



FEDERAL RESERVE BANK *of* KANSAS CITY

Economic and Housing Conditions in Low- and Moderate-Income Communities

*2016 Housing Innovation Marketplace
Nebraska Investment Finance Authority*

March 22, 2016

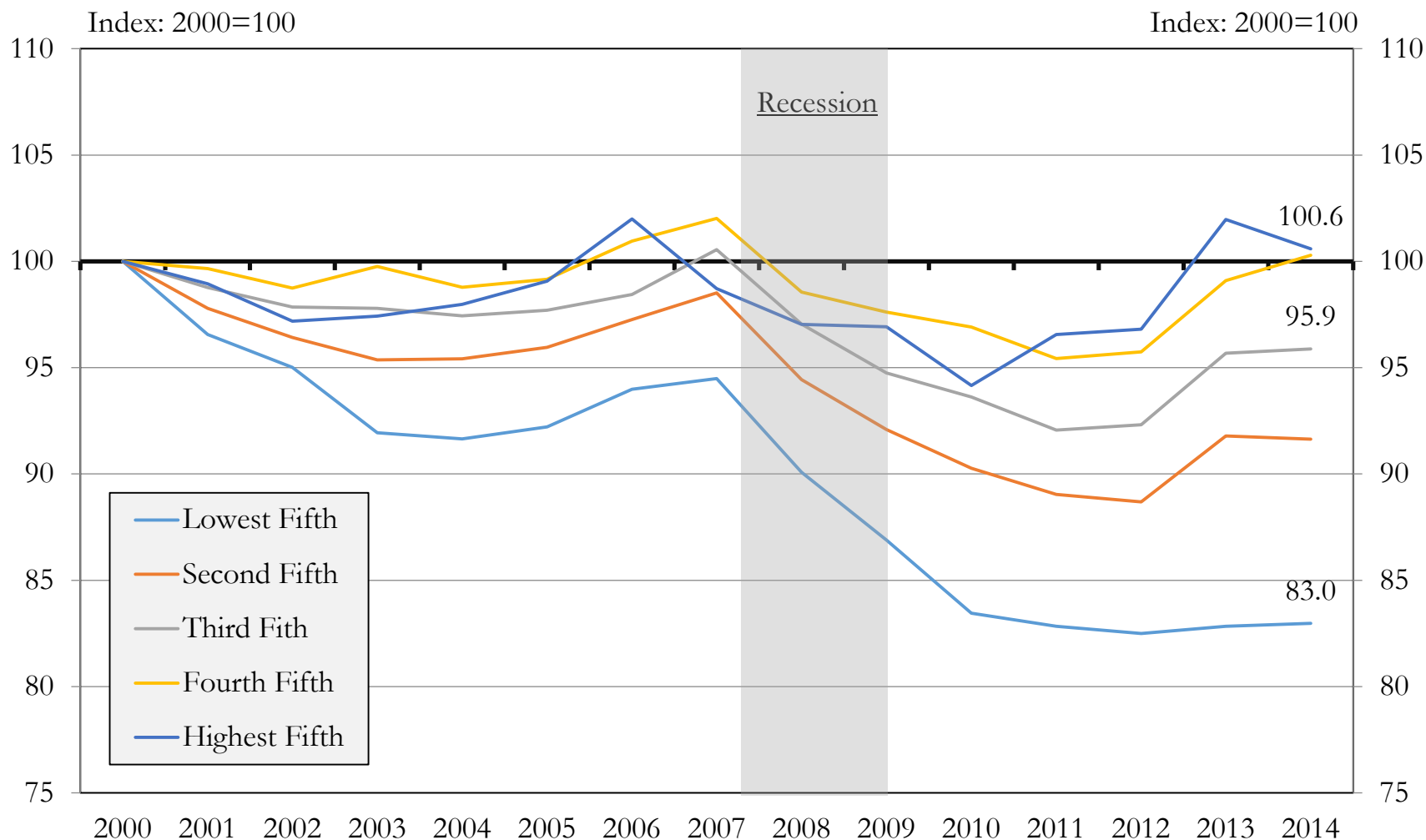
La Vista, NE

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DISCLAIMER

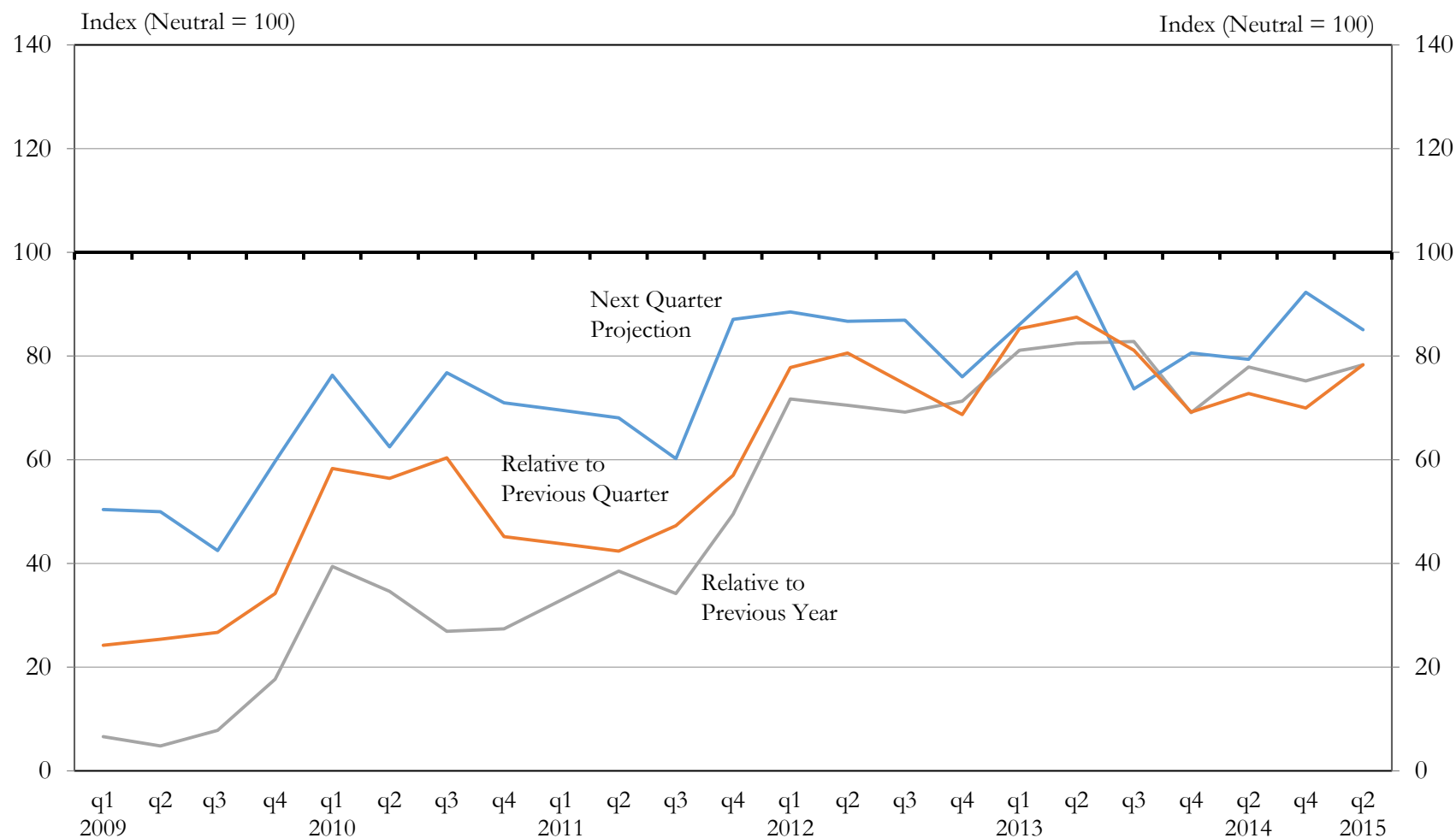
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Inflation-adjusted family income fell for all quintiles over the course of the recession and early recovery, but especially for families with the lowest incomes.



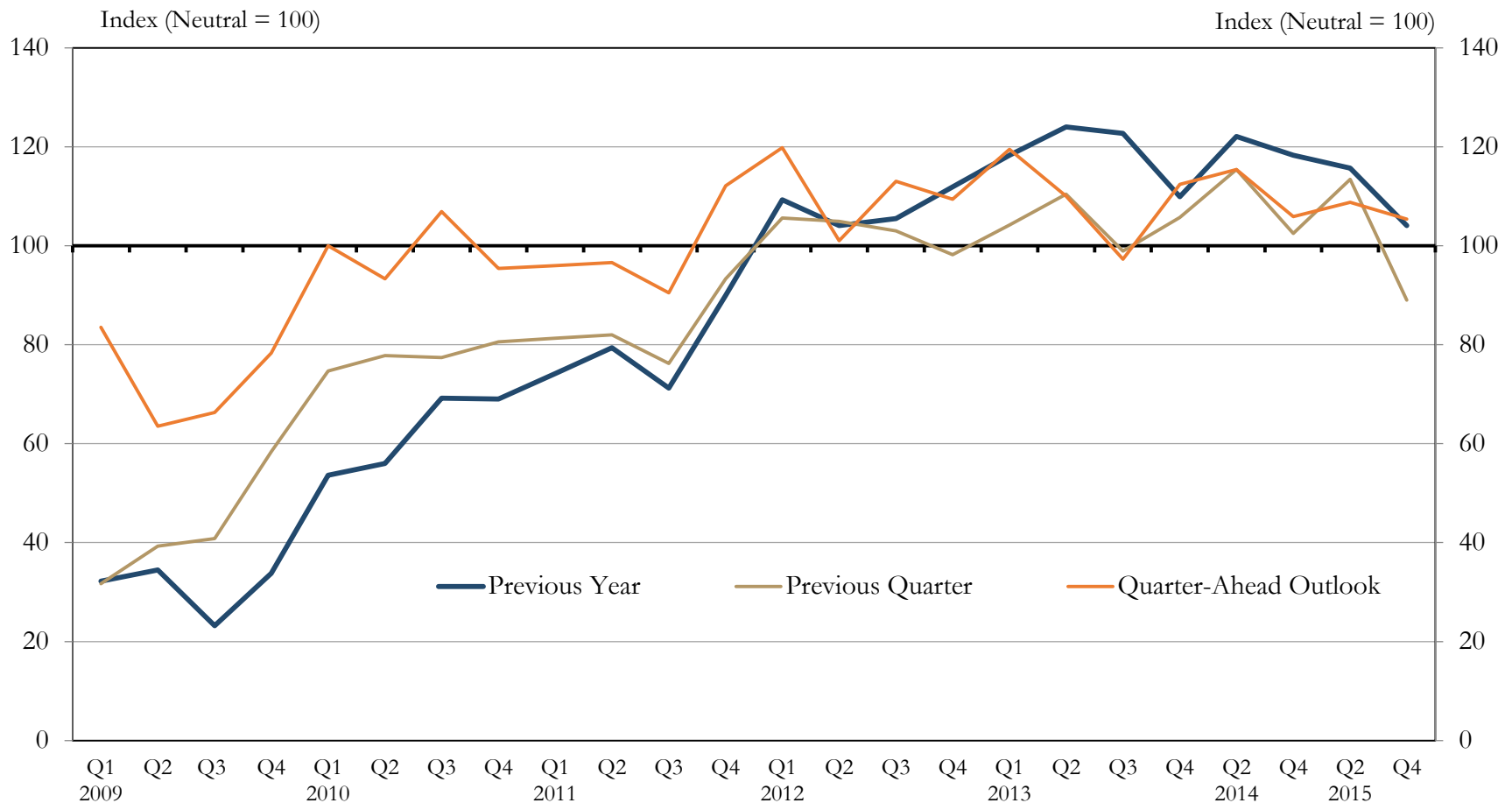
Data Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement

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 survey participants is that jobs for LMI workers are increasingly available, but individual responses largely reflected local economic conditions. The most recent results suggest a temporary pause in job recovery in some areas.

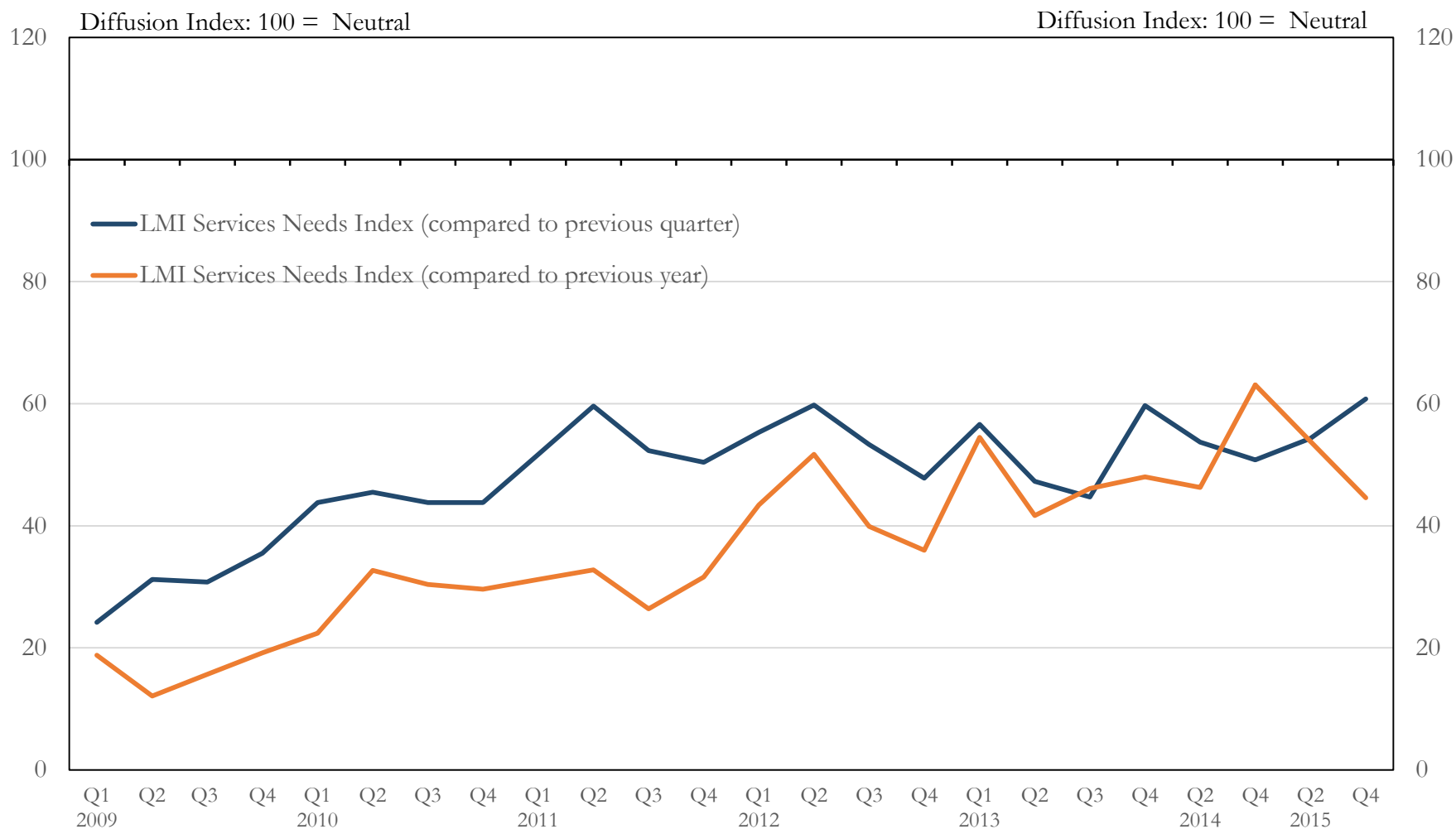


Source: Federal Reserve Bank of Kansas City, "Tenth District LMI Economic Conditions," March, 2016

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

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

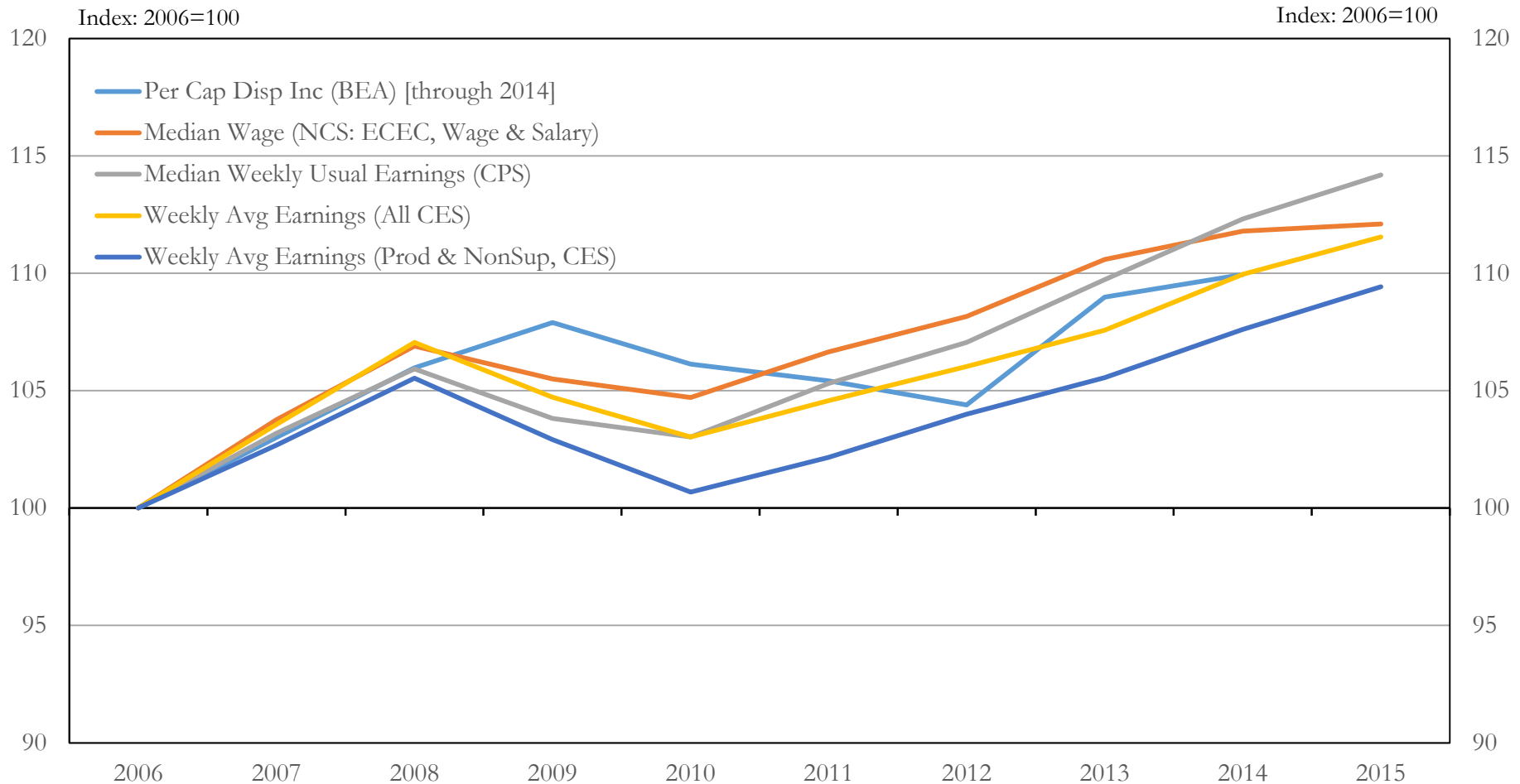


Source: Federal Reserve Bank of Kansas City, "Tenth District LMI Economic Conditions," March, 2016

Summary of Economic Conditions

- 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.
- Long-term unemployed LMI workers are more likely to require services, and the demand for service remains very high by historical standards.

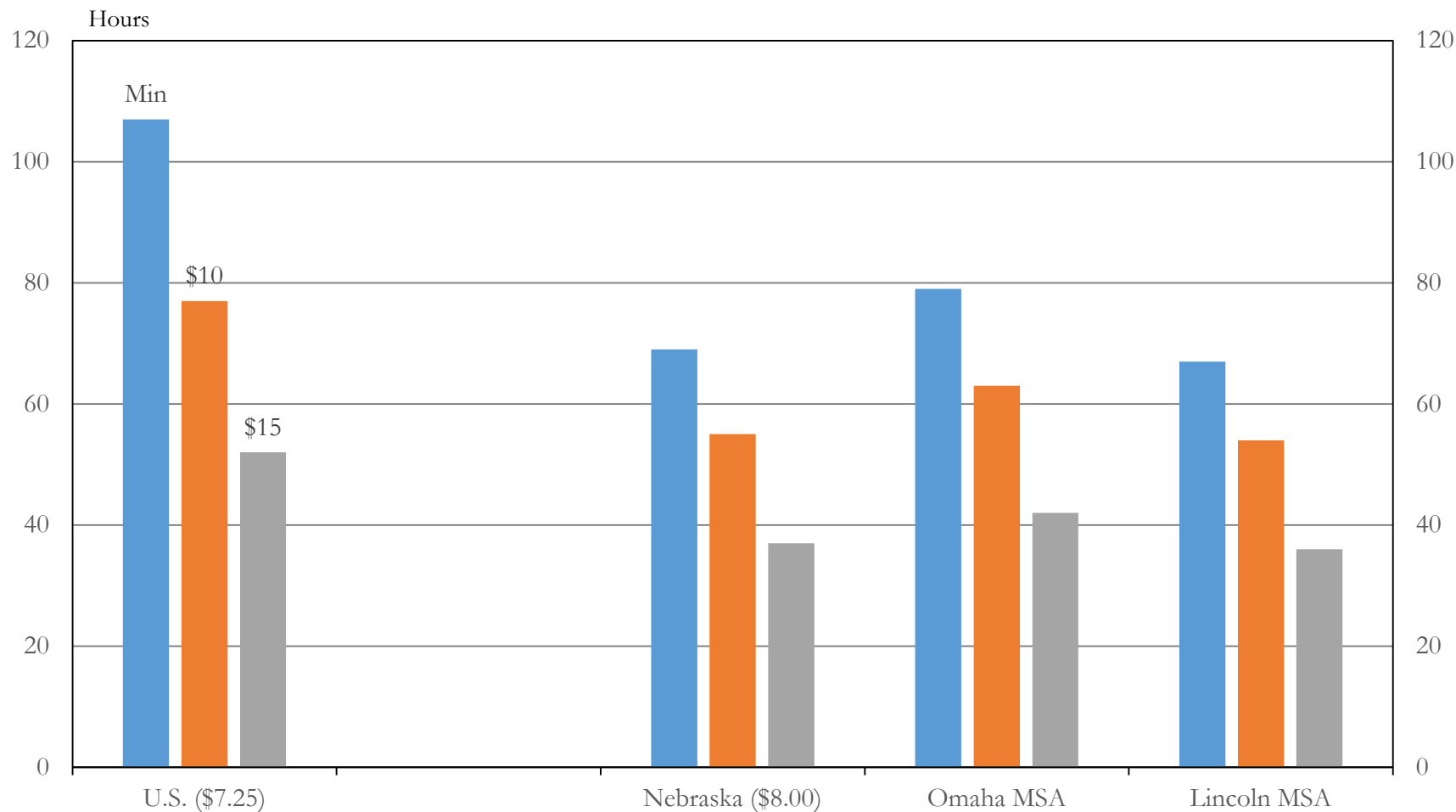
Multifamily rent has become increasingly less affordable



Note: Higher numbers mean less affordable

Source: Federal Reserve Bank of Kansas City, U.S. Bureau of Labor Statistics

Housing wages are lower in Nebraska but high enough to make fair market rent unaffordable for many low-income workers.



Note: Excludes any statutory overtime pay

Source: National Low-Income Housing Coalition, "Out of Reach," 2016.



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