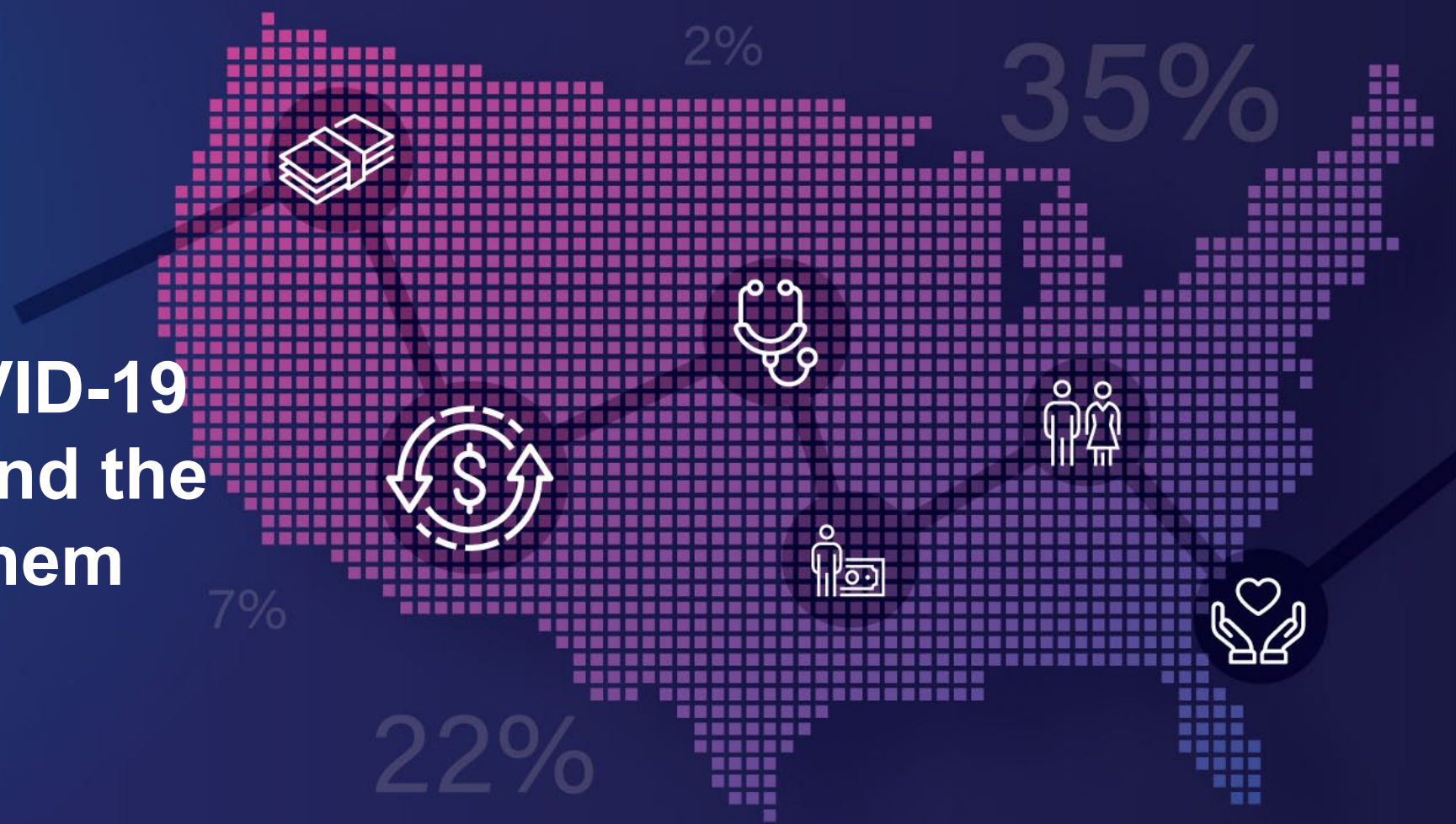


**Perspectives
from Main Street:**

The Impact of COVID-19 on Communities and the Entities Serving Them

**Federal Reserve System
July 24, 2020**



Karen Leone de Nie, Vice President, Community and Economic Development Department

David A. Jackson, Senior Advisor, Community and Economic Development

Federal Reserve Bank of Atlanta



The views expressed today are those of the speakers and not necessarily those of the Federal Reserve Bank of Atlanta or the Federal Reserve System.



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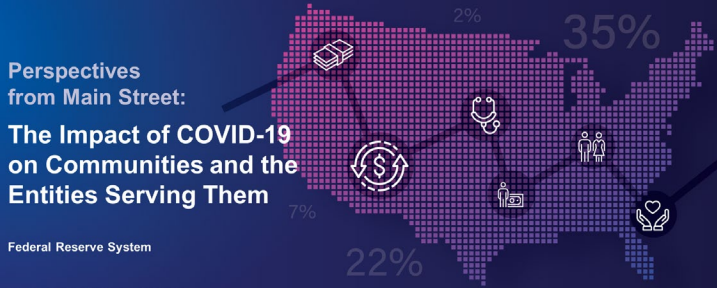


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Community & Economic Development at the Atlanta Fed

MISSION

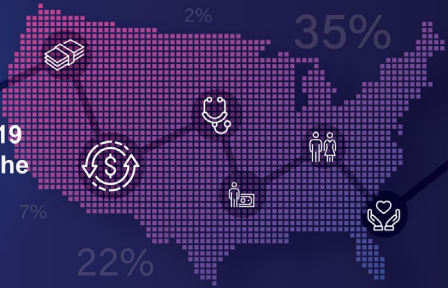
Support the Central Bank’s mandate of stable prices and maximum employment by working to improve the **economic mobility and resilience** of people and places for a healthy economy.

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Perspectives
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The Impact of COVID-19
on Communities and the
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Federal Reserve System



Community & Economic Development at the Atlanta Fed

CRA: Geographies and Strategies in the Southeast

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they are chartered.

Partners Update

Community Development Financial Institutions: Providing Capital for Revitalization

As the country continues to rebound from the recession, a small group of lenders is working to meet the needs of communities that slipped through the cracks during this turbulent time.

Economic Dynamism in Small Cities (Part 2): Migration, Commuting, New Firm Creation, and Population Density in Small Cities

Given the number of small cities in the Southeast and the relative share of our region's population living in them, gaining a better understanding of a small city's economic dynamism is a priority for the Atlanta Fed.

How to Build a Strong Workforce Development Network: Lessons from Southeastern Workforce Networks

Increasing workforce dynamism in the Southeast has caused individual communities to look for ways to provide more coordinated economic development services.

Health and Community Development: Some Perspectives and Resources

When it comes to the health of people in communities, especially in economically distressed places, the Southeast tends to lag behind other regions of the country. For example, Mississippi, in a tie with West Virginia, has the highest obesity rate in the country.

Future Fortunes: Are City-Suburban Educational Attainment Trends in the Southeast United States Unique?

This article is the final article of a four-part series on educational attainment in the U.S. Other articles in the series analyze trends in Atlanta, the most populous metro areas, and U.S. legacy regions.

Chart 1: Educational Attainment in the Southeast

City-to-Suburb Ratio Map

Proportion of Population by Educational Attainment Level

Population by Location Type and Date

City-to-Suburb Ratio

Planting seeds for evidence-based decision-making

Hosting conversations to understand emerging issues, explore multi-sectoral approaches, discuss data/research, and more.

Building the evidence, developing data tools

Equitable Development Strategies for Neighborhoods

A forum on September 22, 2015 from 9:30 am to 5:30 pm

MEASURING WHAT COUNTS

Harnessing Data to Improve Miami's Communities

Investing for Impact in the Southeast

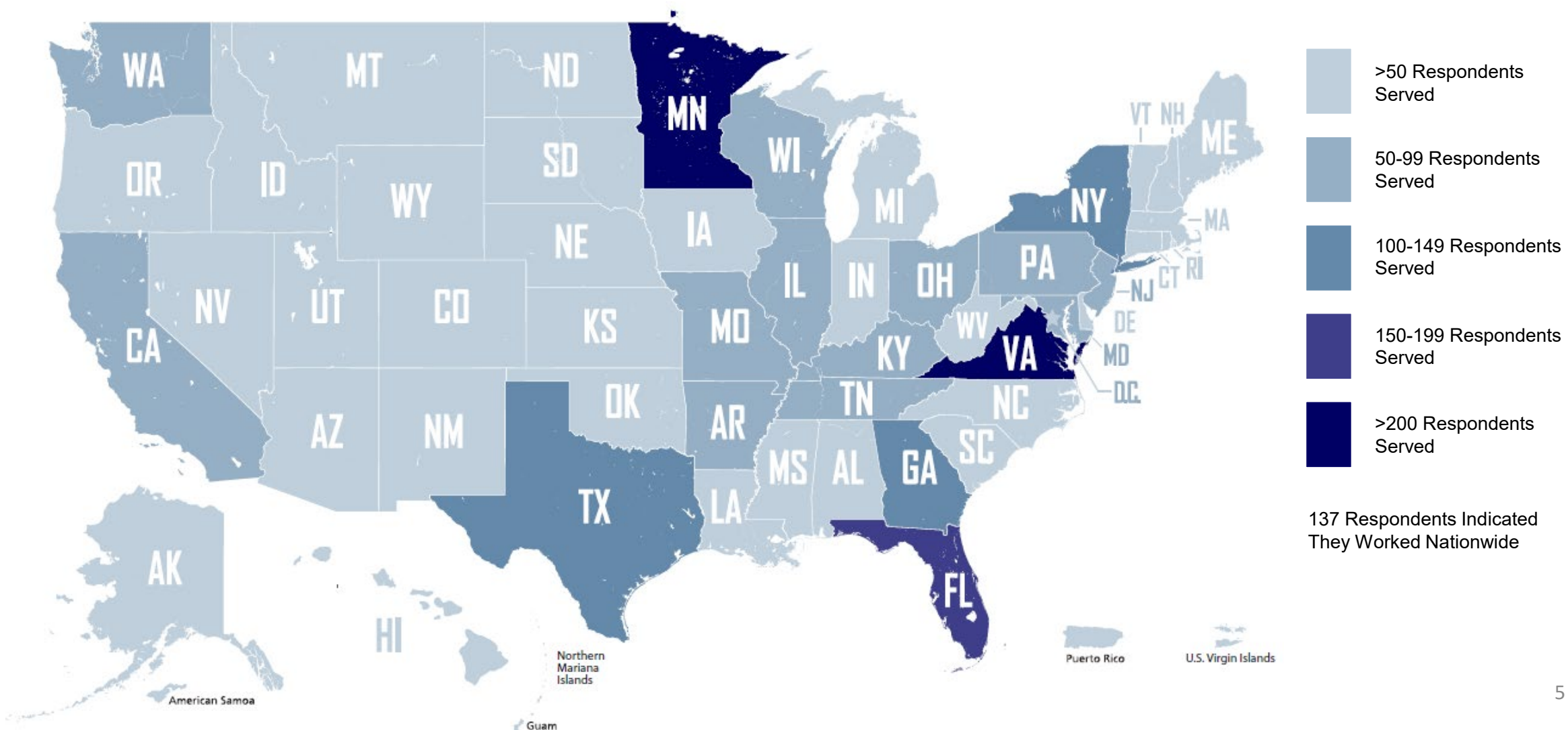
Roundtable Discussion, April 21, 2015

The Financing Experiences of Nonemployer Firms: Evidence from the 2014 Joint Small Business Credit Survey

Social Ties, Space, and Resilience: Literature Review of Community Resilience to Disasters and Constituting Social and Built Environment Factors

TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21ST CENTURY

RESPONDENT PROFILES



DISTRICT RESPONDENTS

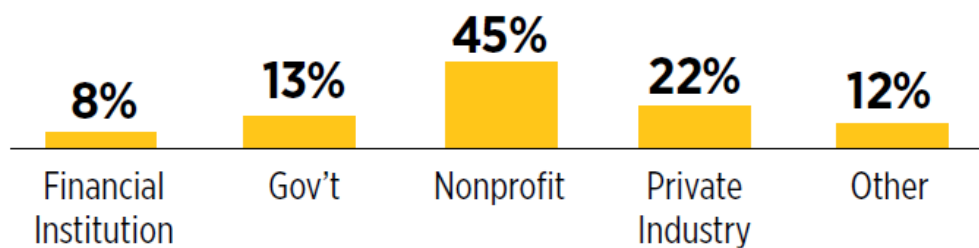
Survey Findings from June 2020:

- 65% of respondents from the sixth district indicated that COVID-19 was having a **significant disruption** on the economic conditions of the communities they serve and expected recovery to be difficult.
 - More than half (53%) cited income loss, job loss and unemployment as the top impacts of COVID-19 on the people and communities they serve.
 - The week of July 11th, there were **346,442 unemployment claims** in the sixth states within our district, comprising 23% of the seasonally-adjusted unemployment claims across the country
- 44% of district respondents indicated it will take more than 12 months for their communities to return to the conditions prior to the disruption from COVID-19.
- 72% of district respondents (compared to 55% of the national sample) indicated that **demand for their services has increased** since early April or is anticipated to increase, and 41% noted a corresponding decrease or anticipated **decrease in their ability to provide services**.
- Nearly 1 out of every 8 respondents (12%) of district respondents indicated their entity could operate for less than three months in the current environment before exhibiting financial distress.

NATIONAL RESPONDENT PROFILES

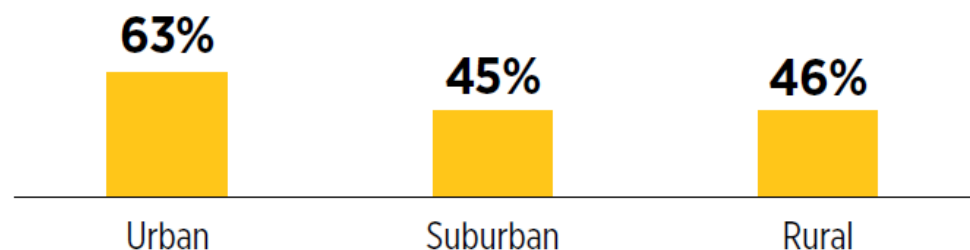
What type of entity do you represent?

N=1,869



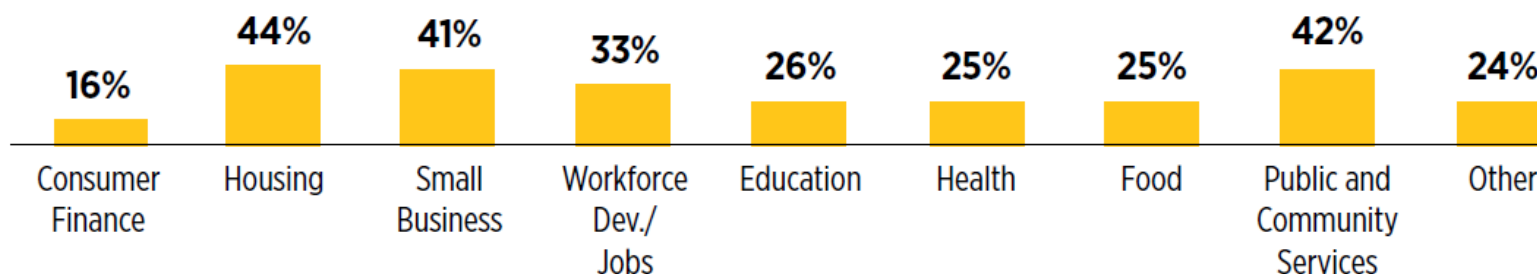
What type of area do you mostly serve? Select all that apply.*

N=1,867



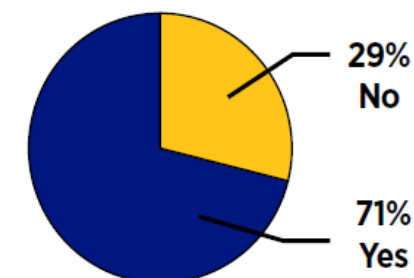
What issues do you work on? Select all that apply.*

N=1,858



Are you a direct service provider?

N=1,869

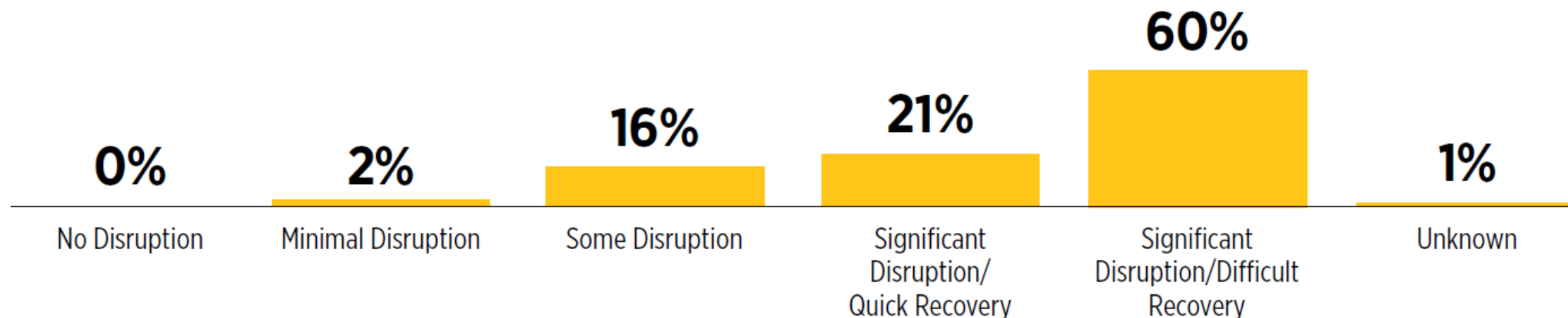


* Aggregate percentages exceed 100% due to the ability of respondents to select all that apply.

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

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

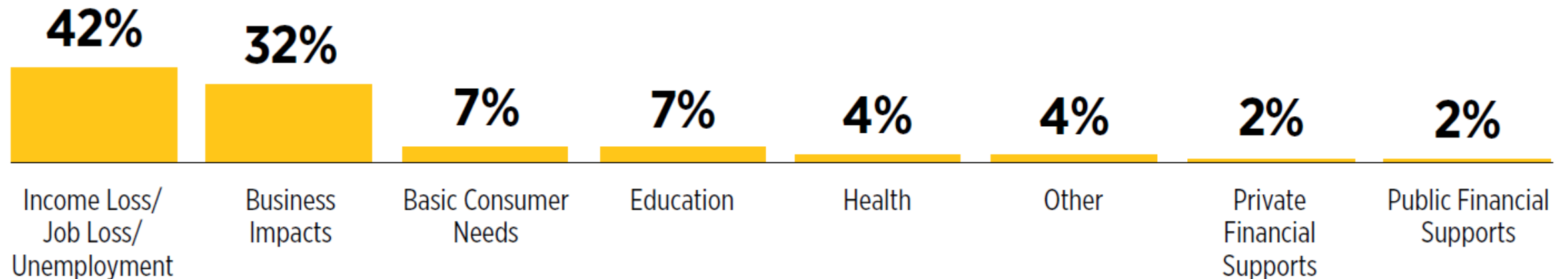
N=1,866



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

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

N=1,867



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

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

National Respondents

	Income Loss/ Job Loss/ Unemployment N=1847	Business Impact N=1820	Basic Consumer Needs N=1809	Education N=1800	Health N=1809	Private Financial Supports N=1790	Public Financial Supports N=1805
Getting Worse	69%	66%	51%	55%	43%	41%	44%
No Change	13%	12%	27%	37%	38%	42%	31%
Getting Better	17%	23%	22%	8%	20%	18%	25%

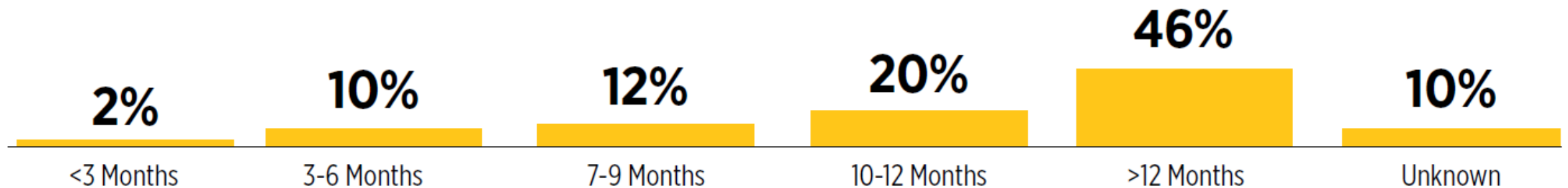
Please note, percentages have been rounded and may not equal 100%.

Source: [Federal Reserve System COVID-19 Community Impact Survey, June 2020](#)

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

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

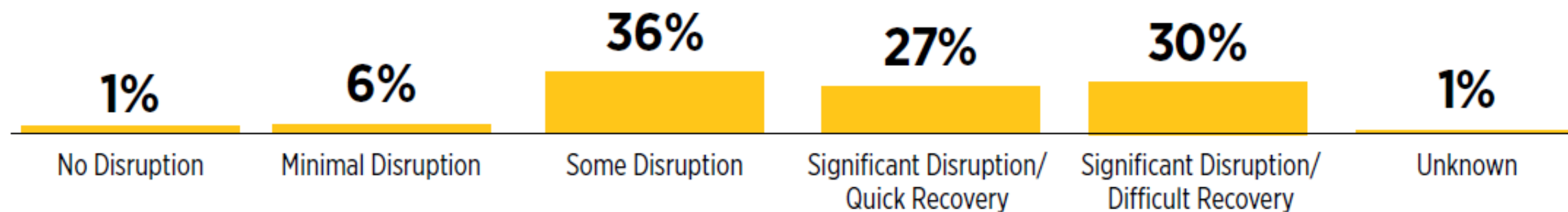
N=1,868



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

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

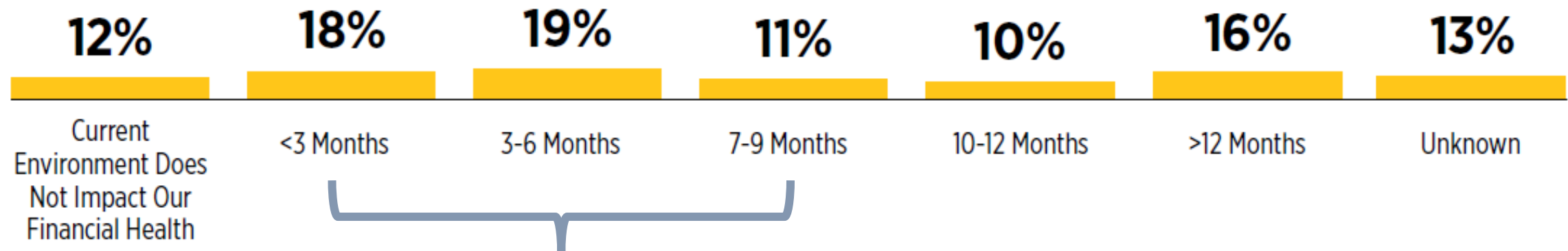
N=1,868



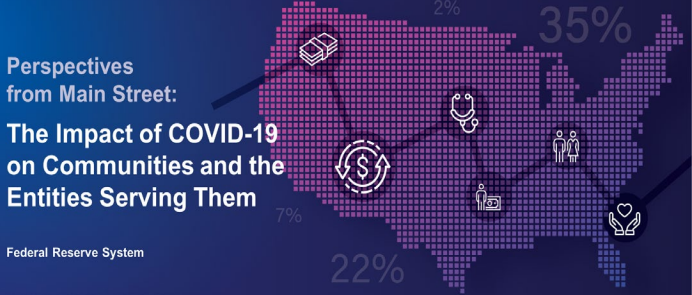
IMPACT OF COVID-19 ON ENTITIES SERVING LOW- TO MODERATE-INCOME COMMUNITIES

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

N=1,866



40% of respondents will exhibit financial distress before the end of the year and another 11% in about two months after that.

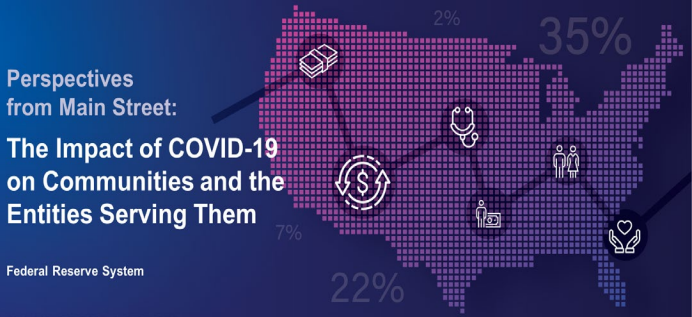


ABOUT THE ENTITIES SERVING LOWER-INCOME COMMUNITIES

In what ways has COVID-19 impacted the entity you represent?

	Demand for Services N=3,871	Ability to Provide Services N=3,859	Staffing Levels N=3,873	Expenses N=3,858	Fee for Service N=3,836	Philan- thropic Funds N=3,853	Gov't Funds N=3,857
Decreased	18%	36%	23%	6%	17%	16%	7%
Anticipated Decrease	7%	19%	16%	12%	11%	22%	13%
No Change	9%	18%	48%	28%	36%	21%	24%
Anticipated Increase	19%	12%	6%	27%	6%	16%	31%
Increased	47%	14%	5%	25%	3%	8%	9%
N/A	1%	1%	2%	2%	27%	18%	16%

Please note, percentages have been rounded and may not equal 100%.



ABOUT THE ENTITIES SERVING LOWER-INCOME COMMUNITIES

In what ways has COVID-19 impacted the entity you represent?

	Demand for Services N=3,871	Ability to Provide Services N=3,859	Staffing Levels N=3,873	Expenses N=3,858	Fee for Service N=3,836	Philan- thropic Funds N=3,853	Gov't Funds N=3,857
Decreased	18%	36%			17%	16%	7%
Anticipated Decrease	7%	19%			11%	22%	13%
No Change	9%	18%			36%	21%	24%
Anticipated Increase	19%			27%	6%	16%	31%
Increased	47%			25%	3%	8%	9%
N/A	1%	1%	2%	2%	27%	18%	16%

55% decrease in
the ability to
provide services

66% increase
in demand

Source: COVID-19 Community Impact Survey, Federal Reserve System, April 2020

Please note, percentages have been rounded and may not equal 100%.

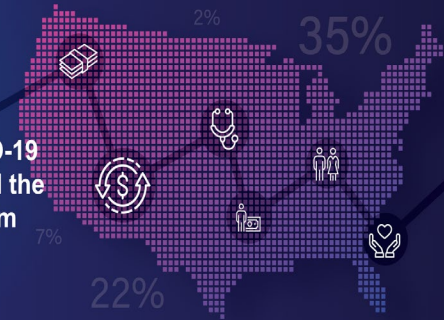


QUESTIONS AND DISCUSSION

Use the Q&A function to...

- Submit questions
- Vote for priority questions
- Answer each other's questions
- Share ideas and experiences

We will respond to as many questions and comments as time permits.



THINGS TO THINK ABOUT

- Inequitable solutions after the last recession have led to increased racial and income inequality. For instance, from 2009-2011, the years directly following the recession, the median wealth for white families rebounded to pre-recession rates, while Black families lost an additional 13% percent of their wealth (Burd-Sharps et al., 2015).
- Non-profits also experienced the equity shortfalls of the last recovery. Small nonprofits were more likely to have revenues drop below \$50,000 from 2008-2012—and more likely to close—than before the recession. In contrast, closure rates for nonprofits with revenues at or above \$1 million did not change during the recession period (Dietz et al., 2014).
- To ensure that this new recovery period does not reproduce the same inequitable trends for families and organizations, it will be important to focus on policies and programs that treat the root causes of systemic problems, rather than their symptoms. This will require an investment in transformative change, and not piecemeal solutions.

Atlanta Fed resources you can use...

CONVERSATIONS

[Next Ask Us Anything Series; Racial Equity and the Future of Workforce Development](#) - **August 5 at 2:00pm** the New Orleans Business Alliance's Clair Minson and Rutgers University's Bill Rodgers will talk about the economic realities for communities of color, and specifically Black communities, and how the workforce system should bring the equity imperative to the forefront to drive toward a better future.

TOOLS

[Unemployment Claims Monitor](#): It tracks initial and continued claims for unemployment insurance—and claimant demographics—for each state and nationally. It is updated weekly.

[Advancing Careers for Low-Income Families Benefits Cliff Charts for Atlanta](#) provide graphics and an issue brief on benefits cliffs. Navigate the drop down menu, choose “Atlanta” under the tabs “Issue Briefs” and “Benefits Cliffs Charts.”

RESEARCH

[A Discussion Paper: Benefits Cliffs as a Barrier to Career Advancement for Low-Income Adults: Insights from Employment Services Providers.](#)

[Southeastern Small Businesses in the Face of COVID-19](#)

Take the Next Survey

Impact of COVID-19 on Communities and the Entities Serving Them

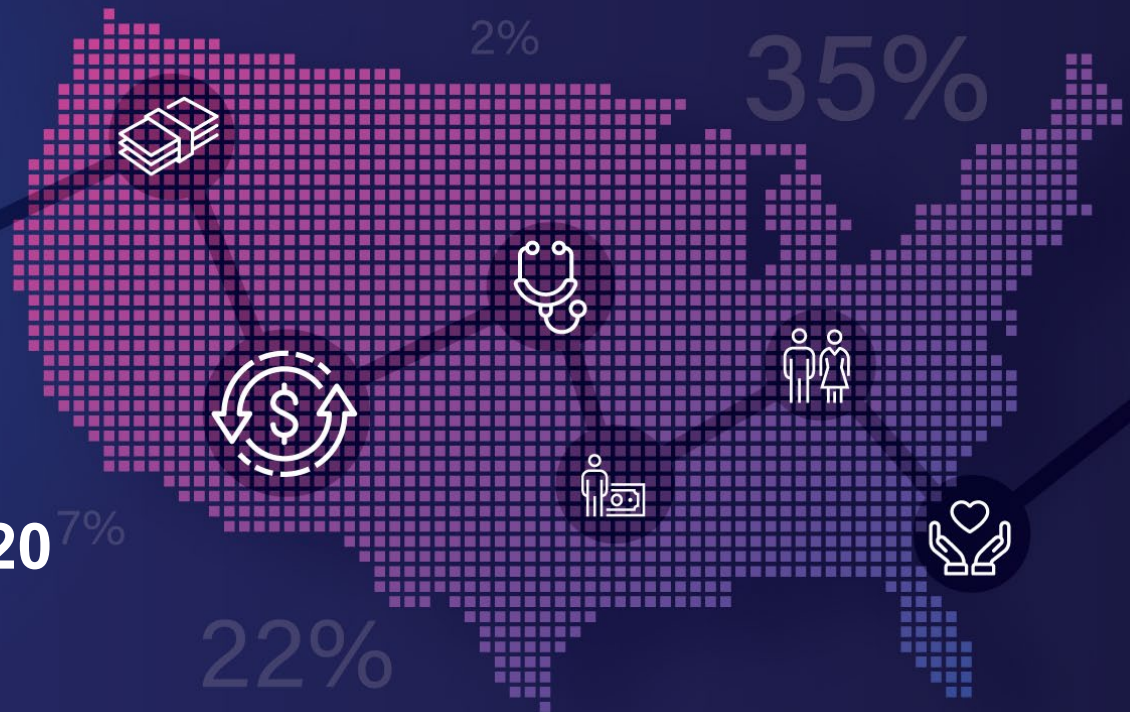
July 29 to August 5, 2020

Federal Reserve System

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www.frbatlanta.org/covidsurvey-communities

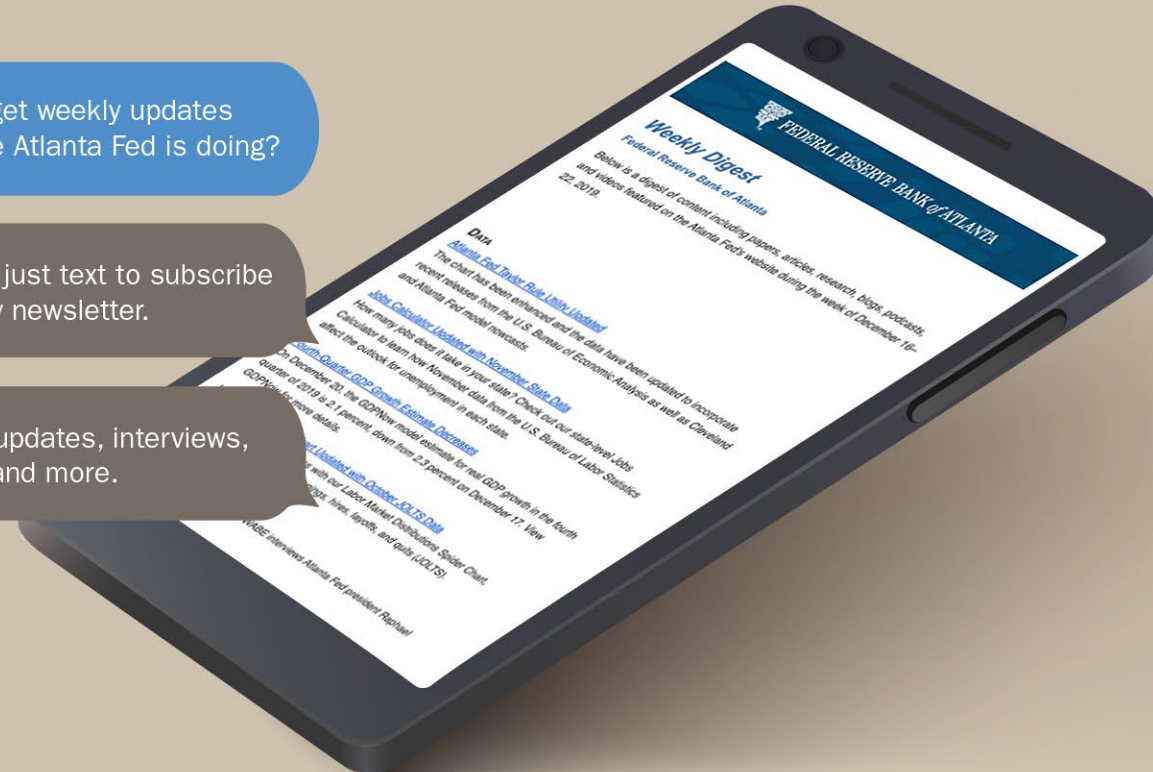
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