

News Release

THE FEDERAL RESERVE BANK of KANSAS CITY

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LOW- TO MODERATE-INCOME CONDITIONS MIXED IN SECOND HALF OF 2014

Indicators of economic and financial conditions in the Tenth Federal Reserve District's low- to moderate-income (LMI) community were mixed during the second half of 2014, according to the Federal Reserve Bank of Kansas City's latest [LMI survey](#). The survey's broadest measure of economic and financial conditions, the LMI Financial Condition Index, was flat and remained significantly below neutral, indicating respondents' overall assessment of deteriorating conditions. Expectations of future conditions were close to neutral levels.

The biannual 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.

During the second half of 2014, contacts representing organizations that serve LMI communities reported that long-term unemployment, low wages and reductions in public assistance have led to a sustained increasing demand for services nearly six years into the economic recovery.

A special question for this quarter asked respondents about progress made by their constituents in signing up for health insurance under the Affordable Care Act. Contacts reported many clients who do not qualify for Medicaid do not have sufficient income to afford health insurance under the ACA, even with subsidies. In addition, contacts reported a lack of information among LMI people about the process for selecting a plan and eligibility criteria.

As the regional headquarters of the nation's central bank, the Federal Reserve Bank of Kansas City and its branches in Denver, Oklahoma City and Omaha serve the seven states of the Tenth Federal Reserve District: Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico and western Missouri.

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