordable housing have been top issues in previous surveys. Lack of jobs that pay families a sustaining wage was added as an option in this year’s survey based on what respondents wrote as “other” in the 2019 survey.

5A. Top five issues across metro areas:
1. Availability of jobs that pay a family sustaining wage
2. Generational poverty
3. Availability of affordable housing
4. Education
5. Job skills

5B. Top five issues across rural areas:
1. Availability of affordable housing
2. Generational poverty
3. Substance abuse
4. Availability of jobs that pay a family a sustaining wage
5. Job skills

There is lot of similarity in issues across metropolitan and rural areas, except for substance issues, which are noted as having a negative impact in rural areas.
6. What is the leading contributing factor to generational poverty in the communities with low- to-moderate incomes that you serve?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changing family dynamics</td>
<td>20%</td>
</tr>
<tr>
<td>Lack of access to job opportunities</td>
<td>19%</td>
</tr>
<tr>
<td>Lack of access to quality education</td>
<td>14%</td>
</tr>
<tr>
<td>Sense of hopelessness</td>
<td>13%</td>
</tr>
<tr>
<td>Structural discrimination</td>
<td>13%</td>
</tr>
<tr>
<td>Substance abuse</td>
<td>11%</td>
</tr>
<tr>
<td>Lack of access to job training</td>
<td>7%</td>
</tr>
<tr>
<td>Other/Unknown</td>
<td>4%</td>
</tr>
</tbody>
</table>
1. Compared to two years ago, how has the following changed for your organization:

**DEMAND FOR SERVICES:**
- 4% Significantly declining
- 5% Modestly declining
- 13% Staying the same
- 45% Modestly improving
- 31% Significantly improving
- 3% Unknown

**ABILITY TO PROVIDE SERVICES:**
- 4% Significantly declining
- 17% Modestly declining
- 26% Staying the same
- 38% Modestly improving
- 12% Significantly improving
- 3% Unknown

Compared to two years ago, the demand for services increased for 76% of the organizations surveyed, while 50% said their ability to provide services also increased.

2. How would you describe your organization’s ability to meet the demand for products and services in the LMI community?

- 9% Unable to meet demand
- 59% Meets some but not all demand
- 24% Exceeds demand
- 8% Unknown
3. Compared to two years ago, how have the following funding sources changed for your organization?

**INDIVIDUAL DONATIONS:**
- Significantly decreased: 5%
- Modestly decreased: 15%
- No change: 24%
- Modestly increased: 15%
- Significantly increased: 5%
- N/A: 35%

**CORPORATE DONATIONS:**
- Significantly decreased: 6%
- Modestly decreased: 14%
- No change: 27%
- Modestly increased: 18%
- Significantly increased: 3%
- N/A: 33%

**FEE FOR SERVICES:**
- Significantly decreased: 6%
- Modestly decreased: 7%
- No change: 42%
- Modestly increased: 16%
- Significantly increased: 2%
- N/A: 27%

**FOUNDATION FUNDING:**
- Significantly decreased: 3%
- Modestly decreased: 11%
- No change: 24%
- Modestly increased: 23%
- Significantly increased: 5%
- N/A: 35%

**GOVERNMENT FUNDING:**
- Significantly decreased: 6%
- Modestly decreased: 9%
- No change: 17%
- Modestly increased: 27%
- Significantly increased: 15%
- N/A: 26%

**LOANS CREDIT:**
- Significantly decreased: 5%
- Modestly decreased: 4%
- No change: 28%
- Modestly increased: 20%
- Significantly increased: 4%
- N/A: 39%

Across the six funding sources, a quarter of the respondents noted an increase, whereas 15% noted a decrease. Notably, foundation funding increased for almost one-third of entities, government funding increased for at least 40% of entities, and loan as a funding source increased for a quarter of the respondents.
Impact of COVID-19

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

- 39% cited impacts on small businesses (including short/long-term closure, supply chain disruption and reduced demand)
- 27% cited financial stability (including income loss or instability and job loss)
- 14% cited housing stability (including evictions, back rent, foreclosures and homelessness)
- 7% cited impact on services for children (including availability of child care, access to K-12 education and higher education)
- 6% cited basic consumer needs (including food, household essentials and other personal needs)
- 4% cited impacts to health (including access to adequate health care, access to health insurance and mental health services)
- 2% cited other

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

- 36% said they would need at least a year to return to pre-COVID-19 conditions. More than 10% indicated that conditions might never return to what they were prior to the pandemic.
- 29% expected it would take six to 12 months from today.
- 13% said they may never get back there.
- 9% expected conditions to return to pre-COVID-19 conditions.
- 9% expected to return fewer than six months from today.
- 3% said they did not know when they would return.
Impact of COVID-19

3. In terms of COVID-19 relief, what measures were the most impactful to the LMI communities you serve?

- **23%** Stimulus check
- **21%** Unemployment benefits
- **15%** Eviction moratorium
- **12%** Small-business support
- **11%** Food assistance
- **6%** Rent relief
- **4%** Mortgage relief
- **4%** Utilities assistance
- **3%** Health care benefits or assistance
- **1%** Other

4. Before COVID-19, how able were the LMI households/communities you serve to absorb a financial shock?

- **79%** Low
- **15%** Moderate
- **1%** High
- **5%** Unknown

5. Currently, what is the ability of the LMI households/communities you serve to absorb a financial shock?

- **73%** Low
- **20%** Moderate
- **1%** High
- **6%** Unknown

6. Is working toward equitable recovery from the impacts of COVID-19 for the individuals and communities you serve a goal for your organization?

- **10%** No
- **72%** Yes
- **18%** Unknown

6A. What form of capacity building would support your organization as it pursues strategies toward equitable recovery for the individuals and communities you serve?

- **25%** Technical capacity (skill, knowledge) to improve implementation
- **19%** Relationship building with funders
- **17%** Relationship building with local/regional government entities
- **16%** Technical capacity for evaluation to improve learning
- **11%** Technical capacity for grant writing and management
- **11%** Training on diversity, inclusion, and equity
- **2%** Other
Respondent Profiles
Survey data is based on 260 responses.

Respondent breakdown by place of employment
- Financial institution (including banks, credit unions and community development financial institutions, or CDFIs) 37%
- Nonprofit/community-based organizations (including 501(c)(3)s, philanthropic organizations, member associations and faith-based organizations) 29%
- Community and economic development organization 10%
- Educational institution 9%
- Government/public official 8%
- Other 6%

Respondent breakdown by policy area
- Community and economic development finance 22%
- Financial security 20%
- Housing and neighborhood development 18%
- Small business development 18%
- Workforce development 13%
- Other 8%

Respondent breakdown by population served
- Metropolitan 54%
- Rural 46%

Respondent Breakdown by States Represented
- Missouri 27%
- Tennessee 22%
- Arkansas 17%
- Kentucky 13%
- Mississippi 10%
- Illinois 8%
- Indiana 2%

Does your organization primarily serve a Black or Indigenous community, or community of color?
- No 51%
- Yes 41%
- Unknown 8%

What are the primary racial/ethnic demographics of the community of color you serve?
- Non-Hispanic Black or African American 98%
- Hispanic or Latino 23%
- Asian 10%
- American Indian or Native Alaskan 5%
- Hawaiian or Pacific Islander 1%

From the respondents serving communities of color, 98% serve Black or African American communities; and 23% serve primarily Latino or Hispanic communities, with 10% serving Asian communities. Respondents could select multiple options, so these percentages do not add up to 100.
If you have questions about this report or would like to participate in future surveys, please email: communitydevelopment@stls.frb.org