FEDERAL RESERVE BANK OF KANSAS CITY

Economic Conditions in Low- and Moderate-Income Communities

Economic Education Advisory Council, Federal Reserve Bank of Kansas City

Kansas City, MO

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Senior Economist

Disclaimer

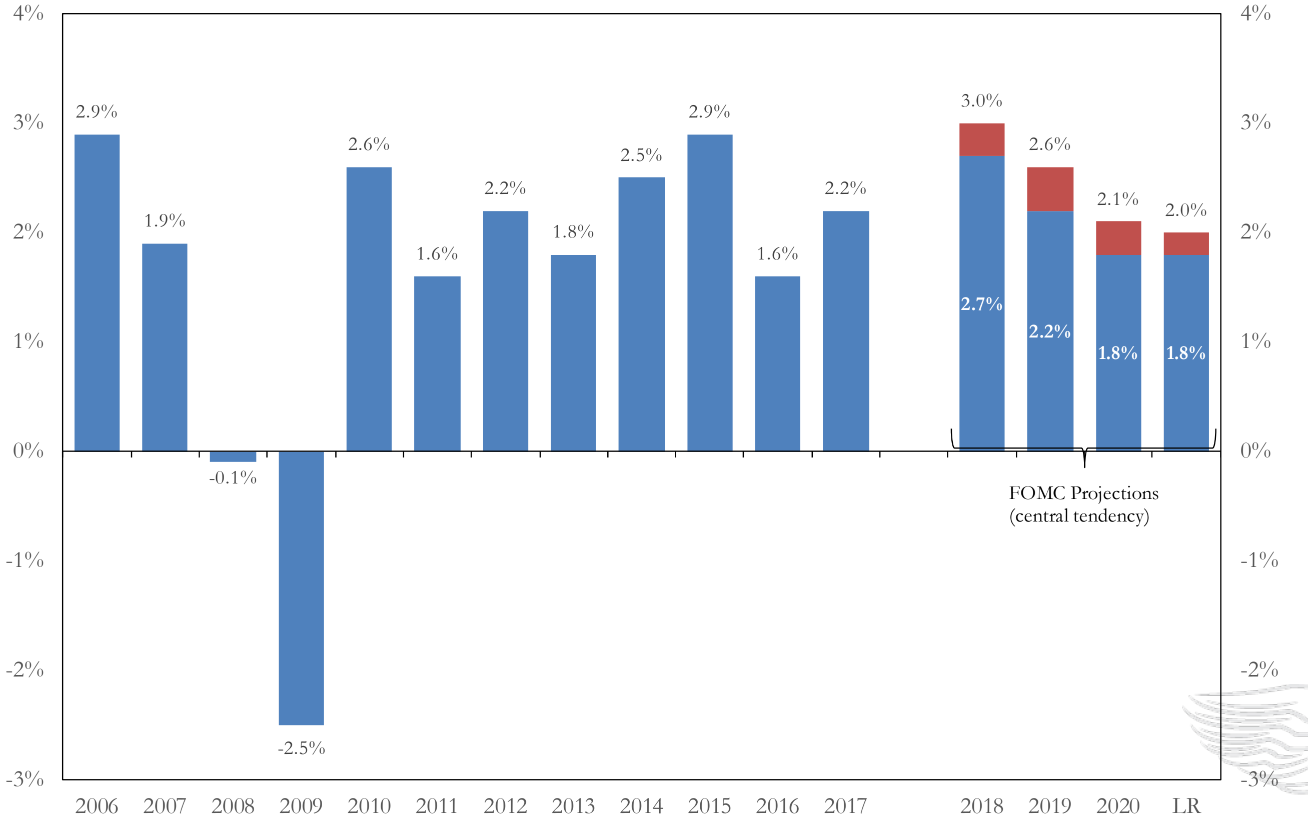
This presentation reflects the views of the speaker and not necessarily the views of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

FEDERAL RESERVE BANK OF KANSAS CITY

U.S. Economic Conditions

Economic Conditions in Low- and Moderate-Income Communities

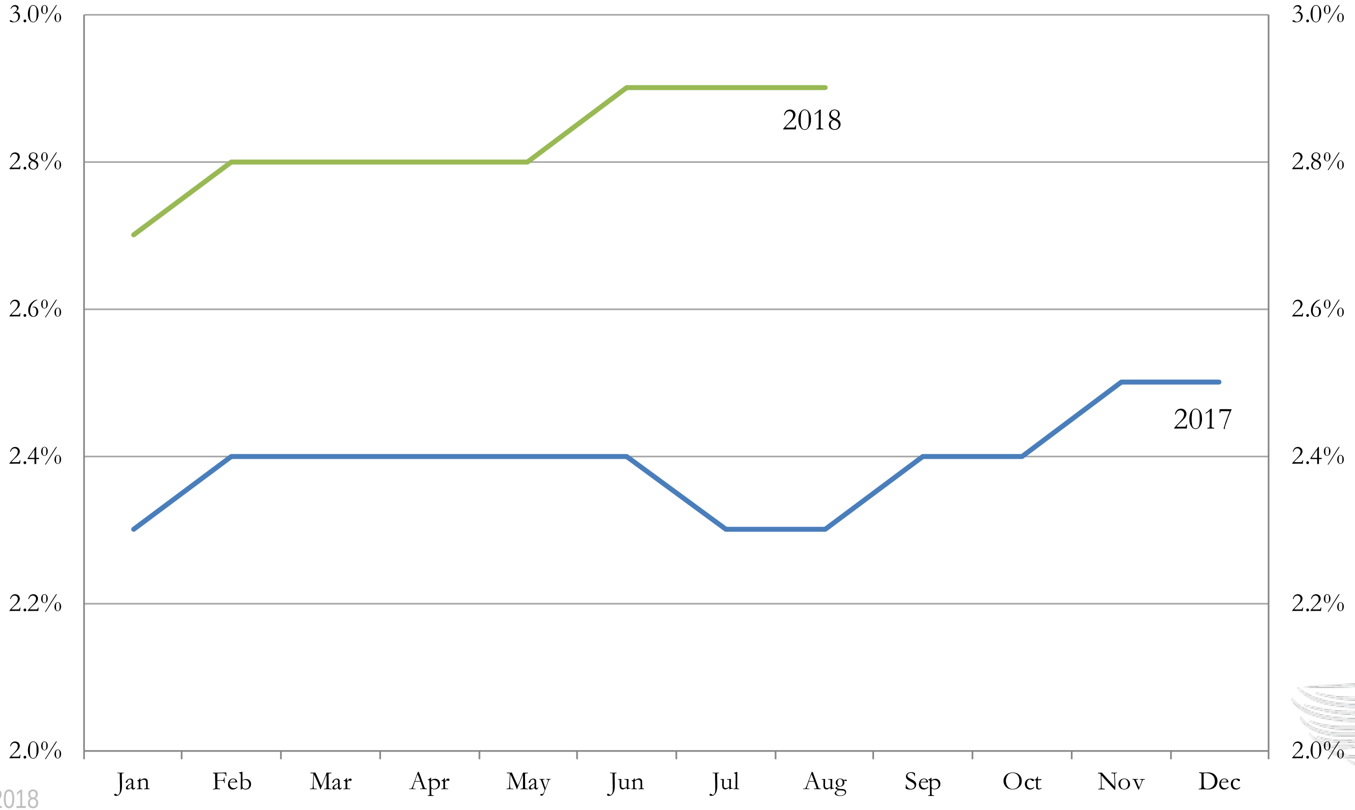
Historical Real GDP Growth and FOMC Projections



Source: U.S. Bureau of Economic Analysis /HAVER Analytics; Federal Reserve Board of Governors

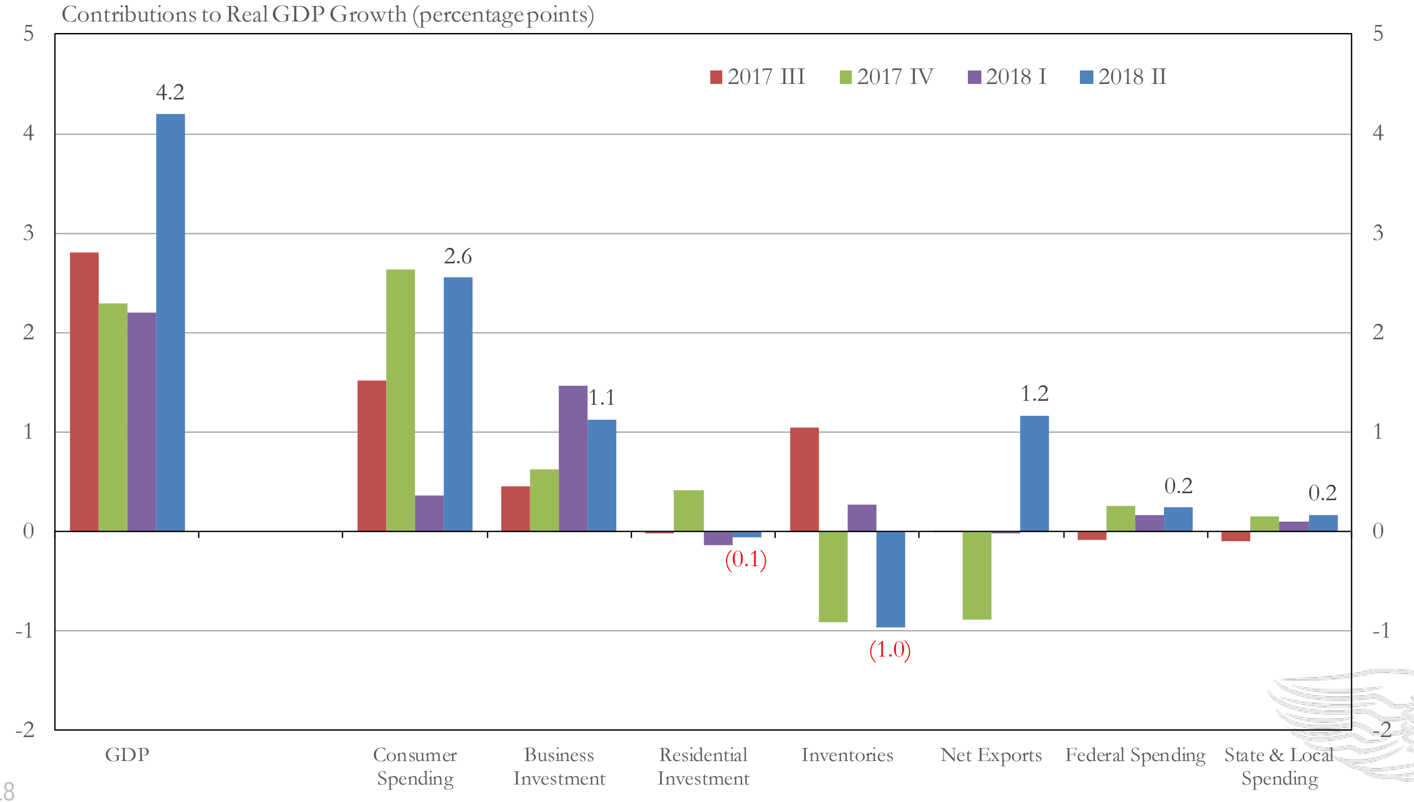
09/12/2018

Consensus Forecasts for 2018 Real GDP Growth



Source: Consensus Forecasts

Contributions to Real GDP Growth



Source: U.S. Bureau of Economic Analysis /HAVER Analytics

LMI Economic Conditions

Economic Conditions in Low- and Moderate-Income Communities

LMI Economic Conditions

- Accessing the Report
- General Assessment
- Labor Market
- Housing
- Health
- Participation in Public Assistance (esp. SNAP)

http://ow.ly/zII830lKZ2H

Or www.kansascityfed.org
➤ Community Development
➤ Community Research

MAIN STREET VIEWS | *Policy insights from the Kansas City Fed*

kcFED *LMI* ECONOMIC CONDITIONS

Tenth District LMI Economic Conditions

Topics: Indicators and Data

Kelly D. Edmiston, Senior Economist
SEPTEMBER 04, 2018 |

Despite a strong national economy, economic and financial challenges remain for low- and moderate-income communities.

I. Economic Update for LMI Communities

The first section of the LMI Economic Conditions Report is an assessment of economic conditions in low- and moderate-income (LMI) communities in the Tenth District, which encompasses Colorado, Kansas, the western third of Missouri, Nebraska, the northern half of New Mexico, Oklahoma and Wyoming. A person, household, or community is LMI if income is below 80 percent of area median income. For urban areas, area median income is metropolitan median income. For non-metro areas, area median income is state median income.

Section I-A examines general perceptions of economic conditions in LMI communities and the demand for services from community organizations. Section I-B focuses on labor market conditions and job availability. Sections 1-C and 1-D focus on affordable housing and access to credit, respectively. Section II focuses on a special topic: income and health in the LMI community.

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Topics

Agriculture | Banking and Finance | Credit | Energy | Housing | Indicators and Data | Inflation | Interest Rates | International | Labor Market | Macroeconomics | Manufacturing | Monetary Policy and the Economy | Payments | Regional | Student Loans

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Our research staff conducts innovative research on monetary policy, the payments system, and regional and community issues. Our work is shared with policymakers, other researchers, and the public.

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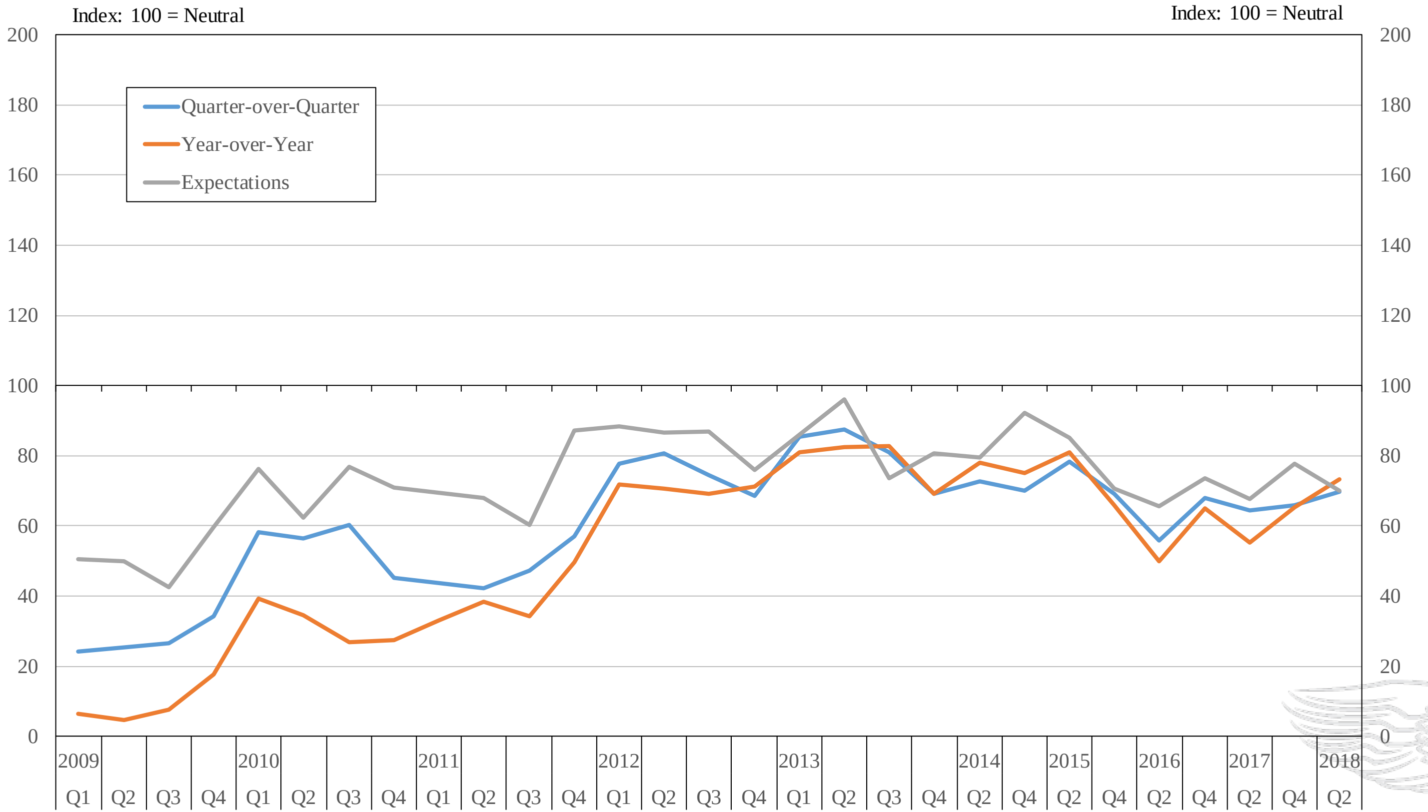
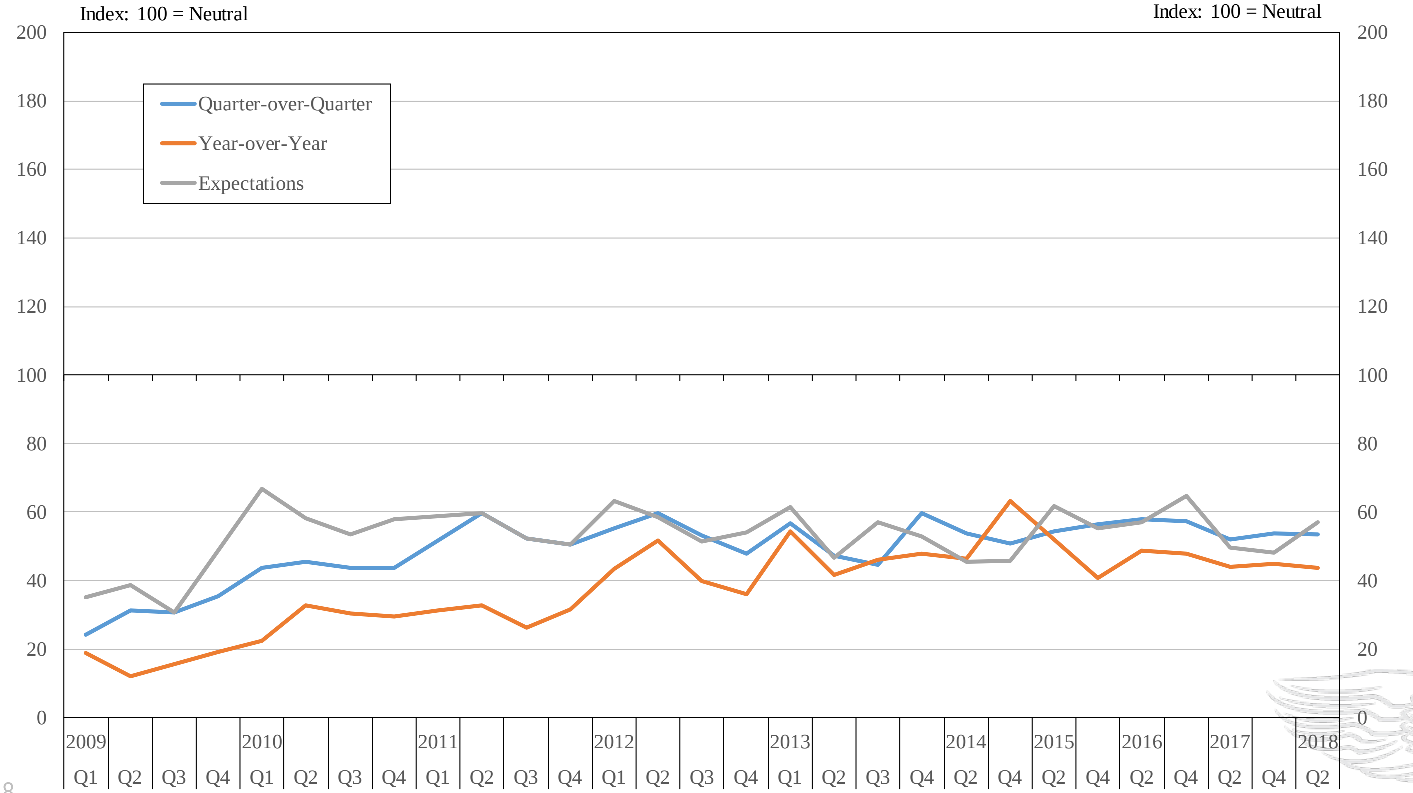
LMI Financial Condition Index



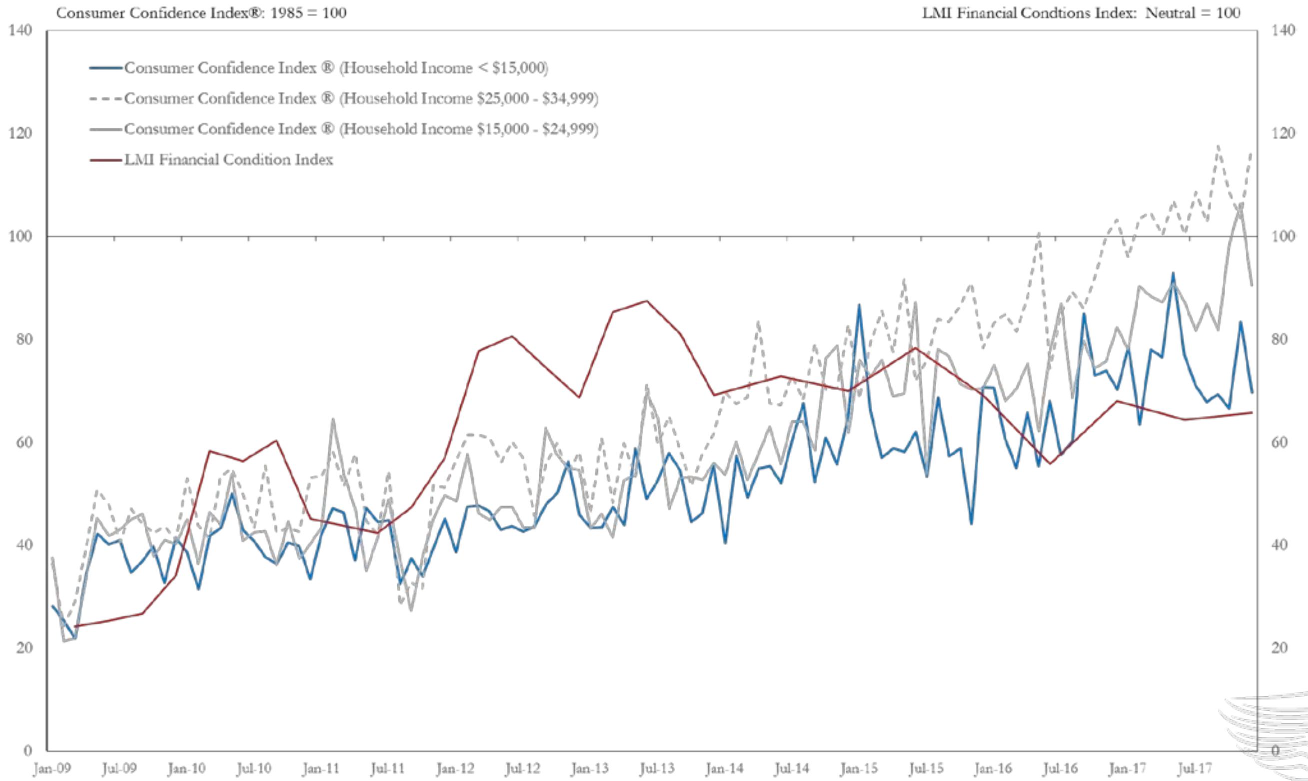
Source: Federal Reserve Bank of Kansas City LMI Survey; Federal Reserve Bank of Kansas City LMI Economic Conditions, September 2018

LMI Services Needs Index



Source: Federal Reserve Bank of Kansas City LMI Survey; Federal Reserve Bank of Kansas City LMI Economic Conditions, September 2018

LMI Economic Conditions Index and the Consumer Confidence Index

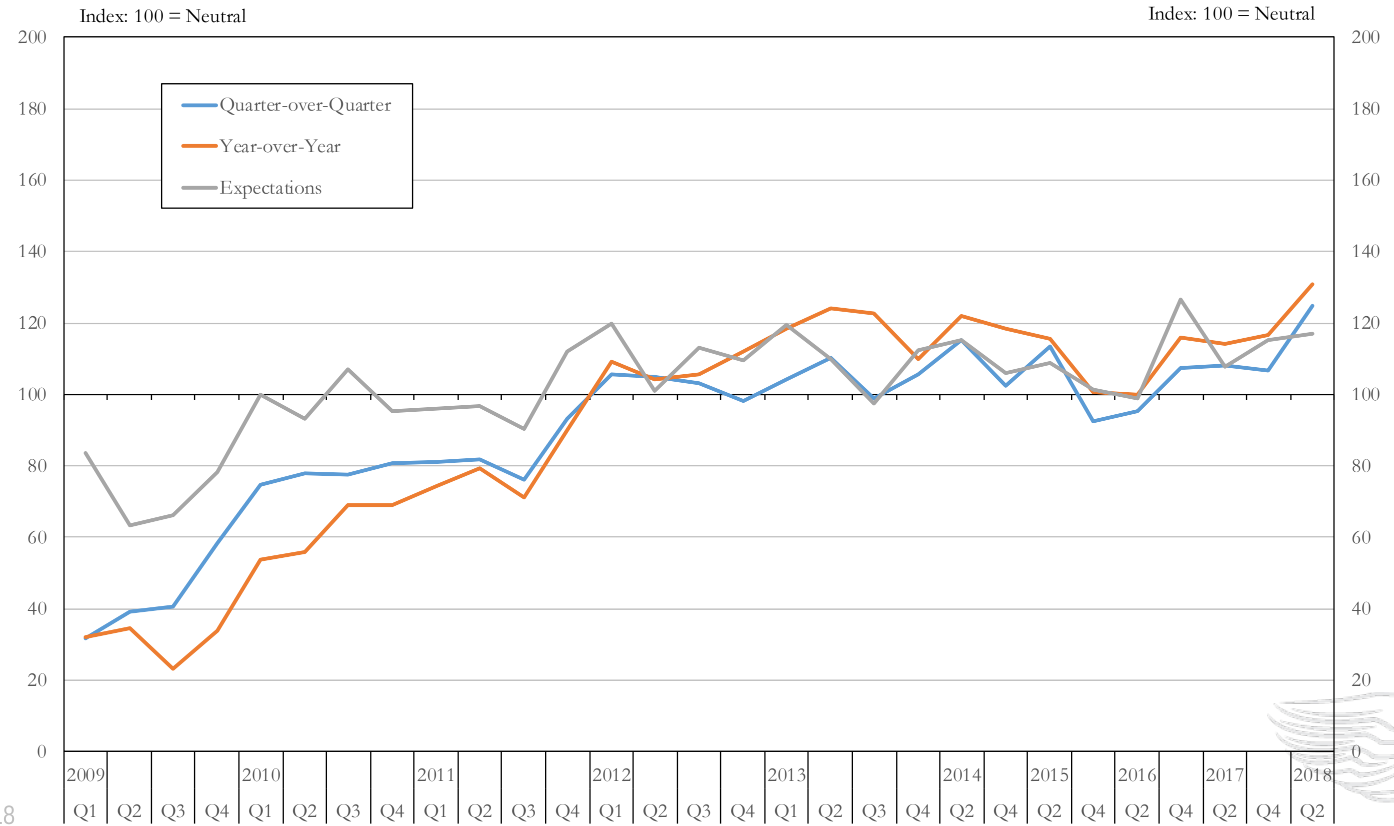


Source: The Conference Board; Federal Reserve Bank of Kansas City, [LMI Economic Conditions, March 2018]

Special Question Responses

- Stagnant wages in tandem with higher prices
- Political uncertainties/policies
- Labor market circumstances
- Affordable housing
- Location-specific issues

LMI Job Availability Index



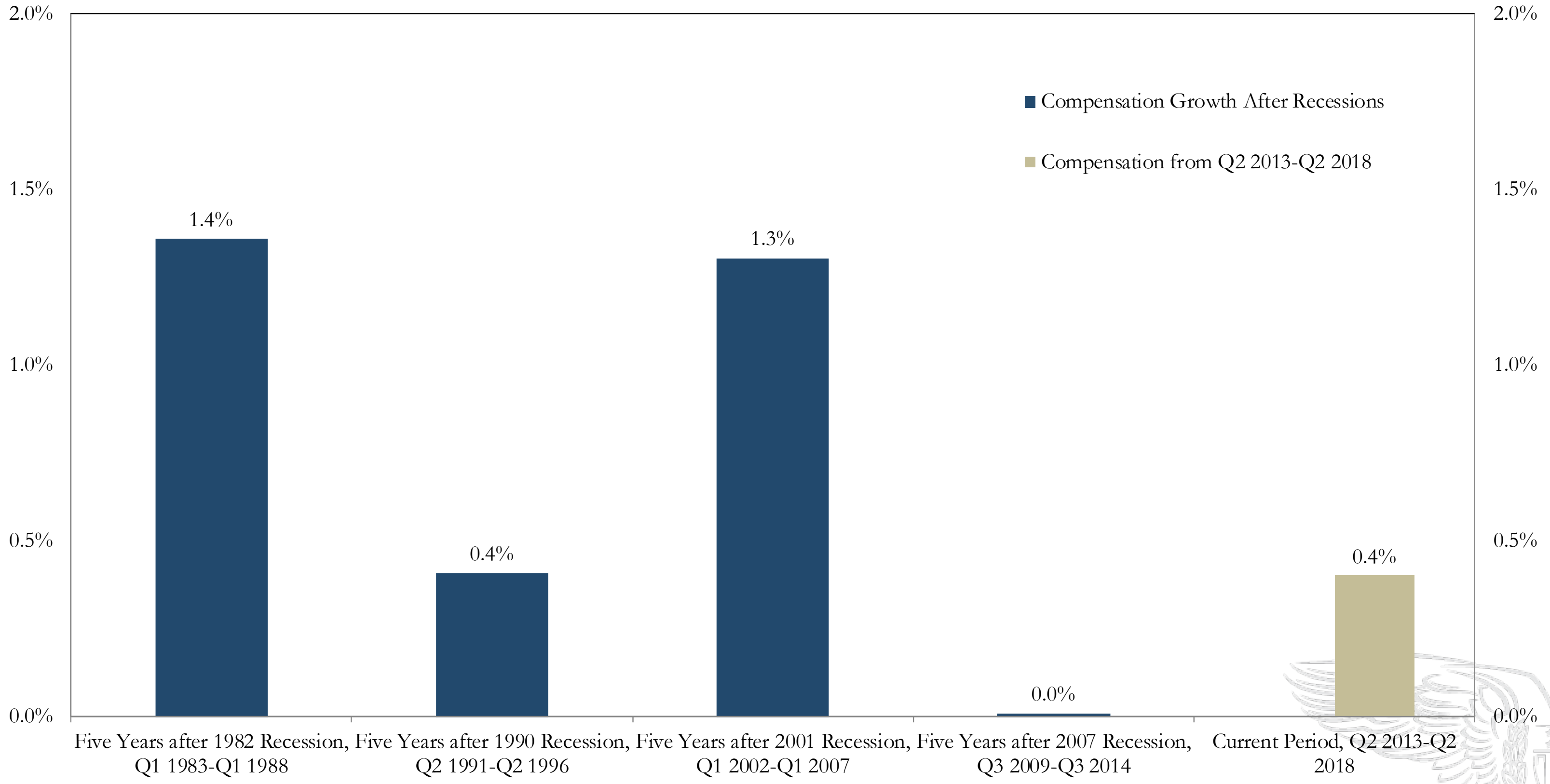
Source: Federal Reserve Bank of Kansas City LMI Survey; Federal Reserve Bank of Kansas City LMI Economic Conditions, September 2018

Labor Market Metrics

	Official Unemployment Rate (U-3)			Alternative Unemployment Rate		Long-Term Unemployed (Share of all Unemployed)		Labor Force Participation Rate	
	July 2018	June 2018	June 2017	June 2018	June 2017	June 2018	June 2017	June 2018	June 2017
U.S. (All)	3.9	4.0	4.3	7.5	8.3	19.7	21.9	62.9	62.8
District (All)		3.4	3.6					65.4	65.1
LMI		**8.5**	9.2	**15.2**	16.5	24.8	29.3	45.5	46.2

Sources: U.S. Bureau of Labor Statistics; Federal Reserve Bank of Kansas City calculations using data from the Current Population Survey; Federal Reserve Bank of Kansas City, LMI Economic Conditions, September 2018

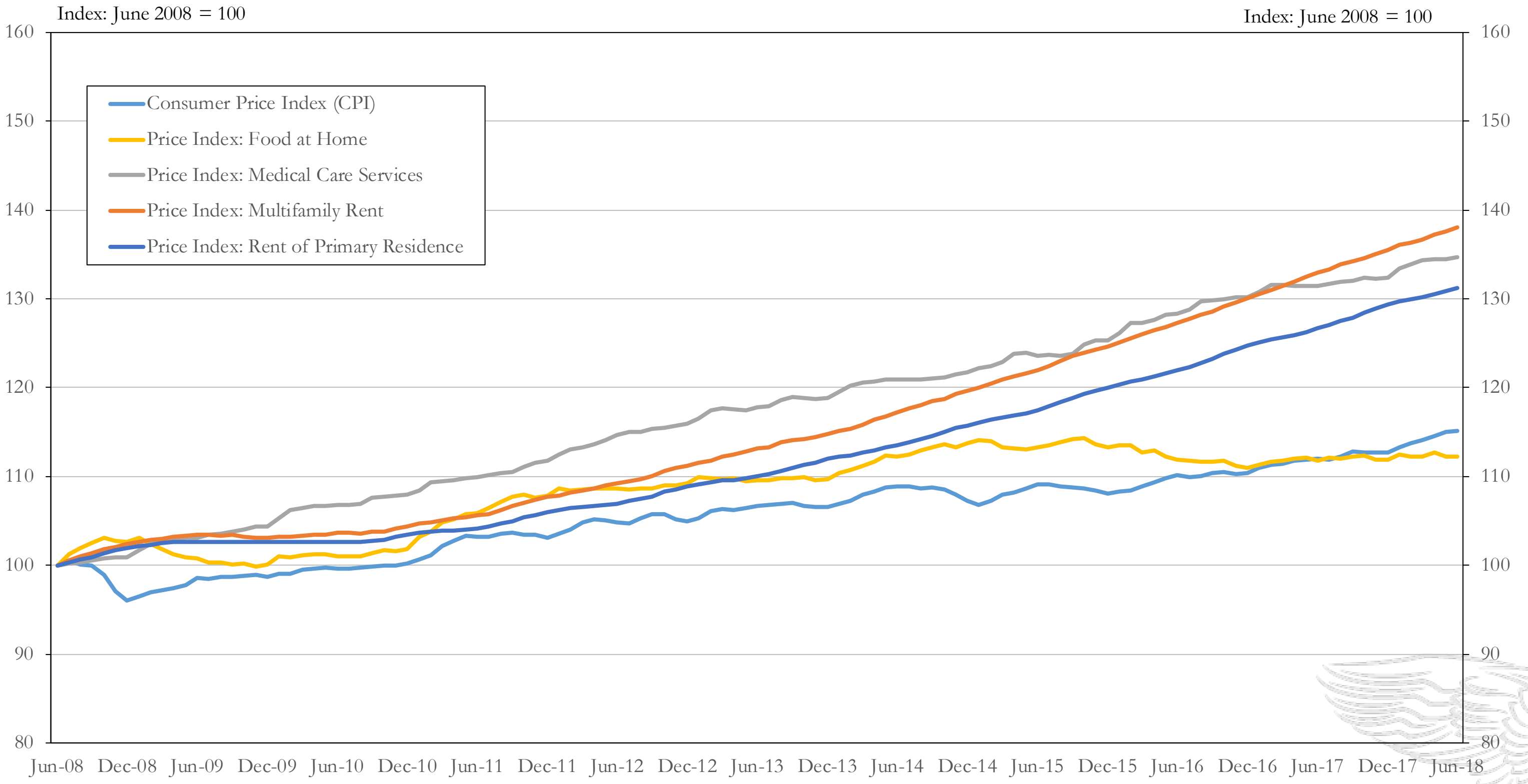
Annual Inflation-Adjusted Post-Recession Growth in Compensation, including benefits (5 years forward)



Source: U.S. Bureau of Labor Statistics /HAVER Analytics; Federal Reserve Bank of Kansas City, LMI Economic Conditions, March 2018 (updated September 2018)

Selected Price Indexes

Source: U.S. Bureau of Labor Statistics /HAVER Analytics; Federal Reserve Bank of Kansas City staff calculation; Federal Reserve Bank of Kansas City, LMI Economic Conditions, September 2018



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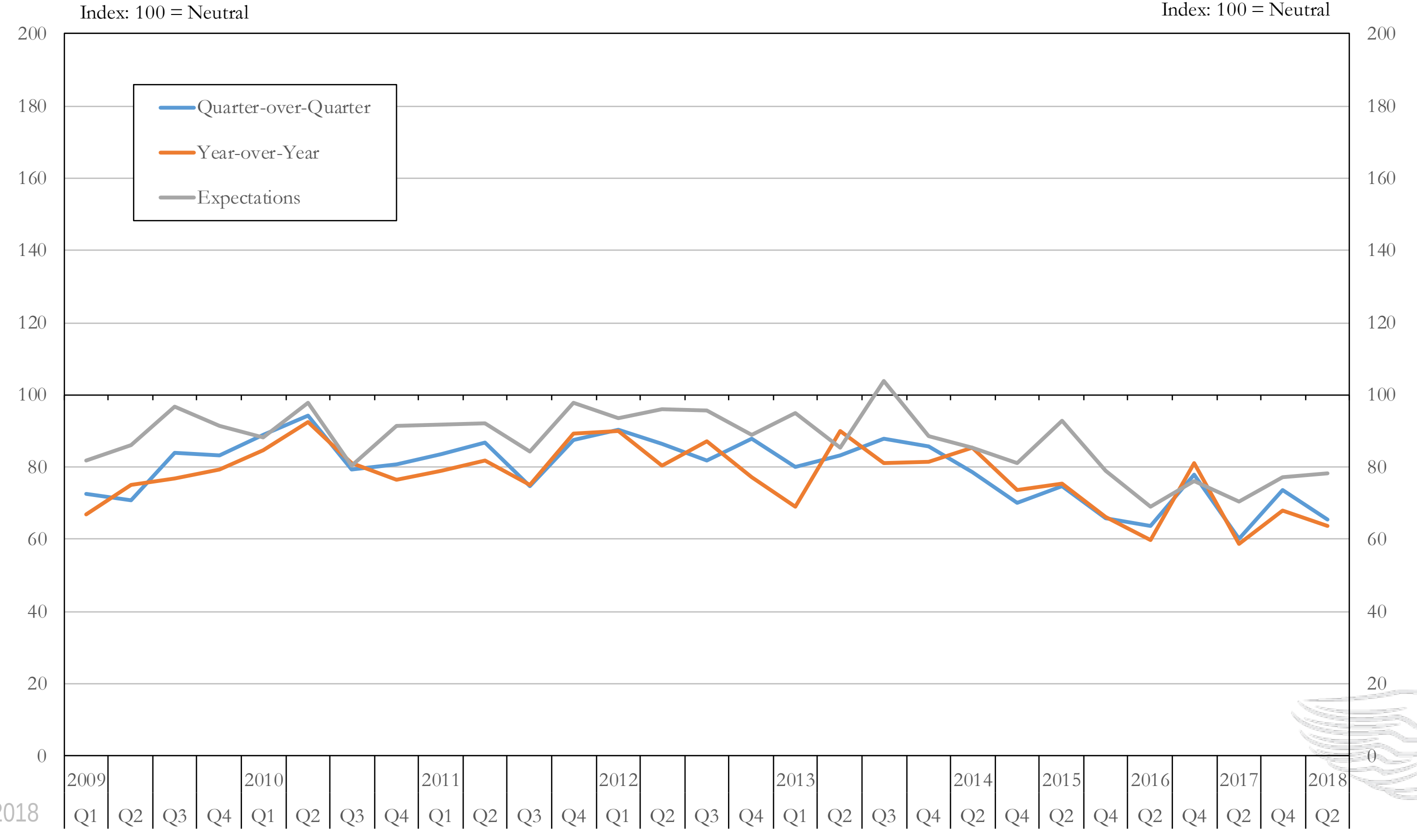
Why Aren't People Working?

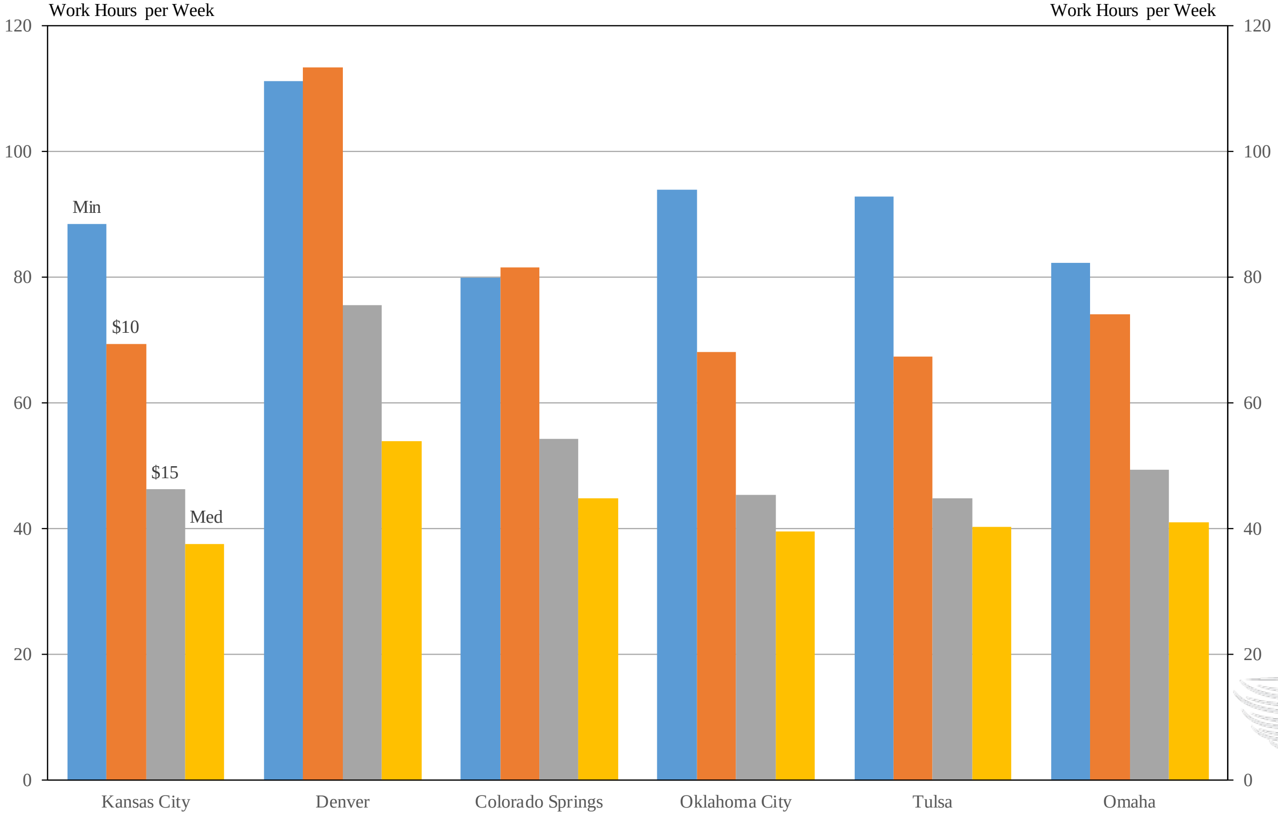
Source: Federal Reserve Bank of Kansas City LMI Survey; Federal Reserve Bank of Kansas City LMI Economic Conditions, March 2018

LMI Housing Affordability Index



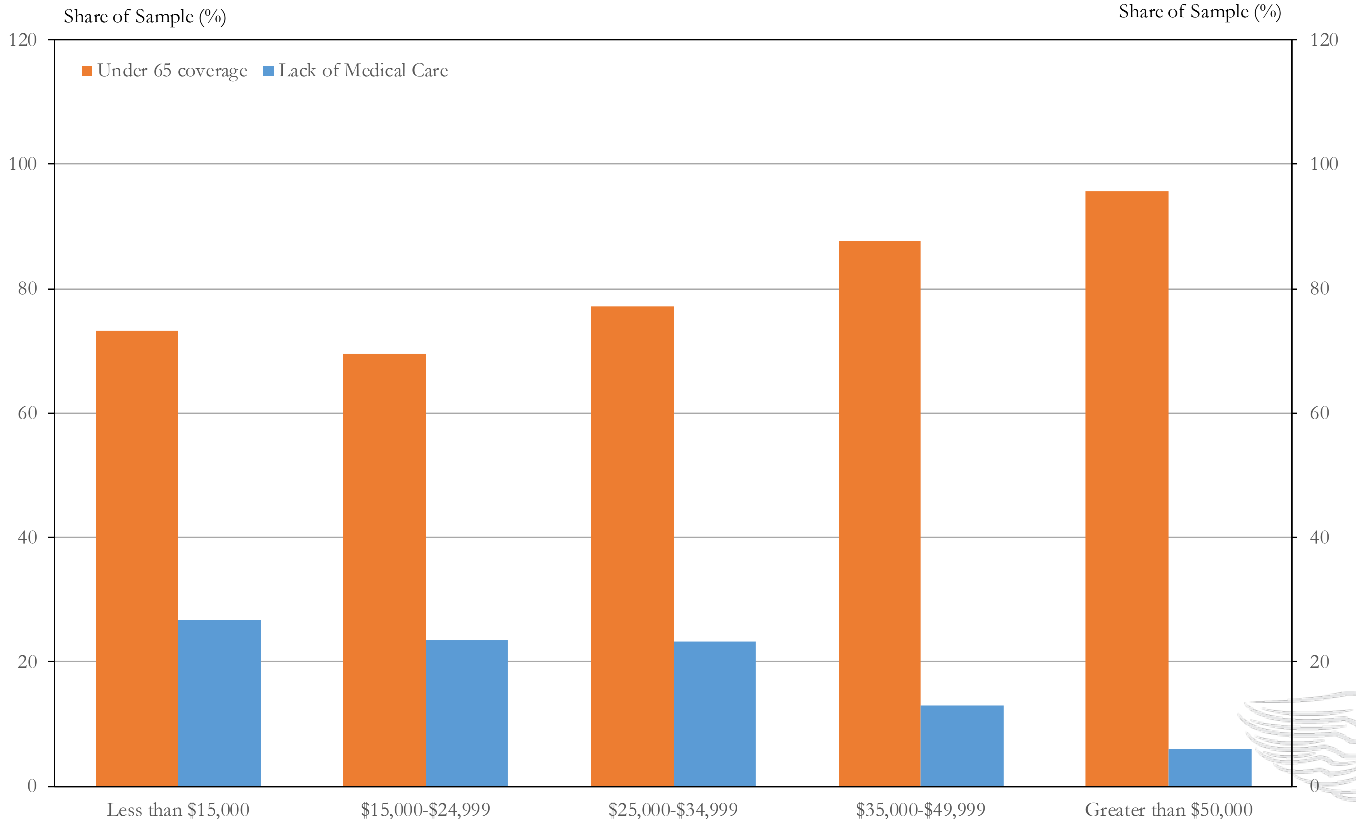
Source: Federal Reserve Bank of Kansas City LMI Survey; Federal Reserve Bank of Kansas City, LMI Economic Conditions, 20 September 2018

Housing Wage



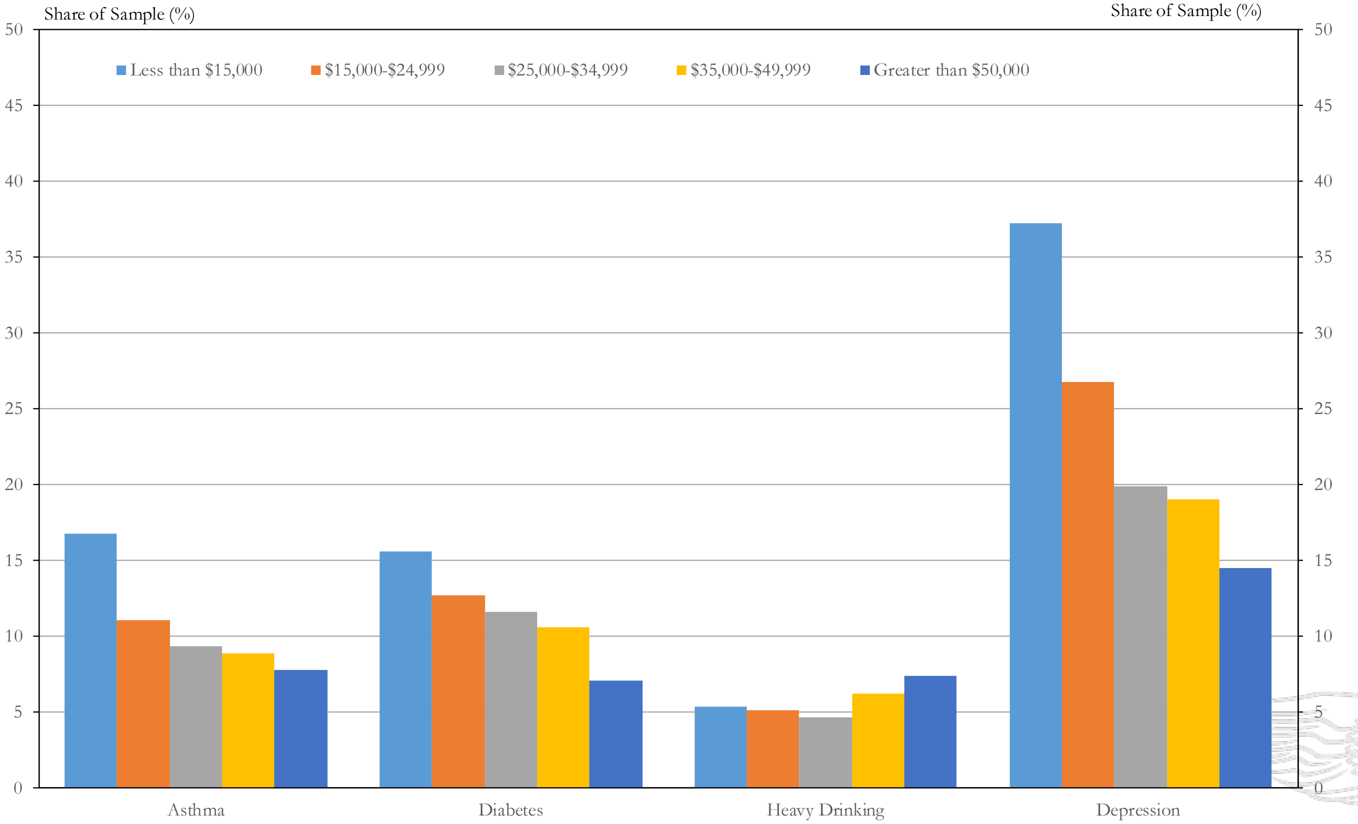
National Low Income Housing Coalition, U. S. Census Bureau; U.S. Department of Housing and Urban Development; KC Fed staff calculations

LMI Health Metrics



Source: Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System; Federal Reserve Bank of Kansas City LMI Economic Conditions, September 2018

LMI Health Metrics



Source: Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System; Federal Reserve Bank of Kansas City LMI Economic Conditions, September 2018

Trends in Public Assistance/SNAP

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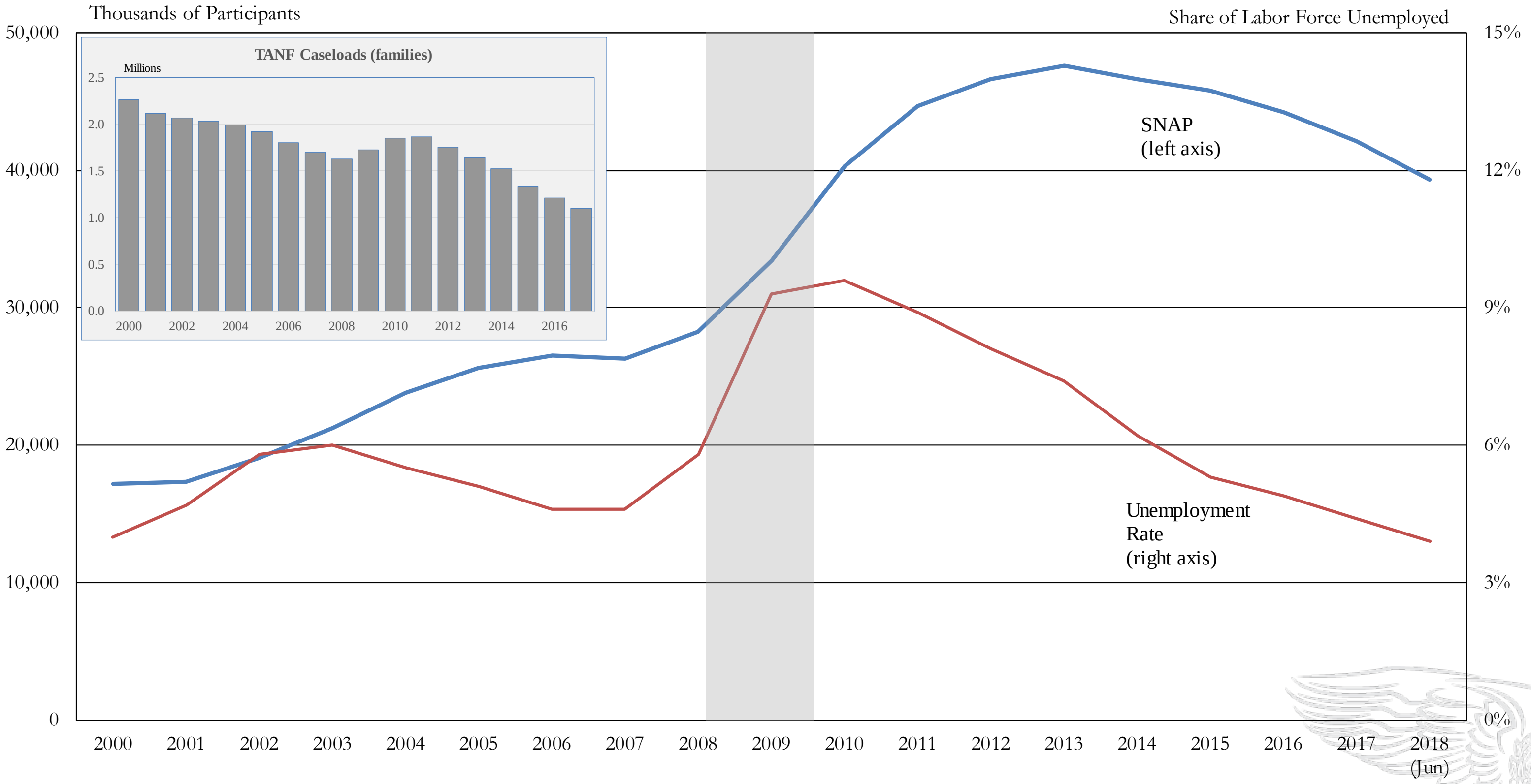
Participation in Public Assistance

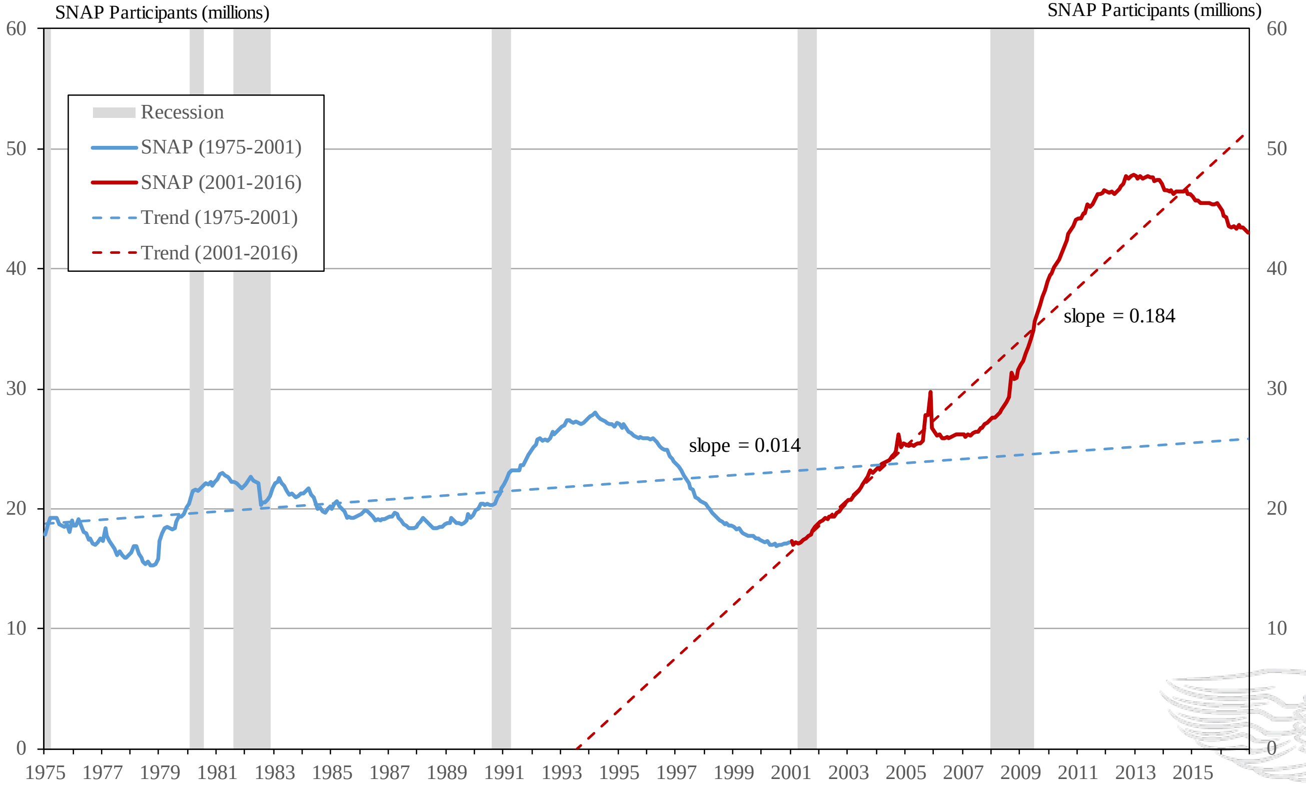
Kelly D. Edmiston (2018, Quarter 1), "Secular and Cyclical Trends in the Supplemental Nutrition Assistance Program," *Economic Review* (Federal Reserve Bank of Kansas City), 103(1), 59-81.

Participation in Public Assistance



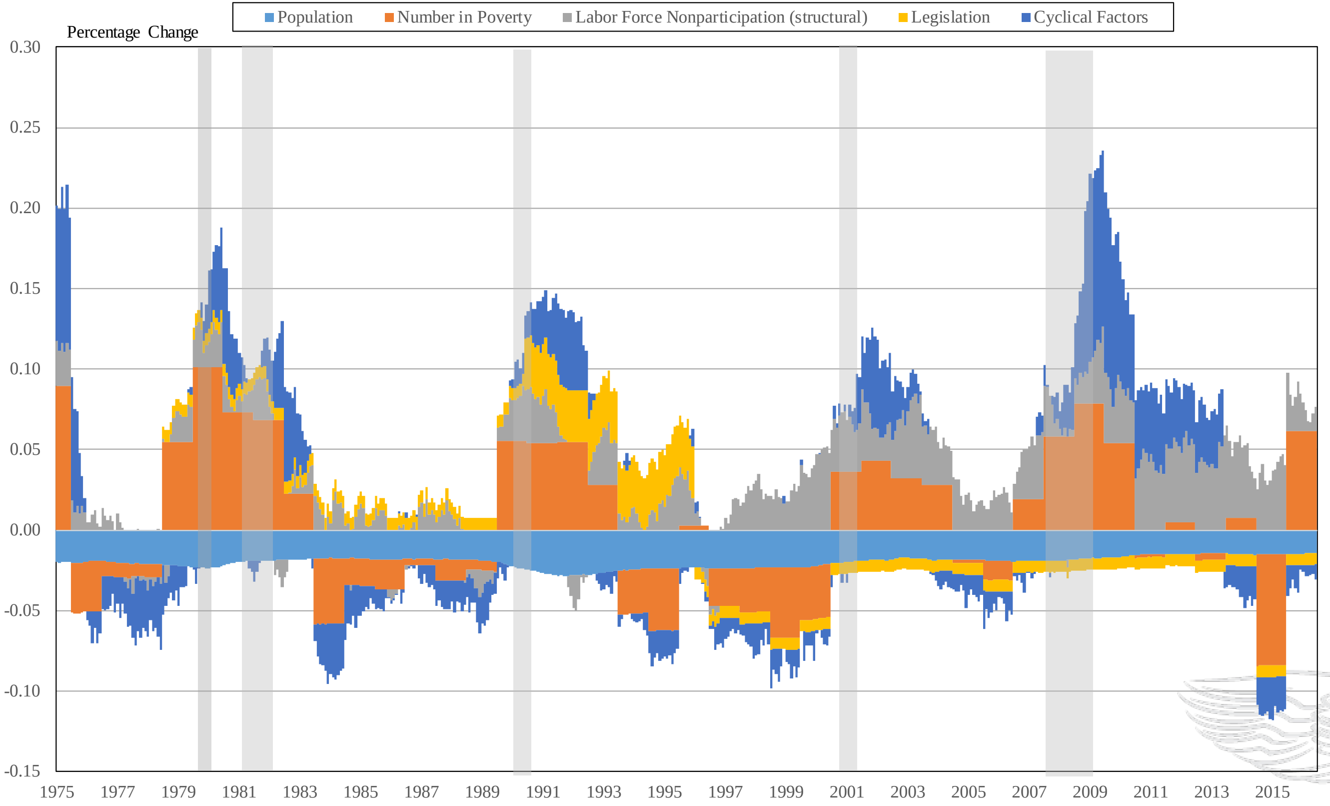
Source: U.S Department of Agriculture; U.S. Bureau of Labor Statistics; Office of Family Assistance; Federal Reserve Bank of Kansas City, LMI Economic Conditions, March 2017 (updated September 2018)

Participation in Public Assistance



Source: U.S Department of Agriculture; Office of Family Assistance; Federal Reserve Bank of Kansas City, LMI Economic Conditions, March 2017

Participation in Public Assistance



Source: Kelly D. Edmiston, 2018, "Secular and Cyclical Trends in the Supplemental Nutrition Assistance Program," ***Economic Review*** (Federal Reserve Bank of Kansas City), 103(1), 59-81.

Contact Information

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