

News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY

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SURVEY FINDS FINANCIAL CONDITIONS IN LMI COMMUNITY DETERIORATE MODERATELY

Economic and financial conditions in the Tenth Federal Reserve District's low- and moderate-income (LMI) community deteriorated moderately in the second quarter, but the pace of decline appears to be slowing, according to the [Kansas City Fed's LMI Survey](#). Long-term unemployment and income loss, continued credit restrictions, and a lack of quality housing opportunities were reported as significant impediments to recovery in the LMI community.

The quarterly survey measures the economic conditions of LMI populations and the organizations that serve them in the Kansas City Fed's seven-state district. Results from the survey are used to construct five indicators of economic conditions in LMI communities and two indicators of the conditions of LMI-focused organizations. LMI populations are those with incomes of less than 80 percent of an area's median income.

Over the last year-and-a-half, recovery in the LMI community has generally lagged that of the economy as a whole. The survey's most general measures of the financial status of the District's LMI population, the LMI Financial Conditions Index and the LMI Service Needs Index, reflected sustained financial stress. However, the survey's LMI Affordable Housing Index held steady at about neutral, and the LMI Job Availability Index maintained its slow march toward neutral.

Survey respondents reported a roughly neutral assessment of their organizational capacity, but more reported financial resources were declining in the face of reduced government funds and tightening personal budgets among donors.

The Federal Reserve Bank of Kansas City and its branches in Denver, Oklahoma City and Omaha serve the Tenth Federal Reserve District: western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado, and northern New Mexico.

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