

Community Pulse

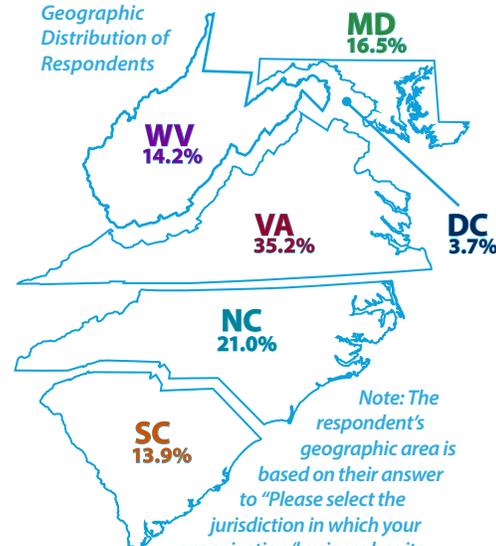
Every spring and fall, the Federal Reserve Bank of Richmond surveys experts who represent the Fifth District's numerous and highly diverse communities. The purpose of the survey is to identify the most pressing current and emerging issues in our District.

This issue of the Community Pulse presents the findings from our fall 2014 survey. We received 352 responses to the survey. The respondents represent a broad cross-section of community perspectives across Maryland, North Carolina, South Carolina, Virginia, West Virginia and the District of Columbia.

Content

- Issues: Current and Emerging
- Economic Prospects
- Methodology

Geographic Distribution of Respondents



The views expressed in this report are those of the survey respondents and do not necessarily reflect the views of the Federal Reserve Bank of Richmond or the Federal Reserve System.

Issues: Current and Emerging

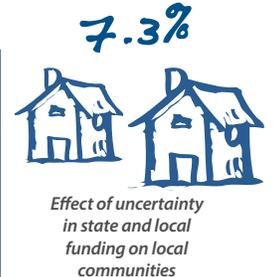
Each respondent to the Community Pulse survey is asked to identify the top three current issues having the most significant impact on the welfare of their communities as well as the top three emerging issues having the most significant impact on the welfare of their communities a year from now. For the fall 2014 round, the same issues received the most

votes from respondents for ranking as the top three current and emerging issues. **Availability of local jobs options** was the top current and emerging issue in the Fifth District with slightly more than 17 percent of the current votes and almost 15 percent of emerging votes. With over 13 percent and 11 percent of total votes, **affordable housing** was the second highest ranked current and emerging issue, respectively.

	Availability of Local Job Options	Access to Affordable Housing	Improving the Quality of K-12 Education
District of Columbia	<p>"The huge, overlapping segments of the population with either low-paying jobs (income significantly below local cost of living) or negative net worth (call it a failing 'household balance sheet') results in dire living conditions, loss of aspiration and a general downward spiral of economic and social condition."</p> <p>- Community Development Financial Institution</p>	<p>"The challenges from the lack of affordable rental housing have continued to worsen. The nonprofits that try and respond to this need continue to be hampered by the ongoing decline in funding from the federal (most of all), state and local sources as well as resistance by communities to preserve the current stock in the face of new development pressures."</p> <p>- Academia or Policy Center</p>	<p>"Both public education and decent job opportunities are critically important to build opportunity as well."</p> <p>- Community Development Financial Institution</p>
Maryland	<p>"A significant portion of the population is made up of families with some of the highest median family incomes in the Country. However, there are now fewer and fewer jobs for unskilled individuals leaving a considerable portion of our population ill equipped to maintain a living wage. Furthermore, our population is composed of a high percentage of veterans who, unfortunately, make up a larger and larger percentage of our homeless population. One of the major reasons we seek to diversify our economy is to create more opportunities for entry level and semi-skilled jobs in our economy."</p> <p>- Local Governing Body</p>	<p>"Parts of the county are experiencing strong growth with the construction of new multi-family housing that is targeted to higher income population. Some of this new housing is displacing existing, naturally-occurring affordable housing. There is a huge need for more tools to not only create new affordable housing, but also to preserve some of the existing, naturally-occurring affordable units."</p> <p>- Local Governing Body</p>	<p>"Education is key to upward mobility. We must start teaching children how to think, not doing things rote. Education needs to challenge the best and the brightest, not dumb it down so we have good numbers."</p> <p>- Rural Community Development Non-profit</p>
North Carolina	<p>"Although unemployment rates in urban areas have decreased, rural areas in the Carolinas still face significant challenges in employment opportunities, with many individuals unemployed or underemployed. In addition, there are individuals facing long-term unemployment in urban areas due to a skills-mismatch, as jobs are being created but taken by skilled workers moving into the area."</p> <p>- Other Financial Institution</p>	<p>"Affordable multifamily apartments are being destroyed and the residents are being displaced. We are building new multifamily apartments that are not affordable for the low to moderate income workforce. Investors have bought the inventory of foreclosed starter homes and turned them into rental properties and no new homes are being built for the LMI workforce."</p> <p>- Social Services or Public Health Agency</p>	<p>"The poverty level in our City is extremely higher than the areas around us due to the business locations and the availability of affordable housing. This has had a negative impact on the schools serving our City and I have seen an impact on residential growth when people look at our schools and compare them to surrounding schools. The impact is people do not want their children to go to these schools and they move beyond our city limits to make sure they do not go there. This is not fair to the economically challenged children going to these schools or the others that attend that have the support to do well."</p> <p>- Chamber of Commerce</p>

Employment options, affordable housing, and education are the top current issues in the Fifth District.

Note: The figure only shows the percentage of total votes received by the top five issues, so the percentages do not sum to 100.



The issue of **improving the quality of K-12 education** placed third with roughly 8 percent of current votes and almost 9 percent of emerging votes. In addition to ranking the top three issues, respondents were asked to provide a brief explanation for their ranking decision. The table below provides a sample of the explanations received by geography and issue. Many of the respondents saw a connection between the top three issues. For example, roughly 49

percent of the respondents who mentioned “employment” as part of their rationale also mentioned “education” as a co-related current issue. Respondents also acknowledged the difficulty in solving these issues within a time span of one year which explains why the majority see them as top emerging issues in 2015. One respondent from a social services or public health agency in Virginia wrote, “These issues will be front and center for at least a decade. No quick fixes here.”

	Availability of Local Job Options	Access to Affordable Housing	Improving the Quality of K-12 Education
South Carolina	<p>“Wages and jobs in our area are driven by the hospitality based economy. There is a lack of full time jobs with benefits. Many residents will have 2 – 3 part time jobs in lieu of one full time job. The majority of these jobs are seasonal which affects income.”</p> <p>- Local Housing Authority</p>	<p>“Even though area income is low, the cost of housing is not. It has become very difficult to find an affordable rental unit, even with a voucher subsidy. Funds to develop affordable housing is needed.”</p> <p>- Local Housing Authority</p>	<p>“Poor quality public education significantly impairs the successful development of skills and abilities necessary for people to enjoy economic independence.”</p> <p>- Local Housing Authority</p>
Virginia	<p>“The City has been significantly impacted by the closure of several manufacturing plants. It is barely hanging on to coal industry jobs. The replacement in the economy is tourism based. While we are grateful for the improving economy, it does not replace the jobs dollar for dollar. Our community remains at risk.”</p> <p>- Chamber of Commerce</p>	<p>“The City...is experiencing a significant truncation in the number of affordable units due to the increasing level of gentrification and the decreasing level of affordable financing to stabilize the current market and build new units of housing. The declining level and uncertainty of Federal funding has compromised our capacity to operate housing programs for the most vulnerable members of our community in a fiscally strong position from year to year. An unstable affordable housing market negatively impacts our efforts to provide programs to support the accomplishment of self-sufficiency goals that are critical to improving opportunities to access affordable and market rate housing.”</p> <p>- Local Housing Authority</p>	<p>“The growth and development of the local economy is tied to the success of the local educational system. If the system provides a quality education that prepares its student to be college and workforce ready, that attracts business investment that grows the job market.”</p> <p>- Local Governing Body</p>
West Virginia	<p>“Existing employers in the area and region consistently refer to the challenges of finding and keeping a workforce that meets their needs. Potential employers are reticent to invest where the workforce can't be counted upon.”</p> <p>- Regional Economic Development Authority</p>	<p>“Access to affordable housing is becoming a serious issue in the Northern panhandle of West Virginia, specifically the rental market. Landlords typically rented affordably, however, the influx of Marcellus Shale companies brings with it migrant workers from outside the state. These workers have the capacity to rent these same rental units for 2 and 3 times more than the average minimum wage earner can pay. People are being evicted from their rental units because they are unable to pay \$500 per bedroom per month. This is increasing the homeless population in our area.”</p> <p>- Community Foundation</p>	<p>“We have fully credentialed teachers, but we cannot provide adequate after-school support for students whose parents cannot provide the home support for assuring a solid, rounded education. Finding a way to educate parents when their children receive intensive tutoring and counseling is of paramount importance.”</p> <p>- Community Charitable Foundation</p>

Employment opportunities, affordable housing and education are the top emerging issues in the Fifth District.

Note: The figure only shows the percentage of total votes received by the top five issues, so the percentages do not sum to 100.



Survey Methodology

The purpose of the Federal Reserve Bank of Richmond's Community Pulse survey is to identify the most significant current and emerging community development issues in the Fifth District's numerous, highly diverse communities. The survey is administered twice a year to a panel of participants representing the community development field in the Fifth District. The participants are chosen based on a predefined set of criteria that best represents the community development industry in our District. The fall 2014 survey was administered online in August.

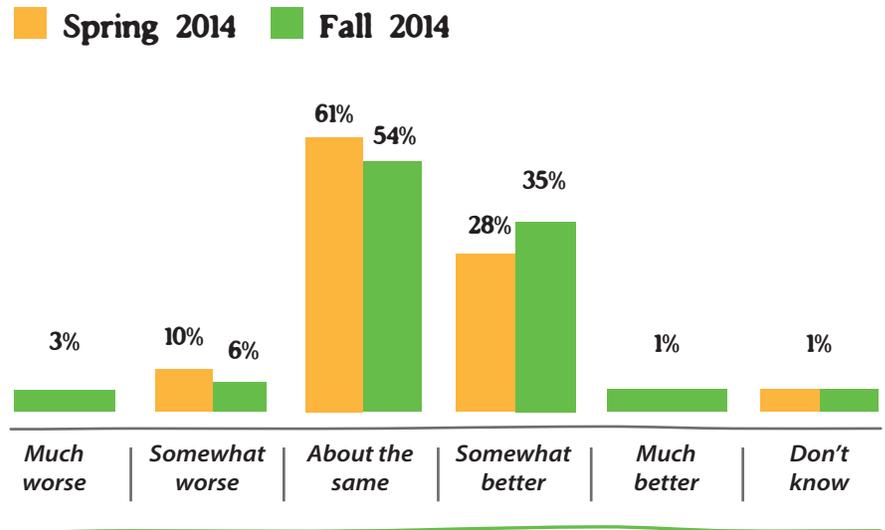
The survey consists of 12 questions. When identifying top current and emerging issues, respondents can select from a predefined list of issues, as well as write in their own suggestions. The list of issues is revised for each round based on the results of the previous round and input from Community Development Department staff members.

To participate in future surveys or offer feedback, contact Shannon McKay at Shannon.McKay@rich.frb.org

Economic Prospects

Respondents were asked whether they thought general economic conditions in their community six months from now will be better, about the same or worse than they are currently.

A greater share of respondents in the fall compared to the spring thought their community's future economic conditions would be "somewhat better" in six months. This change may be foretelling an increase in positive sentiment about the state of our local economies given the decline in the share of respondents expecting "somewhat worse" as well as "about the same" conditions between the two rounds.



Most Frequently Cited

In their explanations as to why they chose to rank certain issues as current or emerging in their communities, the word cloud below shows the most commonly used words. Font size corresponds to the number of times a word was used.

