

BY KATRINA MULLEN

New from the Richmond Fed's Regional Matters blog

Joseph Mengedoth. "Fifth District Businesses Weigh in on Hiring and Wages."

In November, the Richmond Fed's monthly survey of business conditions included its annual questions on participants' expectations for hiring and wage increases in the coming year. Similar to pre-COVID-19 expectations, 37 percent of firms anticipated employment increases in the next 12 months. Among the firms hiring more workers, the top reasons were expected sales growth and overworked staff. Some 75 percent of firms indicated they had raised wages, offered signing bonuses, or raised total compensation for new hires.

Laura Dawson Ullrich and Sierra Latham. "Hispanic Postsecondary Enrollment Increases Throughout the Fifth District."

In the last decade, colleges and universities have become more diverse. The greatest shift has been in Hispanic enrollment: Between 2010 and 2020, Hispanic students as a share of total enrollment in the United States grew from 13.5 percent to 20.3 percent. The same trend has generally occurred in the Fifth District. Hispanic enrollment more than doubled in the District of Columbia and the Carolinas. (An exception is West Virginia, where postsecondary enrollment declined among Hispanic young adults ages 18-24.) In order to recruit and retain Hispanic students, several colleges, universities, and nonprofits in the Fifth District have been trying new approaches. The Hispanic College Institute at Virginia Tech pairs current college students with prospective high school students for a four-day residential program, while LatinxED in rural North Carolina prepares students and their families with yearlong college readiness and support.

Hailey Phelps. "How are CDFIs Managing Pandemic-Related Disruptions?"

The Fed's COVID-19 Community Impact Survey, released in November, highlighted the effects of the pandemic on low- to moderate-income communities and the organizations serving them, including community development financial institutions (CDFIs). The majority of CDFIs reported at least some pandemic-related disruptions within the communities they

serve, with small businesses experiencing the most (79 percent), followed by disruptions to household financial stability (70 percent). Moreover, CDFIs themselves also experienced disruptions, but that share decreased from 32 percent in 2021 to 17 percent in 2022. While CDFIs continued to report difficulty in recruiting staff and volunteers and meeting demand for services, they also reported that disruptions are easing, and they expect to meet more of their demand this year.



R. Andrew Bauer and Adam Scavette. "The Rural Reach of ARPA's Development Grants in the Fifth District."

Since the American Rescue Plan Act (ARPA) was enacted in March 2021, Fifth District communities have been awarded more than 100 projects totaling \$440 million. The majority of the funding in the district — provided by the U.S. Economic Development Administration — has gone toward two of the six ARPA programs: Build Back Better Regional Challenge and Economic Adjustment Assistance. The largest Build Back Better recipient in the district was the Appalachian Climate Technology Now Coalition in West Virginia, a coalition of cities, economic revitalization organizations, academia, and private firms, which received nearly \$63 million for projects ranging from a building revitalization to a sustainability initiative. While most projects in the district were in urban areas, the dollars invested per capita were higher in rural areas.

Sierra Latham. "Recent Trends in Fifth District Housing Market Indicators."

From housing inventory to months' supply of housing, market indicators can highlight trends in the housing market. In the Fifth District, both housing inventory and months' supply have been rising in all states, indicating that the tight housing markets are starting to loosen. (See "The Housing Market and the Pandemic," *Econ Focus*, Fourth Quarter 2020.) More recently, too, sales prices in the district have started to drop below list prices. Yet even with more housing inventory and moderating price growth, many Americans cannot afford to purchase a home. Nationally, the decline in housing affordability began in early 2021 with increased sales prices and continued in spring 2022 when interest rates increased. **EF**