

Economic Conditions in the U.S., Region, and Low- and Moderate-Income Communities

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Kansas City, MO*

March 29, 2018

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Senior Economist*



Disclaimer

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Recent News
LMCI suggest the level of activity increased and momentum remained high in February
March 19, 2018
Federal Reserve Consumer Help turns 10
March 14, 2018
Aftermath of disaster: Storms, fires test planning, patience
March 14, 2018
The KCFSI suggests financial stress remains muted
March 08, 2018
How Invested Is Oklahoma in the Stock Market?
March 07, 2018

Events
Mar 22, 2018 | Investing in America's Workforce: Engaging Workers in Creating Good Jobs (webinar)
Mar 27 - 28, 2018 | Midwest Anti-Money Laundering Conference
Mar 29, 2018 | Engaging Banks in Workforce Development: Part 2 (webinar)
Apr 5, 2018 | Regulatory Update Seminar - Kansas City
Apr 7, 2018 | Money Smart Day
[View more events](#)

Manufacturing Survey
Composite Index vs. a Month Ago
[View the latest survey data](#)

Date	Composite Index
17-Feb	14
17-Mar	18
17-Apr	10
17-May	9
17-Jun	12
17-Jul	12
17-Aug	16
17-Sep	18
17-Oct	22
17-Nov	15
17-Dec	13
18-Jan	16
18-Feb	17

Composite Index

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Community Research

Our research focuses on challenging issues affecting economic prospects in low- and moderate- income communities and brings together community stakeholders to explore prospective solutions.



Recent Data

- [LMI Economic Conditions](#)
- [Consumer Credit Reports](#)
- [Regional Economy](#)

Research Articles

Financial Vulnerability and Personal Finance Outcomes of Natural Disasters

By Kelly D. Edmiston

RESEARCH WORKING PAPER | Financial vulnerability, as measured by past due bills or bank card utilization rates, has a significant effect on personal financial outcomes after a natural disaster.

Student Loan Relief Programs: Implications for Borrowers and the Federal Government

By Kelly D. Edmiston and Wenhua Di

RESEARCH WORKING PAPER | Student loan relief plans can help struggling borrowers stay current on their debt and benefit from substantial debt write-offs in as little as 10 years, but these plans can impose a significant fiscal burden on taxpayers.

Residential Rent Affordability across U.S. Metropolitan Areas

By Kelly D. Edmiston

ECONOMIC REVIEW | Kelly D. Edmiston examines recent trends in rent affordability for both low- and middle-income households and across metropolitan areas.

The Low- and Moderate- Income (LMI) Population in Recession and Recovery: Results From A New Survey

D. Edmiston

Map Your Community



Map Your Community is a web-based mapping tool that allows users to create current and historical spatial economic and demographic conditions.

[View our regional profiles >](#)

Data and Analysis

Tenth District LMI Economic Conditions

Get a snapshot of low- and moderate-income (LMI) economic conditions in the Federal Reserve Tenth District. (The Tenth District LMI Survey and LMI Labor Force Report were consolidated into LMI Economic Conditions in August, 2015.)

Consumer Credit Reports

Get a snapshot of consumer credit conditions in the Tenth District.

National Consumer Credit Maps

The New York Fed uses its expertise and knowledge to provide detailed data on U.S. credit conditions.

Research Publications

Meet Our Economist

Kelly Edmiston

Our senior economist conducts research on issues involving regional economic growth, economic development and community development.

[Full bio](#)

<https://www.kansascityfed.org/research/indicator/data/lmi-economic-conditions>



Tax Cut and Jobs Act

Economic Conditions in the U.S., Region, and Low- and Moderate-Income Communities



Key Individual Income Tax Provisions: Tax Cuts and Jobs Act

Current Law		Tax Cuts and Jobs Act	
10%	\$0–\$19,050	10%	\$0–\$19,050
15%	\$19,050–\$77,400	12%	\$19,050–\$77,400
25%	\$77,400–\$156,150	22%	\$77,400–\$165,000
28%	\$156,150–\$237,950	24%	\$165,000–\$315,000
33%	\$237,950–\$424,950	32%	\$315,000–\$400,000
35%	\$424,950–\$480,050	35%	\$400,000–\$600,000
39.6%	\$480,050+	37%	\$600,000+
Sunset: January 1, 2026 reverts back to 2017 tax structure			



Key Individual Income Tax Provisions: Tax Cuts and Jobs Act

- Nearly doubles standard deduction
- Indexes tax brackets to chained CPI
- Eliminates personal exemption
- Expands child tax credit from \$1,000 to \$2,000 and significantly increases the phase-out (first \$1,400 refundable)
- Mortgage interest deduction capped at \$750,000; no HELOC deduction
- State and local tax deductions (property and income or sales) limited to combined \$10,000
- *Top rate for c-corps reduced from 35% to 21%

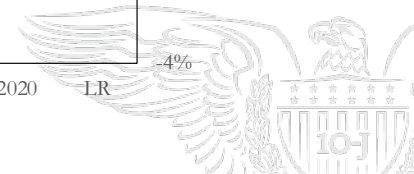
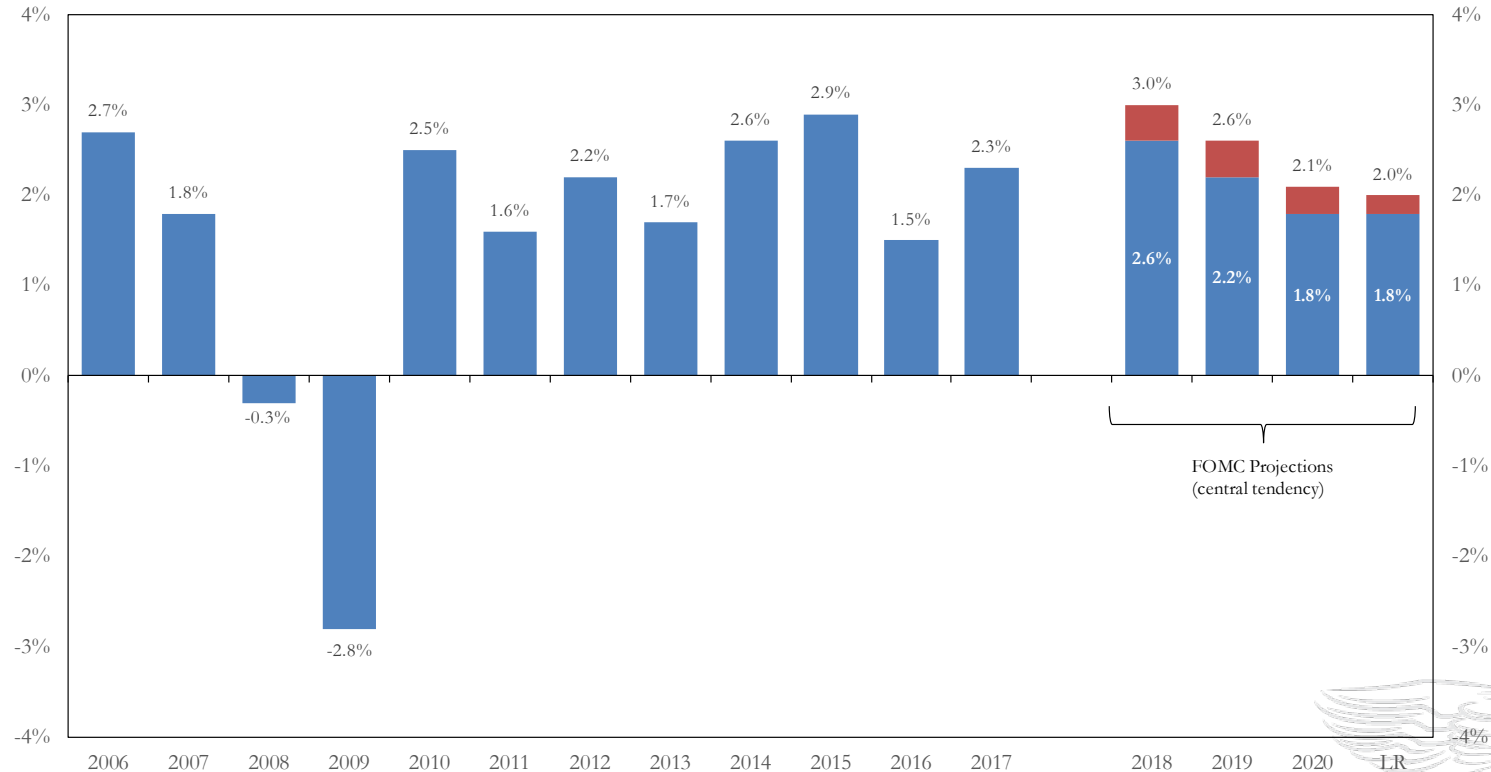


General Conditions

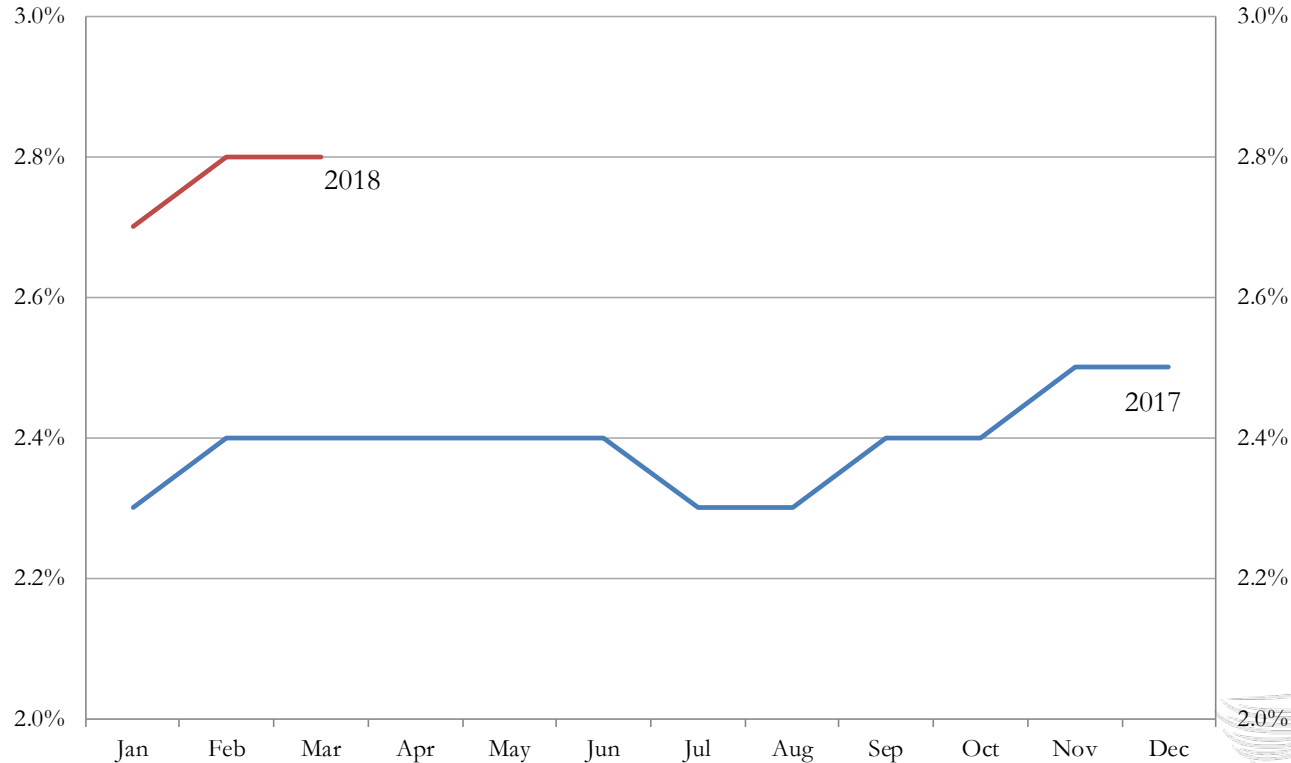
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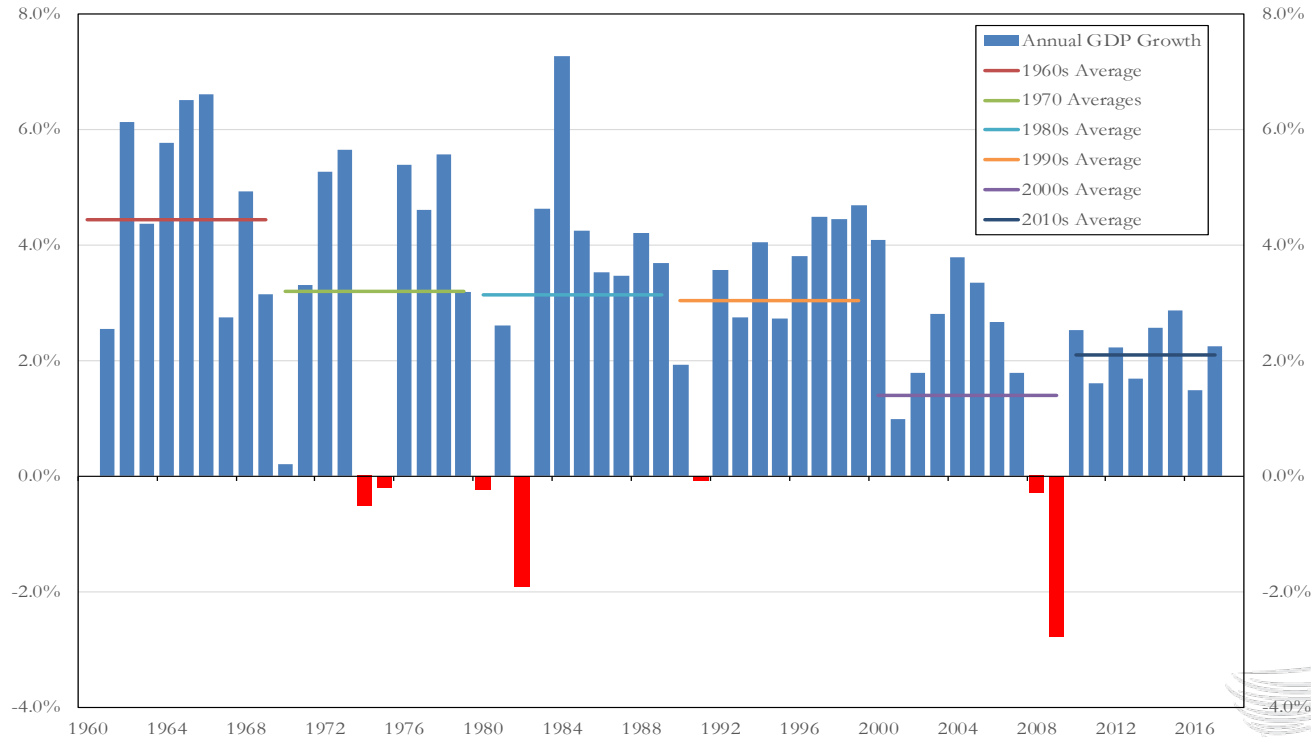
Historical GDP and FOMC Forecast



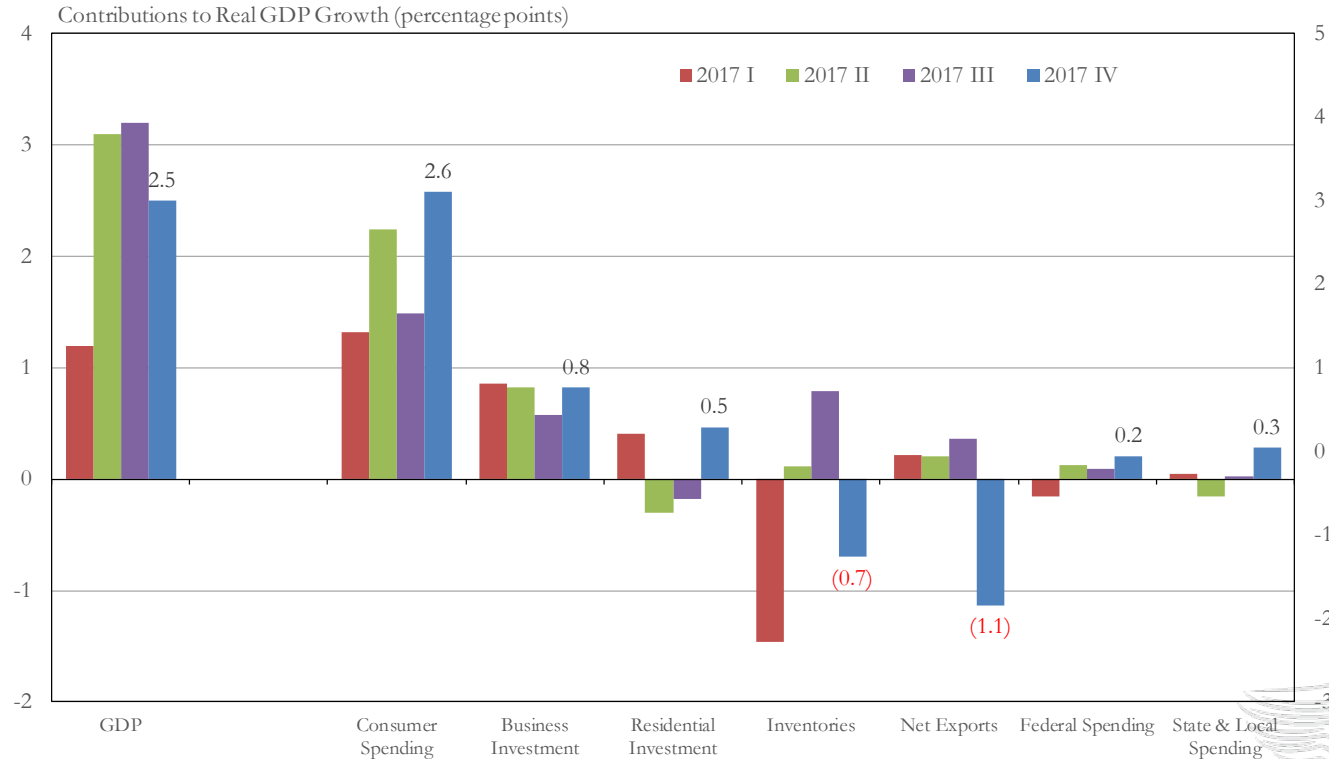
Consensus Forecasts for 2018



Slower Average Growth Over Time



Contributions to GDP



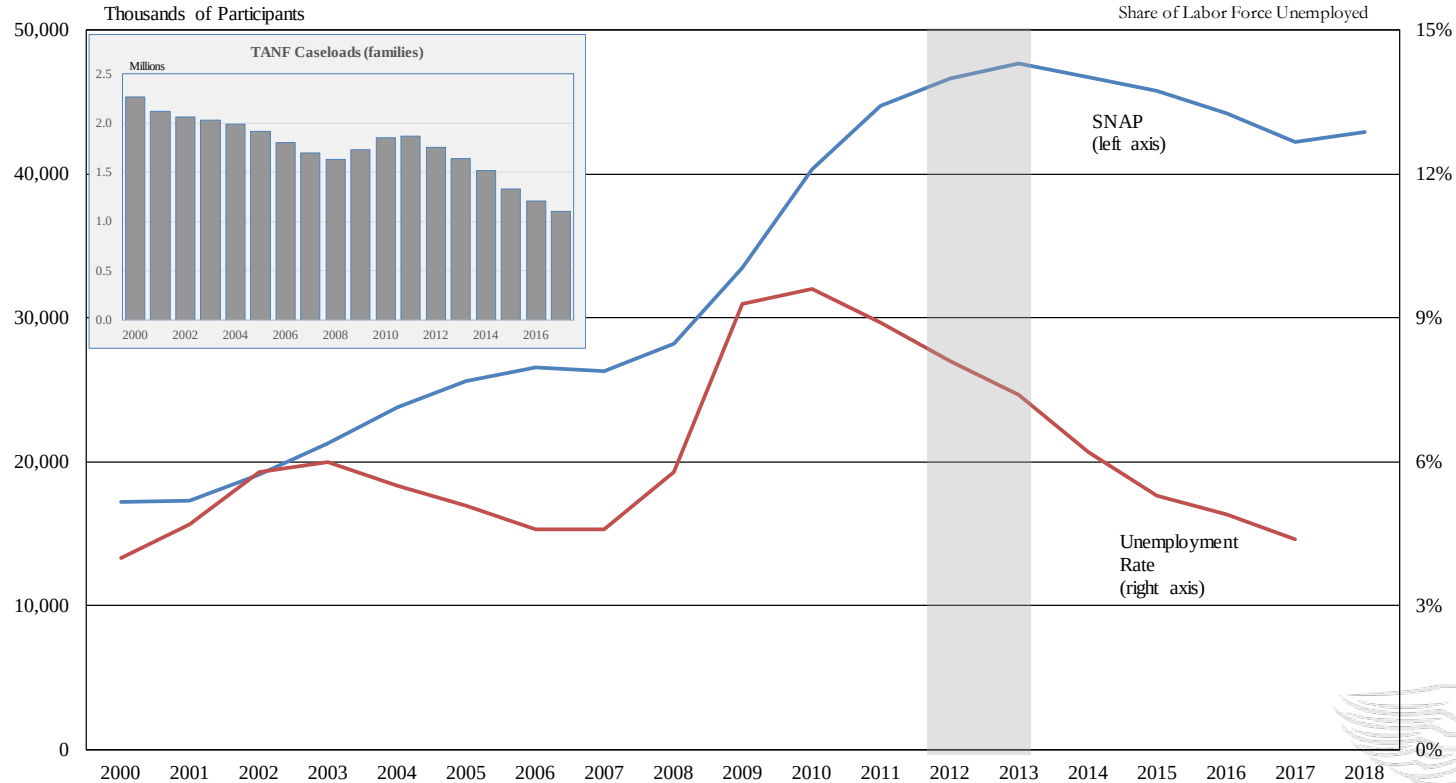
LMI Financial Condition Index



LMI Services Needs Index



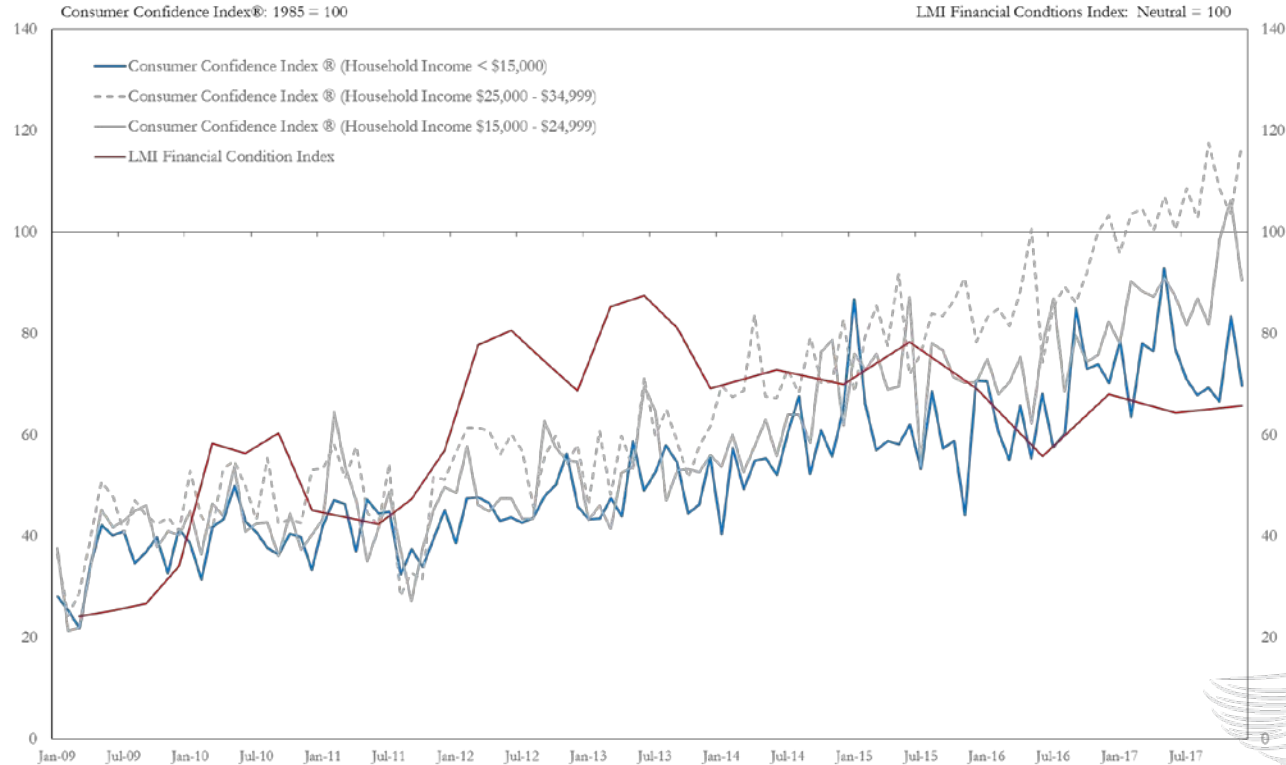
Participation in Public Assistance



Source: U.S. Department of Agriculture; U.S. Bureau of Labor Statistics; Office of Family Assistance



LMI Financial Condition Index and Consumer Confidence Indexes



Labor Market Conditions

Economic Conditions in the U.S., Region, and Low- and Moderate-Income Communities

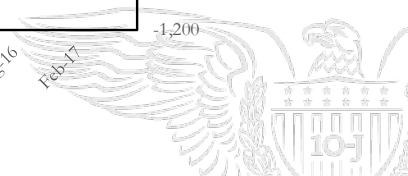
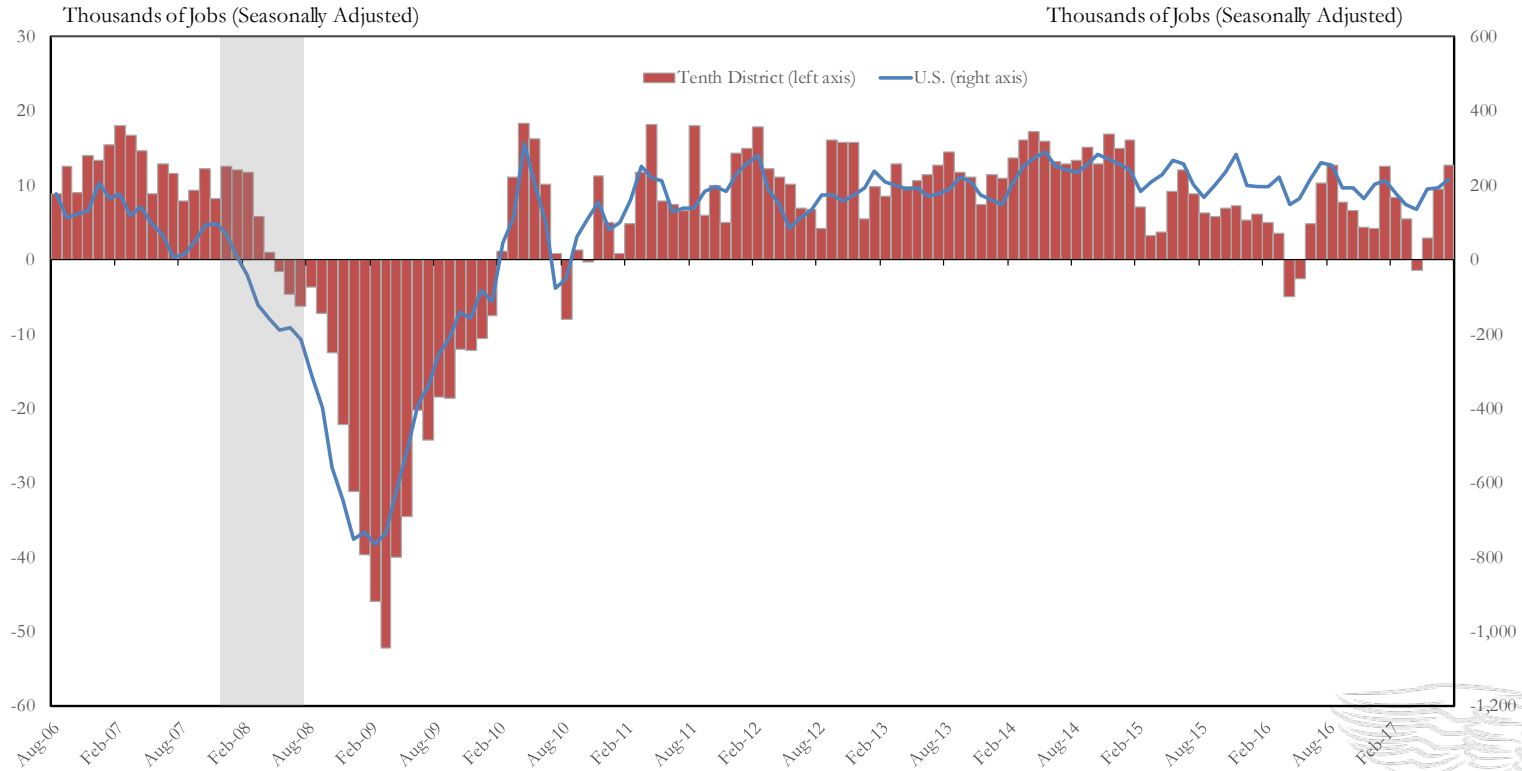


Labor Market Metrics

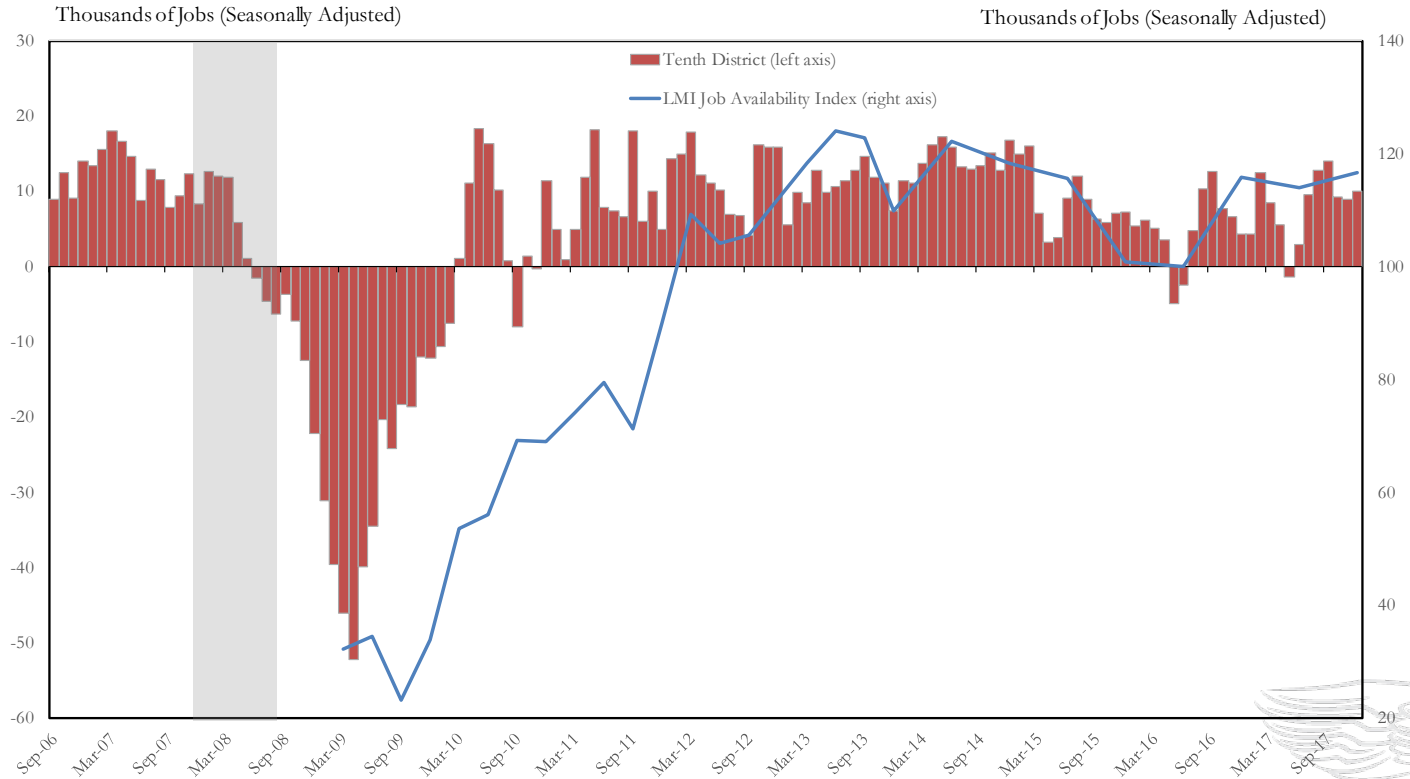
Metric	U.S. (LMI)	U.S. (All)			District (All)
	Dec-17	Dec-17	Jun-17	Dec-16	Dec-17
Unemployment Rate: Unemployed and looking for work	6.5	4.1	4.3	4.7	3.6
Long-Term Unemployed (share of unemployed)	25.0	22.6	21.9	24.6	
1/2 year to 1 year	12.9	7.7	8.0	8.1	
> 1 year	12.1	14.9	13.9	16.5	
Labor Force Participation Rate (share of working-age population)	52.0	62.7	62.8	62.7	64.3
Part-Time for Economic Reasons (share of employed)	4.9	3.2	3.4	3.6	
U-6 Unemployment Rate : unemployed + reluctant PT + discouraged	11.5	8.1	8.5	9.1	
Sources: Authors' calculations; U.S. Bureau of Labor Statistics; National Bureau of Economic Research (Current Population Survey microdata); Haver Analytics					



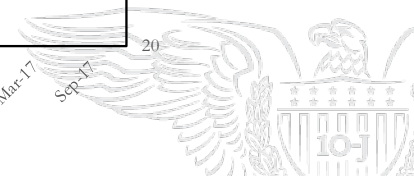
U.S. and Tenth District Job Growth



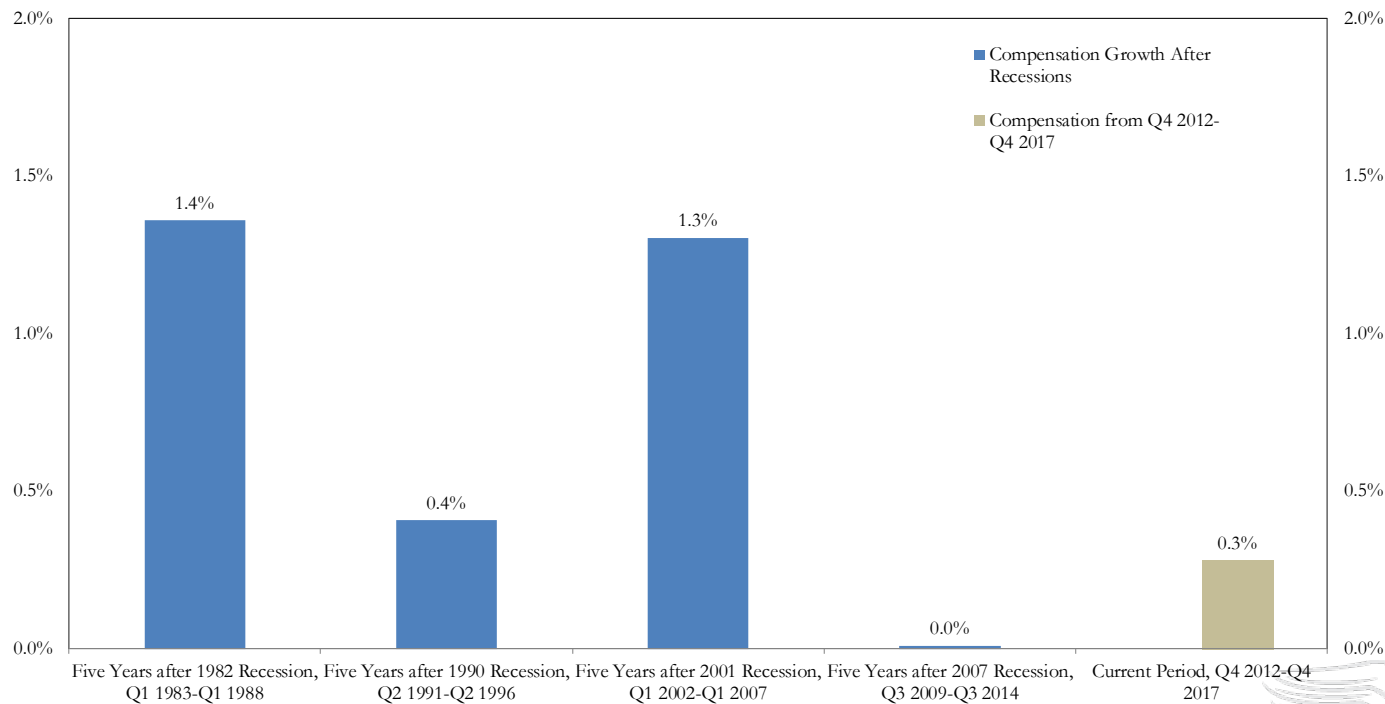
Tenth District Job Growth and LMI Job Availability Index



Source: U.S. Bureau of Labor Statistics / HAVER Analytics,
Federal Reserve Bank of Kansas City LMI Survey



Compensation Growth Five Years After Recessions, and Recent Five Years



Why Aren't People Working?



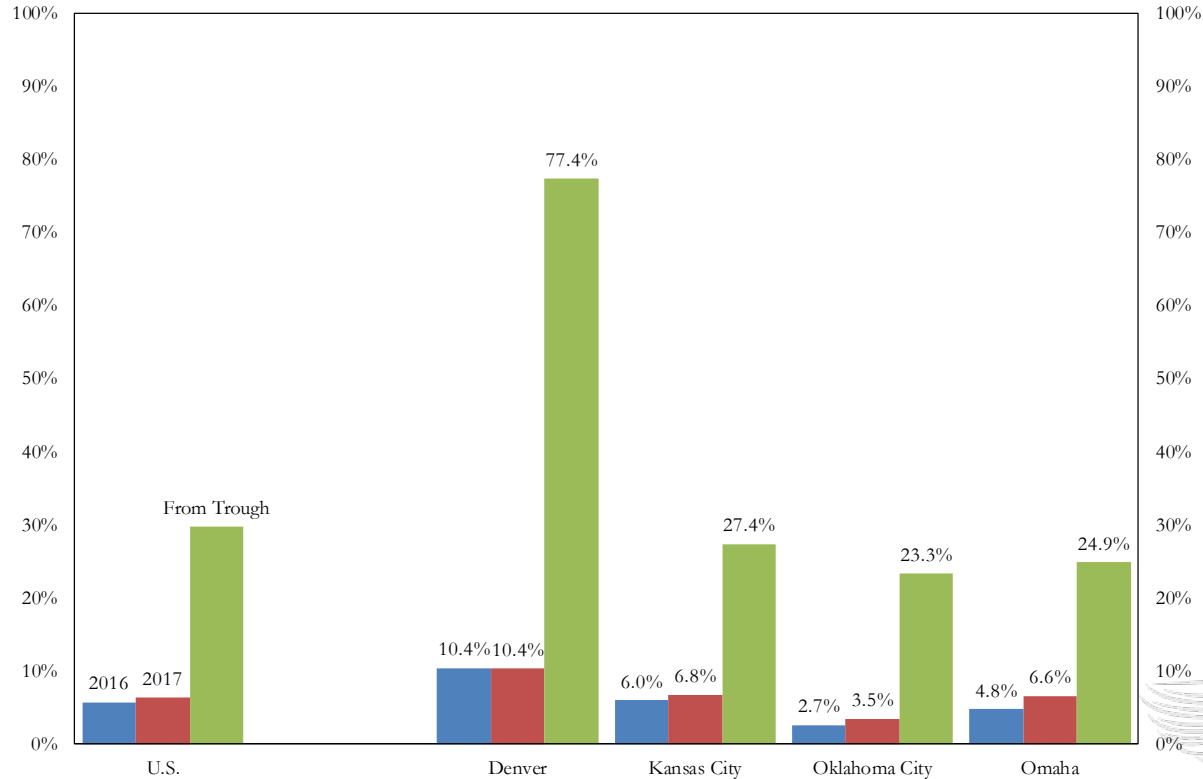
Housing

Economic Conditions in the U.S., Region, and Low- and Moderate-Income Communities

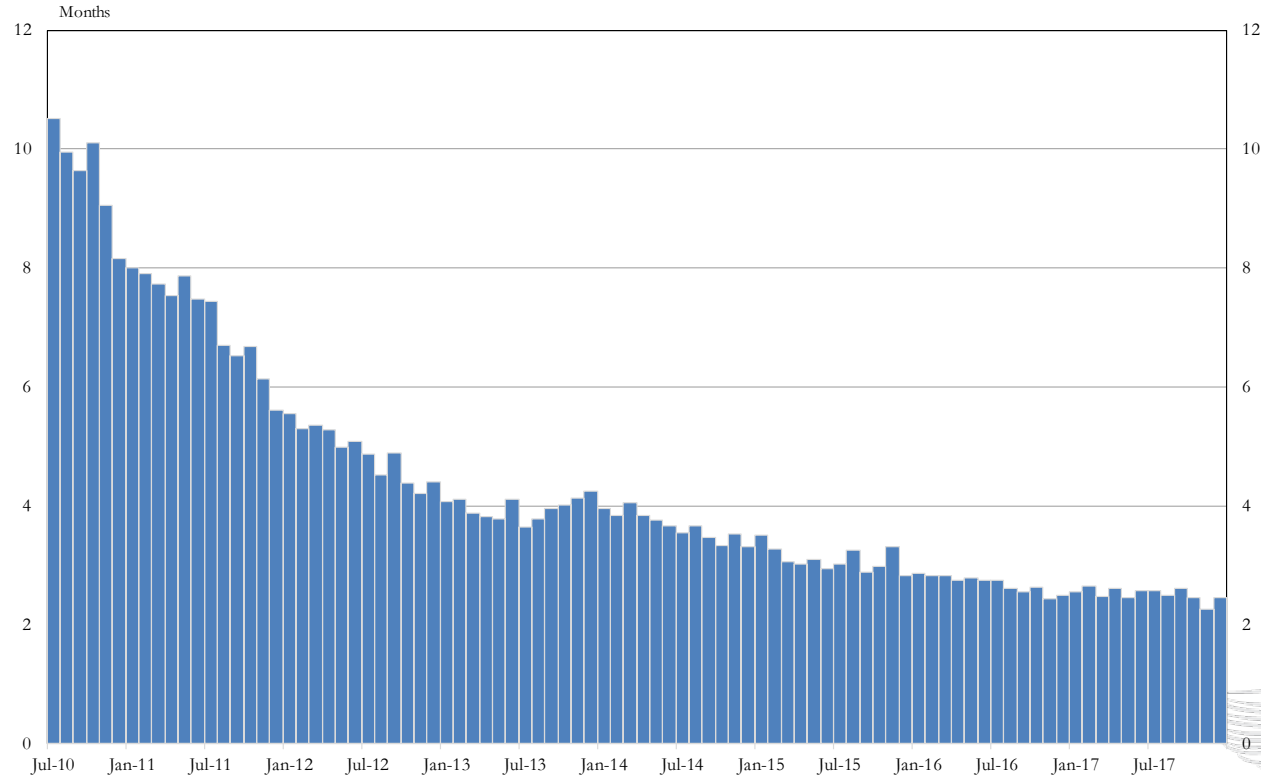


Growth in House Prices

Source: Area Realtors Associations



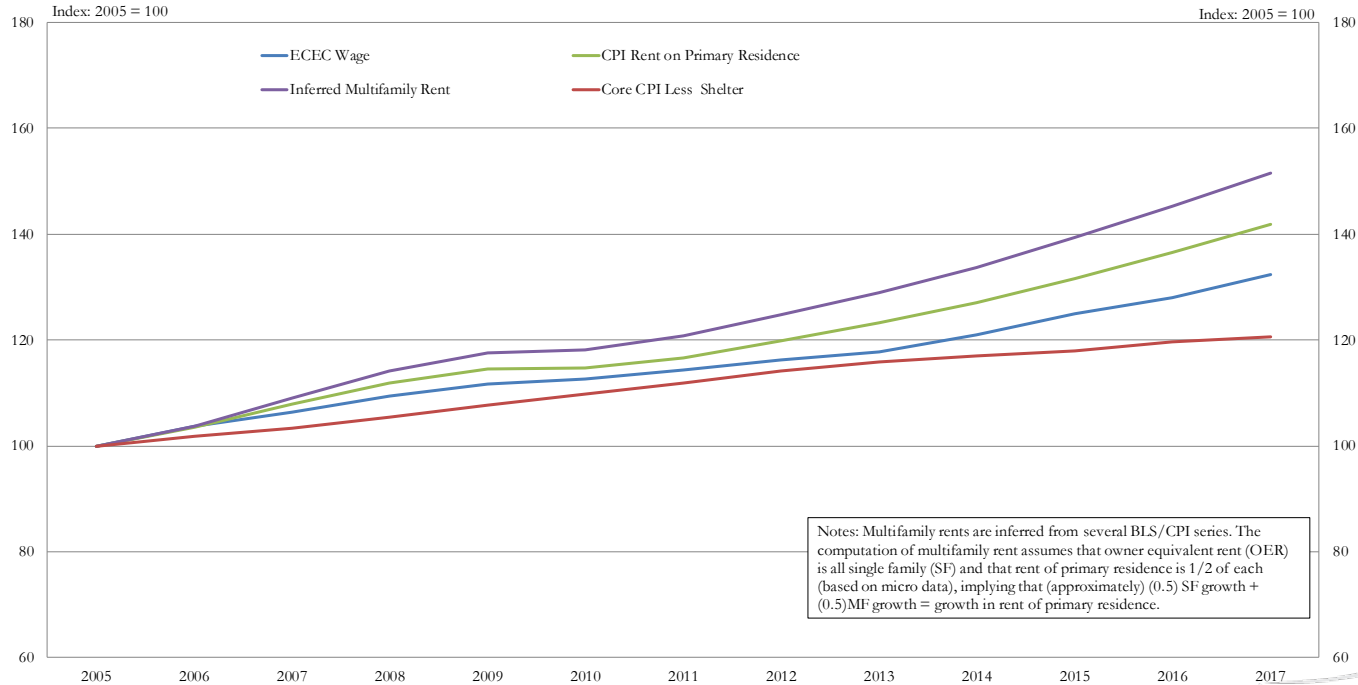
Months Supply of Homes on the Market



Source: Area Realtors Associations

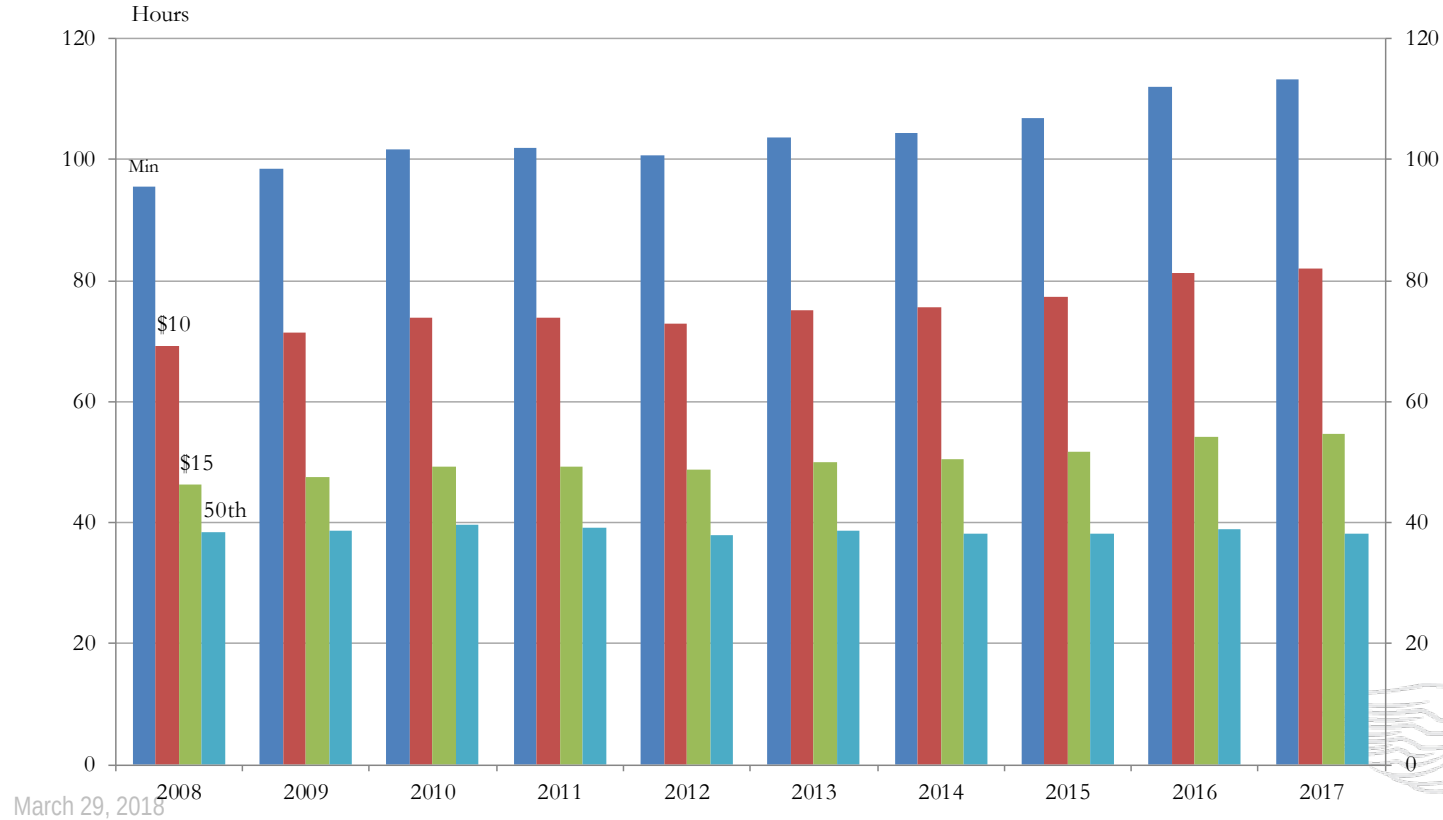


Housing Affordability

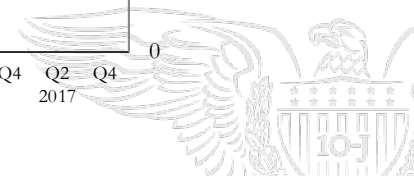
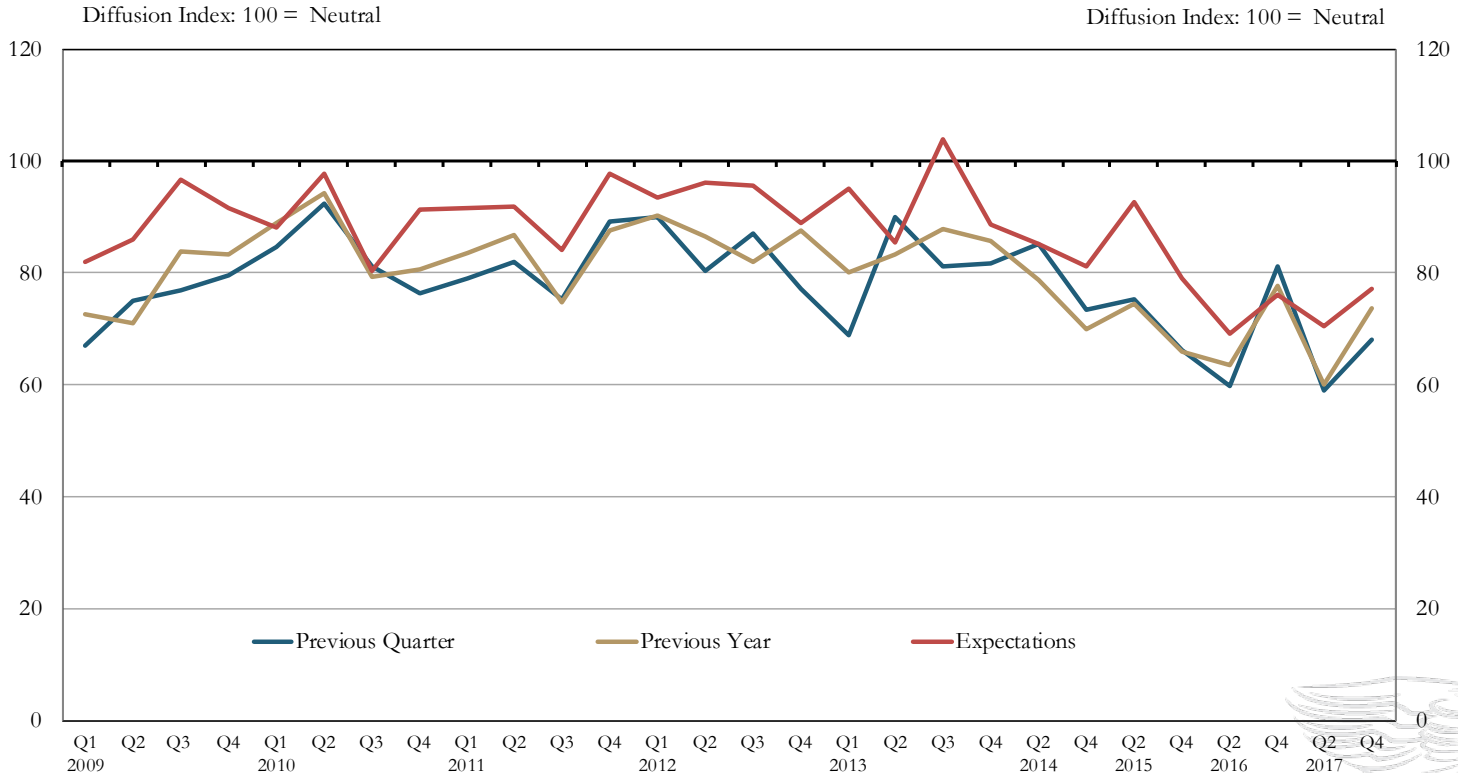


Housing Wage

National Low Income Housing Coalition, 2015, "Affordable Housing Is Nowhere to Be Found for Millions," Housing Spotlight, vol. 5, issue 1, March; U. S. Census Bureau



LMI Housing Affordability Index



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