

# Perspectives from Main Street: The Impact of COVID-19 on Low- to Moderate-Income Communities and the Entities Serving Them

THE FEDERAL RESERVE SYSTEM

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## ACKNOWLEDGMENTS

### Authors

**Nishesh Chalise**, Federal Reserve Bank of St. Louis  
**Daniel Paul Davis**, Federal Reserve Bank of St. Louis  
**Michael Grover**, Federal Reserve Bank of Minneapolis  
**Violeta Gutkowski**, Federal Reserve Bank of St. Louis  
**David Kaufmann**, Board of Governors of the Federal Reserve System  
**Karen Leone de Nie**, Federal Reserve Bank of Atlanta

### Report Assistance

**Matuschka Lindo Briggs**, Federal Reserve Bank of St. Louis  
**Surekha Carpenter**, Federal Reserve Bank of Richmond  
**Emily Corcoran**, Federal Reserve Bank of Richmond  
**Ally Davis**, Federal Reserve Bank of St. Louis  
**Mark Davis**, Federal Reserve Bank of Cleveland  
**Laurel Gourd**, Federal Reserve Bank of San Francisco  
**Heidi Kaplan**, Board of Governors of the Federal Reserve System  
**Sherilyn Narker**, Federal Reserve Bank of Atlanta  
**Bianca Phillips**, Federal Reserve Bank of St. Louis  
**Christine Smith**, Federal Reserve Bank of St. Louis

### Survey Fielding Team

**Layisha Bailey**, Federal Reserve Bank of Cleveland  
**Nathaniel Borek**, Federal Reserve Bank of Philadelphia  
**Jeremiah Boyle**, Federal Reserve Bank of Chicago  
**Jasmine Burnett**, Federal Reserve Bank of Atlanta  
**Gabriella Chiarenza**, Federal Reserve Bank of Boston  
**Molly Hubbert Doyle**, Federal Reserve Bank of Dallas  
**Emily Engel**, Federal Reserve Bank of Chicago  
**David Jackson**, Federal Reserve Bank of Atlanta  
**Lisa Nelson**, Federal Reserve Bank of Cleveland  
**Edison Reyes**, Federal Reserve Bank of New York  
**Lauren Shelby**, Federal Reserve Bank of Chicago  
**Steven Shepelwich**, Federal Reserve Bank of Kansas City  
**Libby Starling**, Federal Reserve Bank of Minneapolis  
**Paula Woessner**, Federal Reserve Bank of Minneapolis

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### About the Survey

The spread of the coronavirus (COVID-19) and the many efforts to slow it are impacting communities across the nation. In order to best respond to this crisis, information is needed about the scope and scale of challenges in various communities. This report offers findings of a survey designed to collect information on the effects of COVID-19 on communities and people in low- to moderate-income households and the entities serving them. It was fielded by all 12 Reserve banks and the Board of Governors of the Federal Reserve System<sup>1</sup> between Oct. 7 and Oct. 16, 2020, and resulted in 1,127 responses. Responses were collected through a convenience sampling method that relied on contact databases to identify representatives of nonprofit organizations, financial institutions, government agencies and other community organizations. These representatives were invited by email to participate in an online survey. Similar surveys were conducted in April ([see PDF report](#)), June ([see PDF report](#)) and August ([see PDF report](#)).

Because these surveys rely on a convenience sampling method, the individuals who receive it and respond to it will vary. Each survey provides an insightful and informative “snapshot” into how COVID-19 was affecting people and organizations on the dates the survey was administered. Due to the differences in the composition of respondents, readers should be careful when making comparisons between findings in the survey reports.

### Survey Findings

Overall, the survey finds:

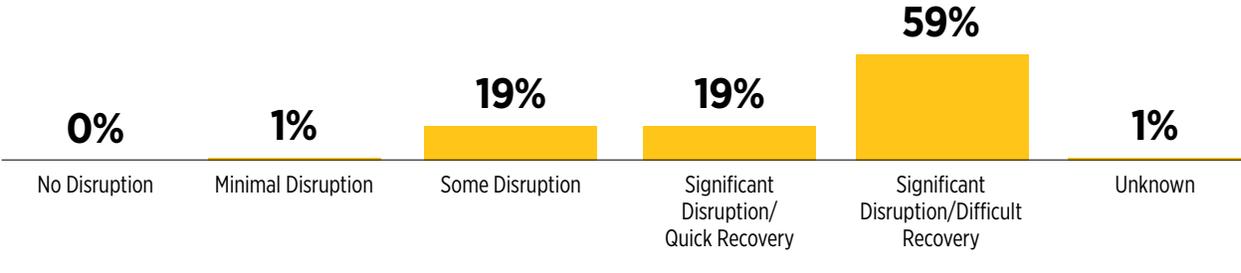
- 59% of respondents indicated COVID-19 was a significant disruption to the economic conditions of the communities they serve and expected recovery to be difficult.
- 38% cited income loss, job loss and unemployment as the top impacts of COVID-19 on the people and communities they serve.
- Over half of respondents (56%) indicated it will take more than 12 months for their communities to return to the conditions prior to the disruption of COVID-19.
- 48% of respondents indicated COVID-19 is having a significant disruption on the entity they represent, with half of them (24% of total respondents) expecting to bounce back quickly after recovery begins.
- 64% indicated demand for their services has increased since August, and 37% noted a corresponding decrease in their ability to provide services. Meanwhile, 53% said their expenses continued to increase, with little sign of increases in funding.
- Almost a quarter of respondents (23%) indicated their entity could operate for less than six months in the current environment before exhibiting financial distress.

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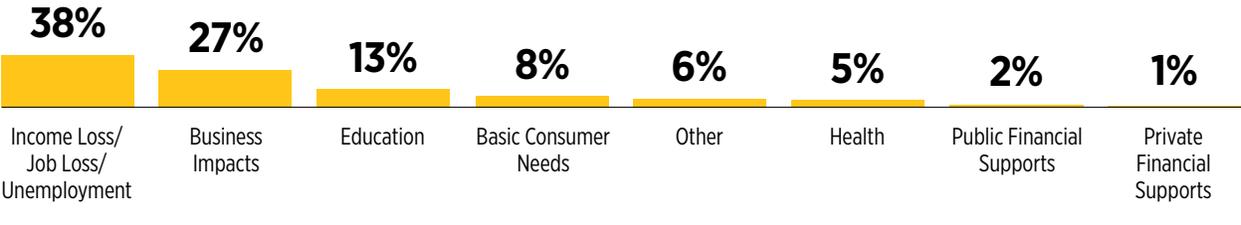
<sup>1</sup> [The Federal Reserve's community development function](#) seeks to promote the economic resilience and mobility of low- to moderate-income and underserved households (LMI) and communities across the United States.

# THE 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=1,119



**At this point in time, what is the top impact of COVID-19 on the people and communities you serve?** N=1,117

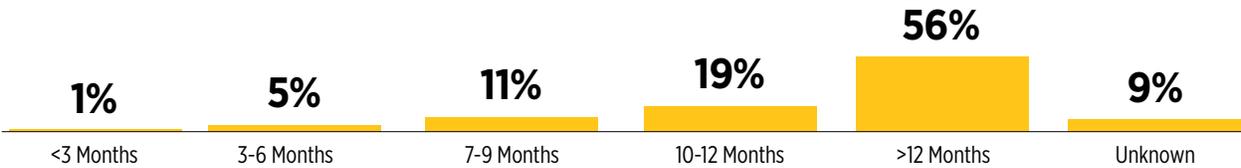


**Over the past eight weeks, how have COVID-19 related impacts changed for the people and communities you serve?**



	Income Loss/ Job Loss/ Unemployment N=1,108	Basic Consumer Needs N=1,097	Business Impacts N=1,099	Education N=1,102	Health N=1,099	Private Financial Supports N=1,095	Public Financial Supports N=1,096
Getting Significantly Worse	18%	15%	15%	20%	13%	11%	19%
Getting Modestly Worse	<b>37%</b>	29%	<b>36%</b>	<b>38%</b>	<b>32%</b>	27%	28%
No Change	19%	<b>31%</b>	18%	18%	31%	<b>35%</b>	<b>29%</b>
Getting Modestly Better	22%	17%	24%	17%	15%	12%	14%
Getting Significantly Better	2%	5%	2%	2%	4%	2%	3%
Unknown	3%	3%	5%	5%	5%	14%	7%

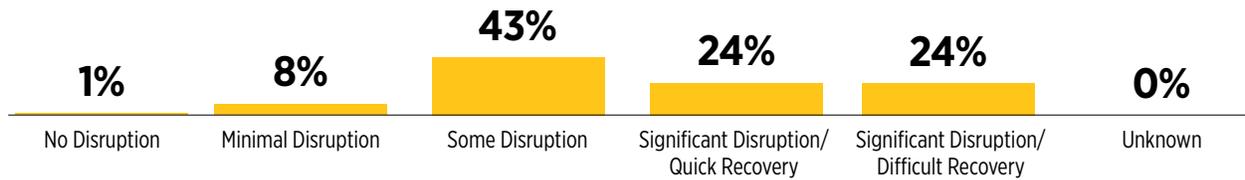
**Starting from today, how long do you expect it will take the people and communities you serve to return to the conditions they were experiencing before the impact of COVID-19?** N=1,113



# THE 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=1,113

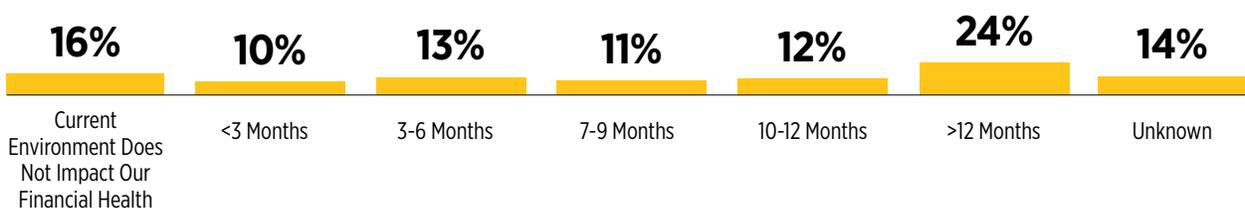


Over the past eight weeks, in what ways has COVID-19 impacted the entity you represent?

	Demand for Services N=1,105	Ability to Provide Services N=1,101	Staffing Levels N=1,100	Expenses N=1,100	Fee for Service N=1,085	Individual Donations N=1,092	Corporate Donations N=1,094	Foundation Funds N=1,085	Government Funds N=1,091	Apps. for Credit N=1,082
Significantly Decreased	9%	10%	7%	3%	9%	12%	13%	8%	10%	4%
Modestly Decreased	11%	27%	22%	16%	11%	17%	15%	11%	9%	4%
No Change	14%	31%	50%	27%	46%	29%	29%	34%	30%	37%
Modestly Increased	29%	21%	13%	35%	7%	12%	12%	15%	20%	10%
Significantly Increased	35%	10%	6%	18%	2%	3%	4%	5%	13%	6%
N/A	1%	1%	3%	2%	24%	27%	27%	28%	18%	39%

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

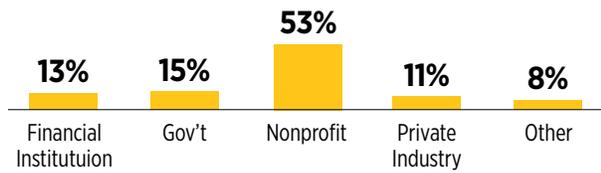
N=1,110



# RESPONDENT PROFILES

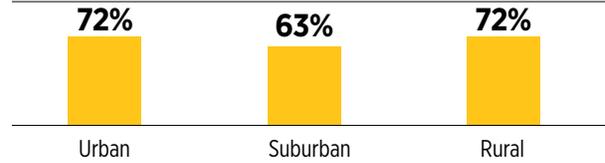
## What type of entity do you represent?

N=1,112



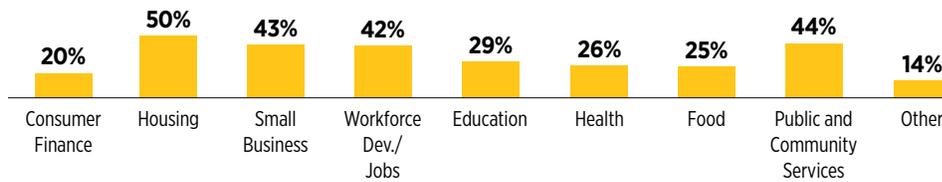
## What type of area do you mostly serve? Select all that apply.\*

N=1,098



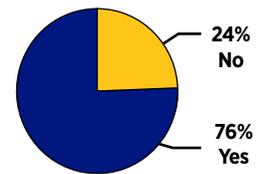
## What issues do you work on? Select all that apply.\*

N=1,069



## Are you a direct service provider?

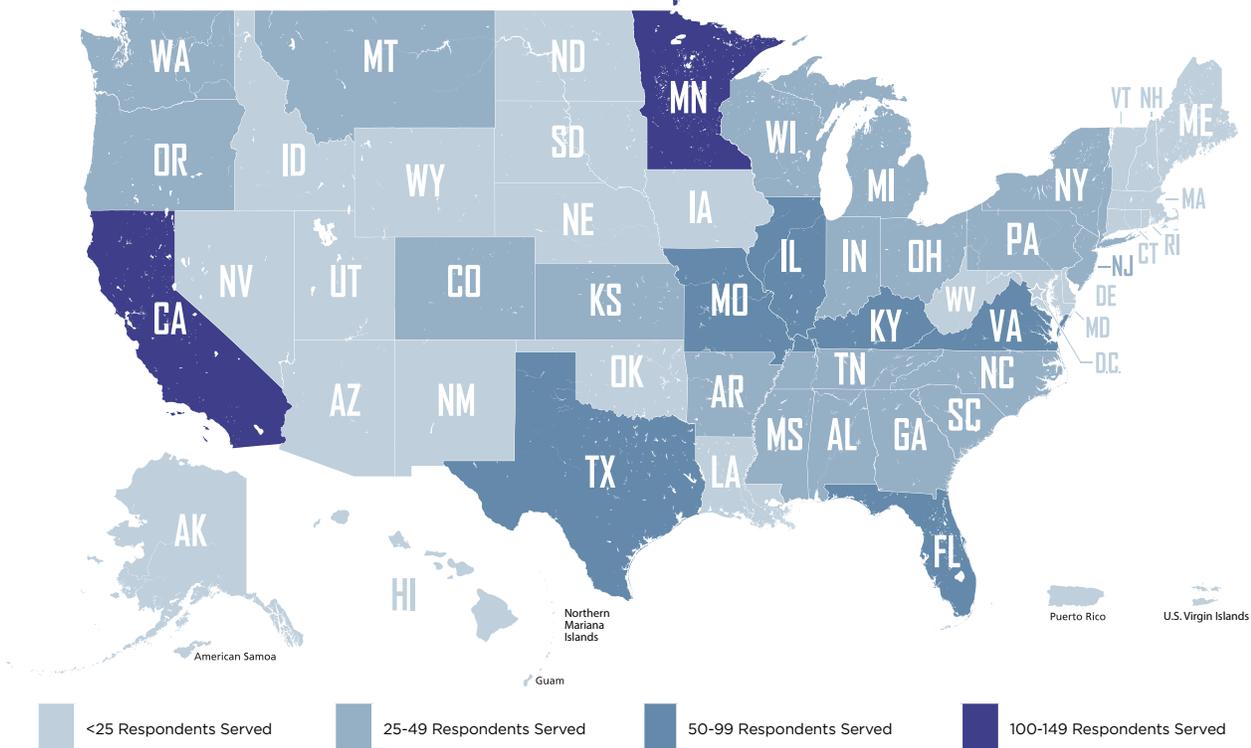
N=1,127



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

## In which states and/or territories do you conduct most of your work? Select all that apply.

N=1,103



## APPENDIX OF TERMS

**Income Loss/Job Loss/Unemployment** — refers to any changes resulting in a reduction of income.

**Impacts on Basic Consumer Needs** — refers to any changes in needs for housing, food and other personal needs.

**Business Impacts** — refers to disruptions through short- or long-term closure, supply chain disruption and reduced demand.

**Education Impacts** — refers to any disruptions in child care, K-12 and higher education.

**Health Impacts** — refers to changes in access to adequate health care or health insurance, and impacts on mental or physical health.

**Impacts on Private Financial Supports** — refers to the ability to access private lending and philanthropic resources to serve individuals and communities.

**Impacts on Public Financial Supports** — refers to the ability to access federal and state resources to serve individuals and communities.