



FEDERAL RESERVE BANK *of* KANSAS CITY

# Economic Conditions in Low- and Moderate-Income Communities

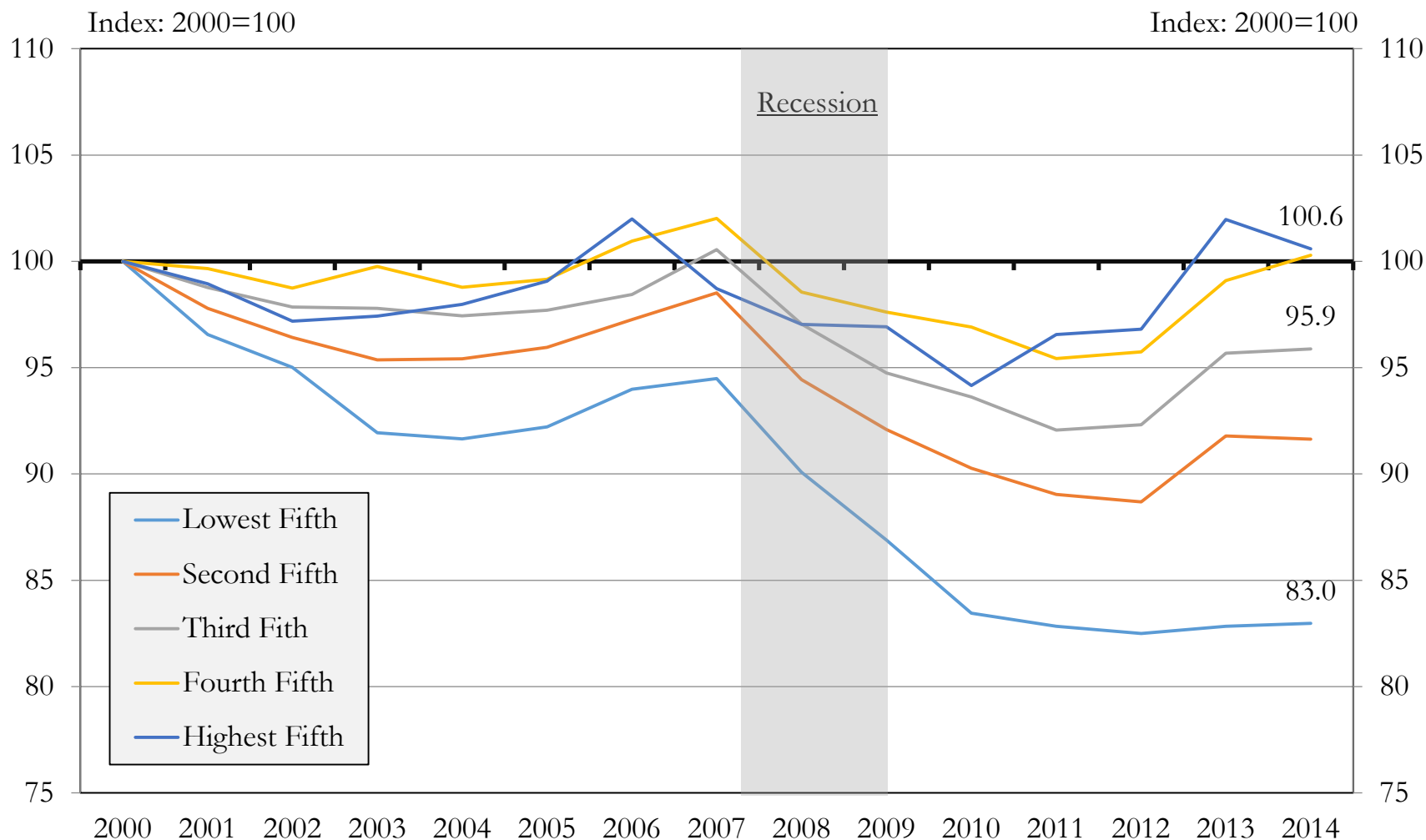
*Strong Schools. Strong Communities. Strong Academics*  
*Kansas City Public Schools Partnerships Breakfast and Forum*

Kelly D. Edmiston, Senior Economist  
Federal Reserve Bank of Kansas City

## DISCLAIMER

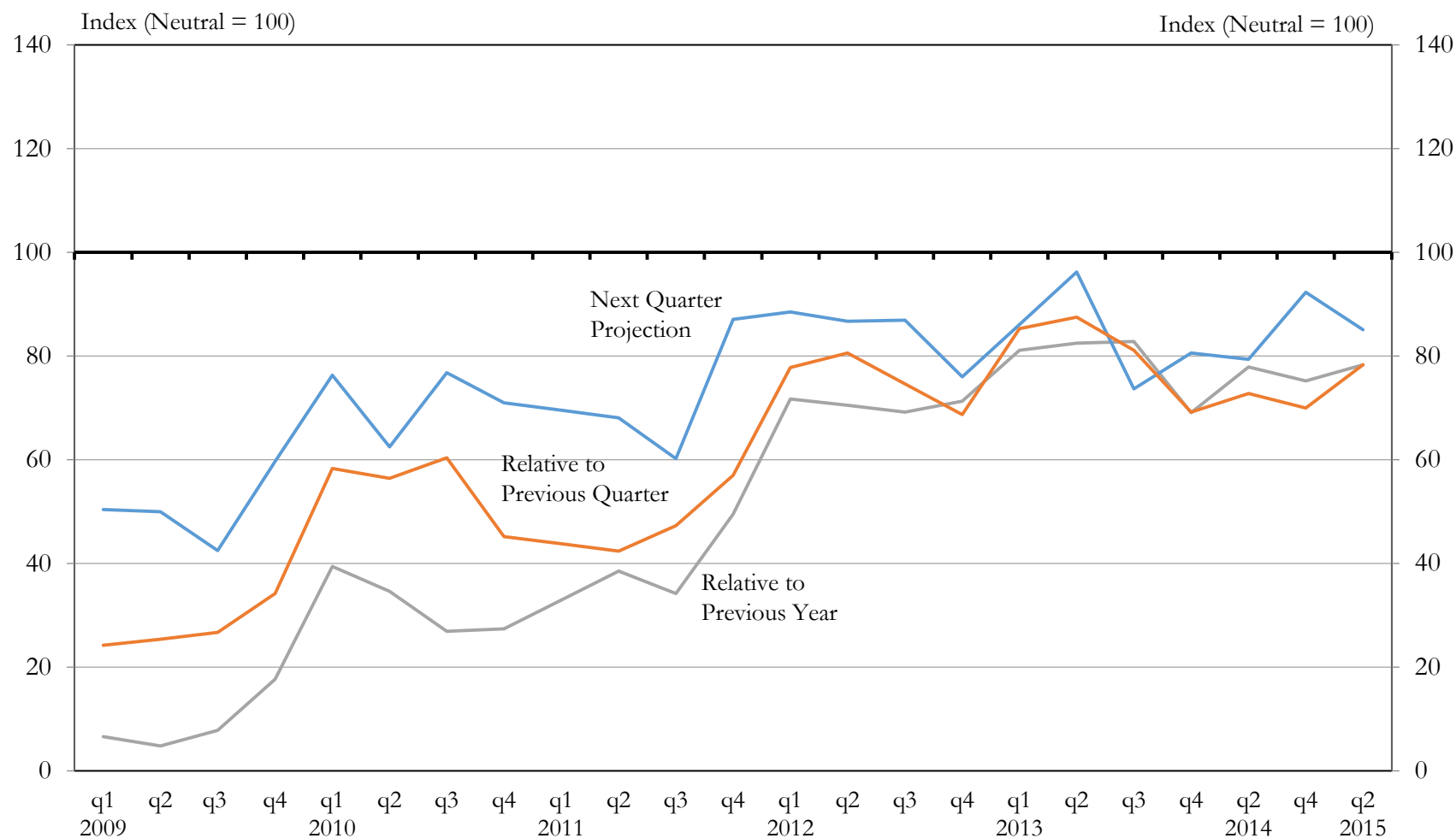
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Inflation-adjusted family income fell for all quintiles over the course of the recession and early recovery, but especially for families with the lowest incomes.



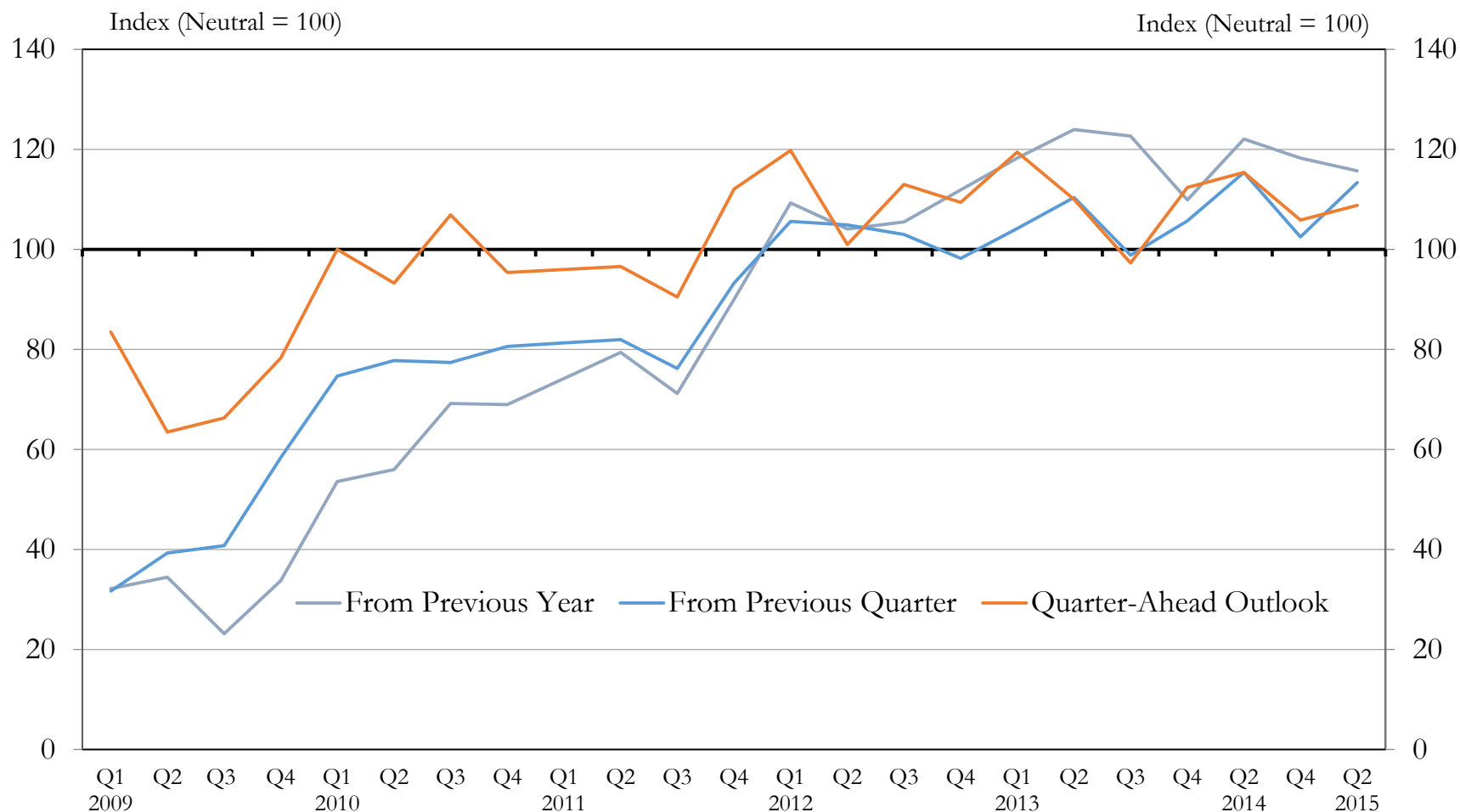
Data Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement

General assessments of LMI Survey respondents suggest that, while the national economy has largely recovered to pre-recession levels, the LMI community continues to struggle.



Source: Federal Reserve Bank of Kansas City

The general consensus of LMI Survey participants is that jobs for LMI workers are increasingly available, but individual responses largely reflected local economic conditions.

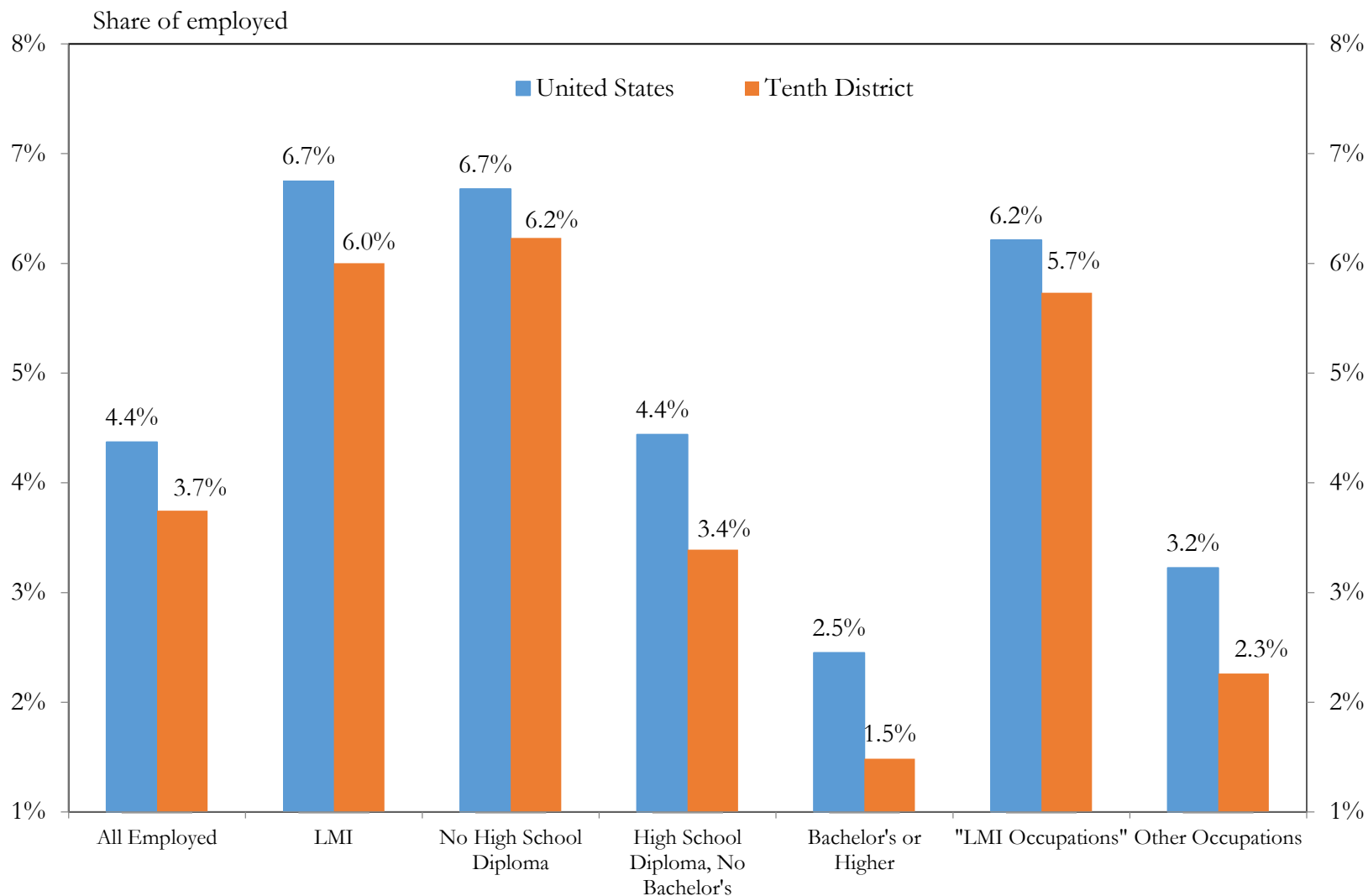


Source: Federal Reserve Bank of Kansas City, "Tenth District LMI Economic Conditions," August, 2015

# Other Labor Issues Highlighted by LMI Survey Reports

- In most larger places in the District, jobs are available for LMI workers (especially retail) if they are willing to accept the conditions and wages offered and are not especially difficult to employ (work, credit, and criminal histories)
- But many of the job gains have been part-time jobs
- Most survey respondents suggested that wages have been stagnant with job growth excepting regional changes in minimum wage

A significant share of the employed are working part time for economic reasons, especially among the LMI.

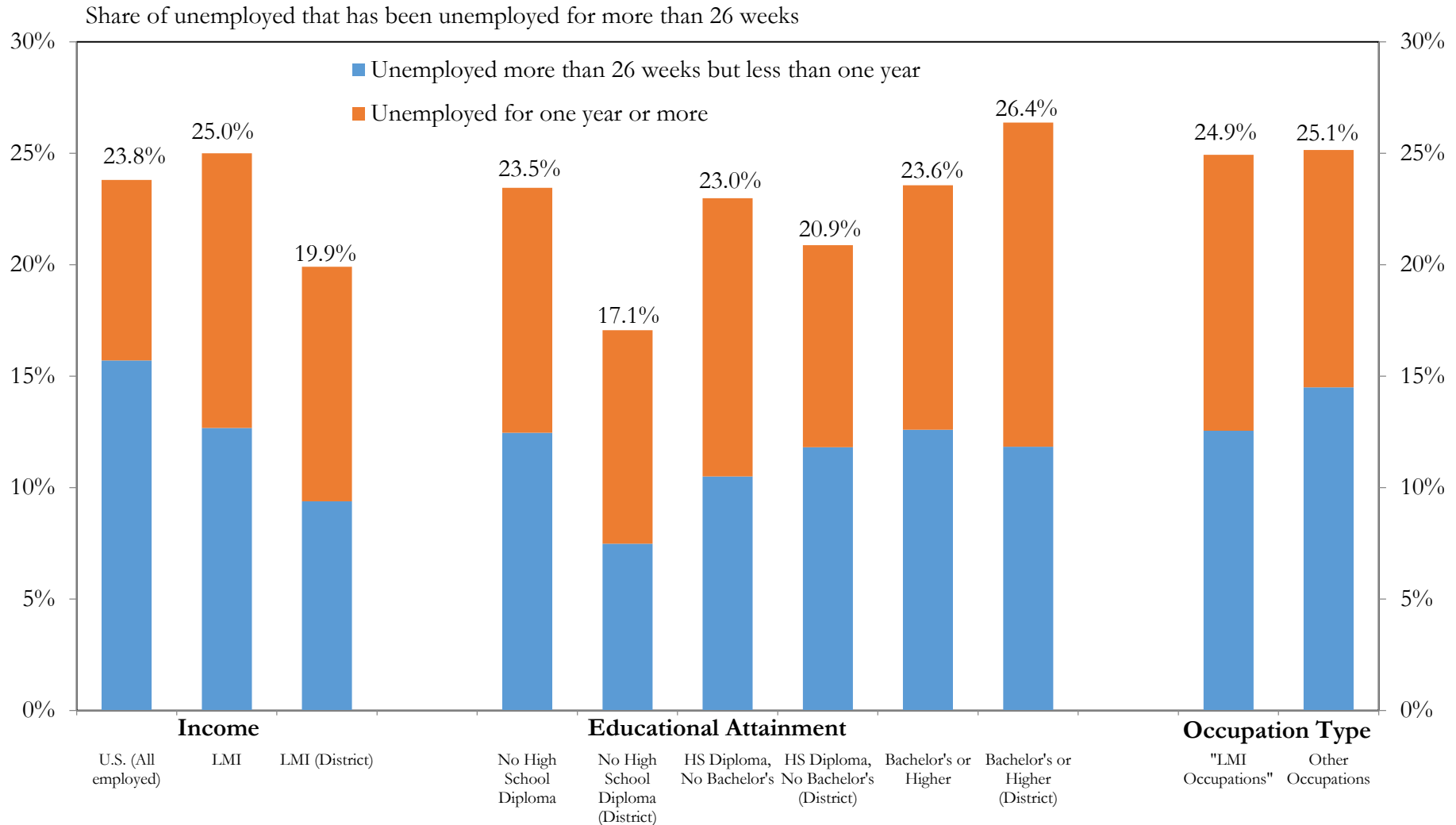


Source: Federal Reserve Bank of Kansas City, "Tenth District LMI Economic Conditions," August, 2015

# Additional Issues Highlighted by LMI Survey Reports

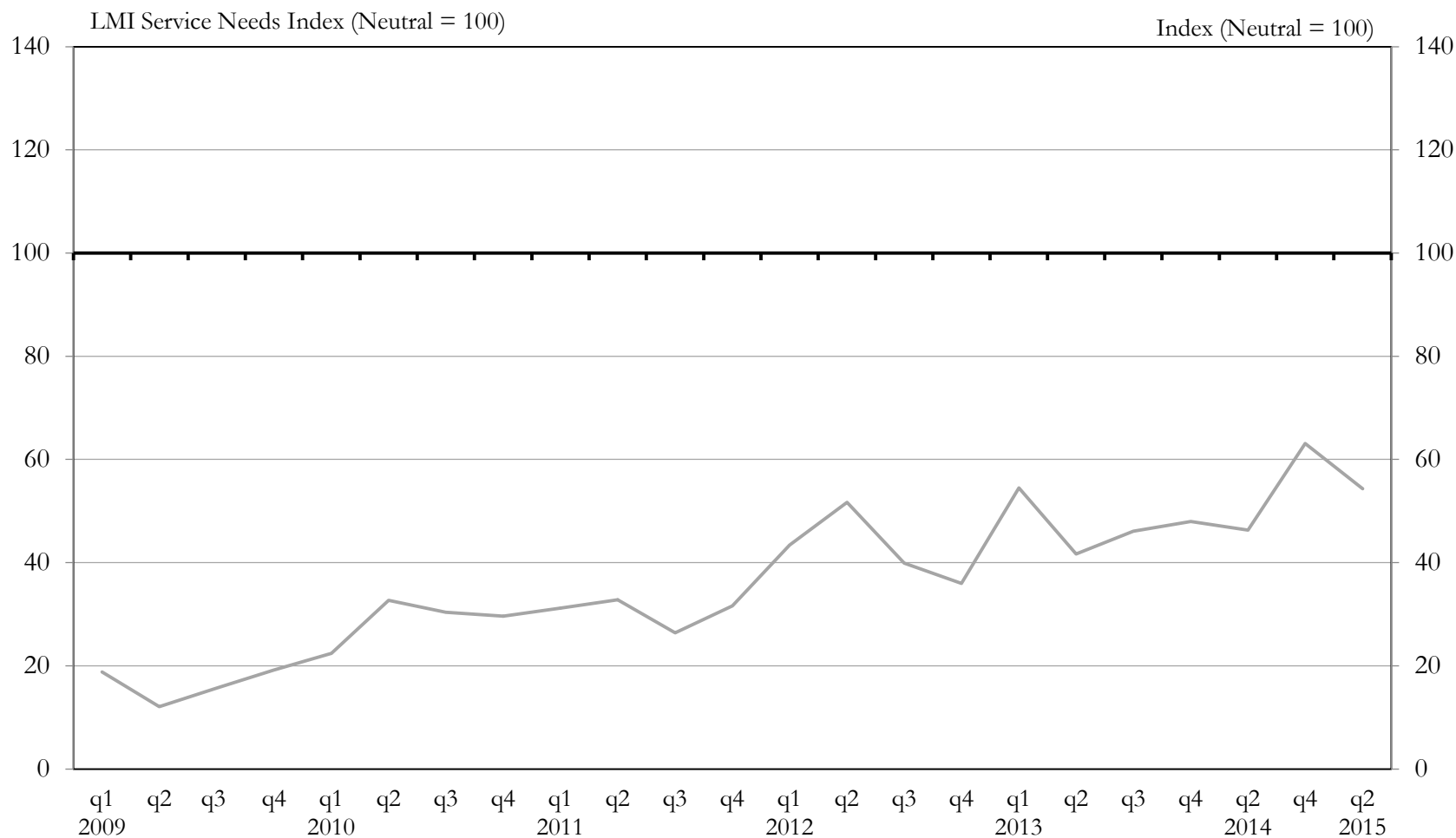
- A number of labor market issues continue to challenge LMI workers
  - Education, training, and experience needed to advance
  - Childcare
  - Transportation
  - Frequent change in residency

Long-term unemployment has been a considerably more pressing issue than in past recessions and recoveries, but it is easing quickly. Long-term unemployment has not hit the LMI especially hard.



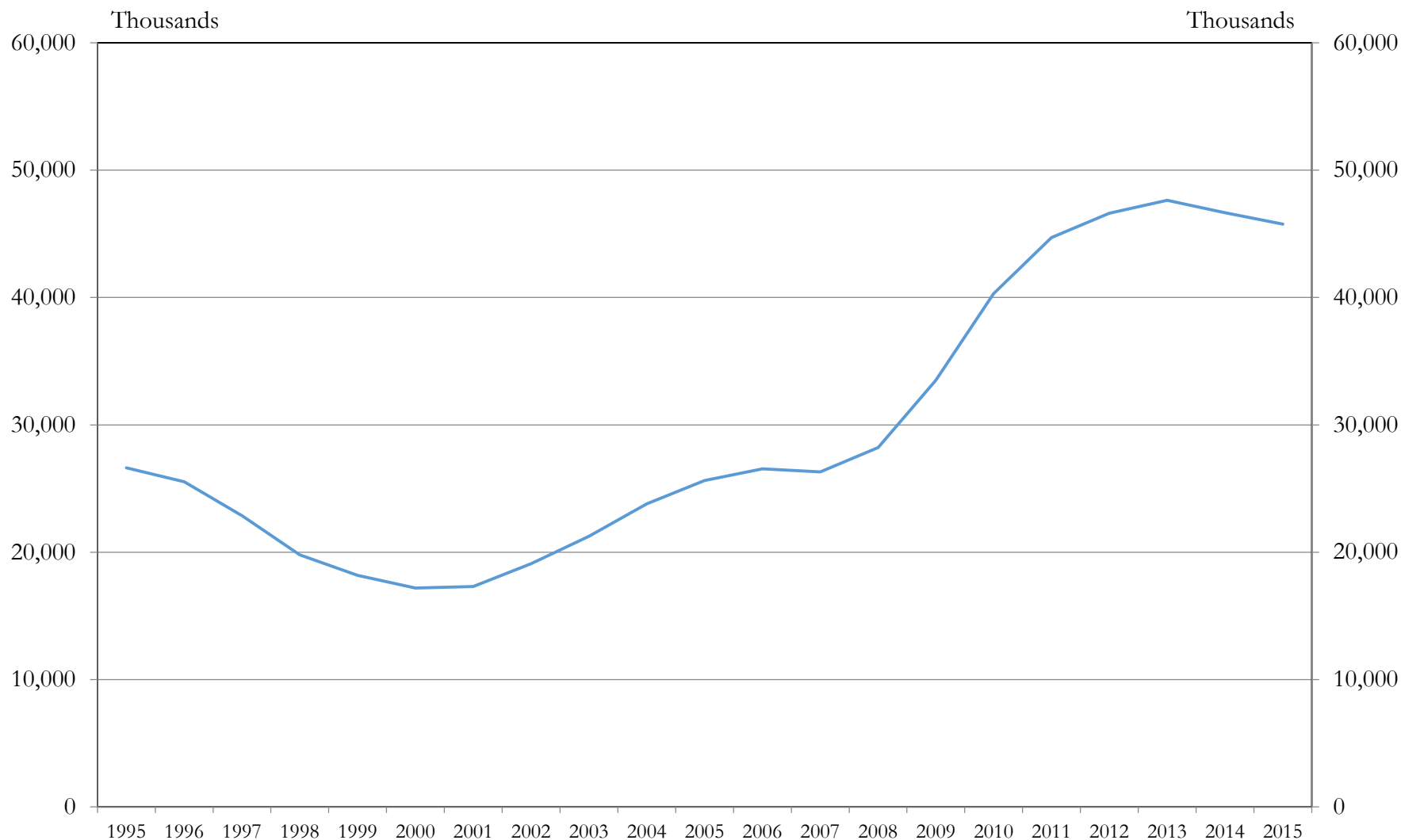
Source: Federal Reserve Bank of Kansas City, "Tenth District LMI Economic Conditions," August, 2015

But long-term unemployment is likely a key driver for continuing increases in the demand for social services.



Source: Federal Reserve Bank of Kansas City

SNAP participation trends are consistent with findings of the LMI survey: demand for benefits increased consistently during the economic recovery.



Source: U.S. Department of Agriculture, Food and Nutrition Service

# Summary

- The LMI economy is recovering, but lags the recovery of the national economy.
- Labor market conditions have improved for LMI workers (with a lag), but available jobs generally are not high quality.
- A significant share of LMI workers are “involuntary” part-time workers.
- Long-term LMI unemployment has not been greater than in other sectors, but unemployed LMI workers are more likely to require services, and the demand for service remains very high by historical standards.



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