



After 12 years of doing the LMI Survey, why change now?

by: Steven Howland

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There was much to appreciate about the LMI Survey, the Federal Reserve Bank of Kansas City's twice-yearly survey to measure economic conditions in low- and moderate-income (LMI) communities. It was simple to understand, quick to complete, and an opportunity for nonprofits and others to contribute their voices to our work. But as we have all learned over the past two years, change is necessary to keep up with new needs and challenges. There will be some parts of the new **Community Conditions Survey** you'll recognize, but it is substantially different from the previous LMI Survey.

Three factors encouraged the LMI Survey redesign:

- 1 New eyes on the survey during a global crisis,
- 2 Changing Federal Reserve monetary policy guidance,
- 3 The Federal Reserve series, "Racism and the Economy."

New eyes on the survey

Before I joined the Kansas City Fed, former Bank economist Kelly Edmiston managed the LMI Survey. He created the survey as a response to the Great Recession. The Bank saw a need for better data on the conditions of LMI communities that could not be found in traditional economic data. The LMI Survey filled that need, and the survey was replicated at other Banks in the Federal Reserve System. The LMI Survey was one of the primary benchmark datasets for measuring conditions in LMI communities for 12 years.

When I joined the Bank, we were starting to recover from the worst of the pandemic recession. Between massive job losses in largely low-wage industries and large amounts of relief funds, there were many questions about how LMI communities were faring. Most standard surveys, including the LMI Survey, were ill-suited for the task. Although we would not always need to answer the immediate questions relating to the pandemic, it was clear we needed a survey nimble enough to answer more complex questions.

Thus, I conducted an evaluation of the survey. I talked to internal stakeholders about what they would like to know, explored what other Reserve Banks were doing, and conducted a visioning exercise with the Community Development team. I found that while the LMI Survey offered some of what we wanted to know, we wanted more. We wanted:

- More context to the answers
- To learn about a broader array of topic areas
- To be able to ask questions about race
- A stronger connection between the survey and our engagement strategy

Federal Reserve monetary policy stance

In August 2020, Federal Reserve Chair Jerome Powell announced a [change in monetary policy guidance](#). By allowing the economy to run hotter for longer it was expected to improve employment prospects for workers who faced larger barriers to employment. This decision directly affected community development departments across the System. To meet the challenge of this change in monetary policy, we needed to be able to provide better data on low-income and moderate-income communities.

Expanding the voices in our data

The Federal Reserve has hosted 10 sessions in the recent [“Racism and the Economy” series](#). The sessions have highlighted racial inequities across a variety of social, political and economic systems. More important to our activities at the Federal Reserve, the sessions discussed the Federal Reserve’s role in contributing to and addressing economic inequities. In the [series kick-off event](#), Neel Kashkari, president of the Minneapolis Fed, noted that the Federal Reserve’s Beige Book was focused more on the voices of business leaders than workers and diverse populations. The Beige Book is a brief qualitative economic report published prior to each Federal Open Market Committee meeting where Federal Reserve monetary policy decisions are made. The lack of representation by LMI populations and people of color in the Beige Book lessened their voices in determining monetary policy.

For instance, unemployment rates are an important data point when determining monetary policy. However, the unemployment rate for Black workers has consistently run nearly double that of white workers. To the extent monetary policy affects their economic conditions, we should work to include the voices of people of color in the data provided to make monetary policy decisions. Between internal stakeholders, LMI Survey respondents and our other community contacts, there was a large desire to see us do more to intentionally report on the experiences in communities of color.

There was also a need to better understand more economic topics affecting LMI populations. Just asking questions about jobs, housing, credit and small business was not enough. By asking questions across more economic topics, such as health and K-12

education, we can identify different ways to spur better financial futures for the most vulnerable populations we serve.

The new survey is a starting point toward being more intentional and inclusive. It will take time for the survey to be in a better position to offer a better voice for communities of color. And much of that work will take place behind the scenes in our recruitment. Learn more about [how the Community Development team plans to use the survey](#).

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Steven Howland is senior researcher in the community development department of the Federal Reserve Bank of Kansas City. Howland performs analyses on various surveys, such as the Community Insights Survey, and those at the System level to provide insight on the conditions of LMI communities in the Kansas City District. He also conducts independent research that gives more insight into issues affecting LMI communities. Howland joined the Kansas City Fed in August 2020 after a career as a college instructor and researcher. Howland has undergraduate and graduate degrees in urban and environmental planning from Arizona State University and has a doctorate in urban studies from Portland State University. Howland enjoys reading both academic works and sci-fi/fantasy novels as well as playing video and board games. Post-pandemic, he looks forward to getting on some roller coasters and visiting craft breweries. Highlights of his work include: [“I should have moved somewhere else’: The impacts of gentrification on transportation and social support for Black working-poor families in Portland, Oregon”](#) [“Evictions and the pandemic economy in the Tenth District”](#) To learn more about Steven: [Howland researches issues facing disadvantaged populations - Federal Reserve Bank of Kansas City](#) **About the Federal Reserve Bank of Kansas City** The Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks that, along with the Board of Governors in Washington, D.C., make up our nation's central bank. We work in the public's interest by supporting economic and financial stability. The Kansas City Fed's territory includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming. Our headquarters is in Kansas City, with branch offices in Denver, Omaha and Oklahoma City. The Kansas City Fed Community Development Department promotes economic development and public understanding that leads to progress for lower-income individuals and communities. Our focus areas include community development investments, digital inclusion, small business / entrepreneurship, and workforce development.

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