

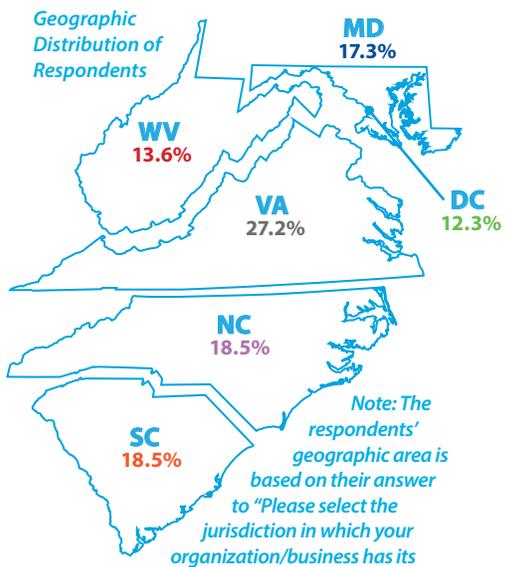
Community Pulse

Content

- Current Issues
- Emerging Issues
- Economic Prospects
- Methodology

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 spring 2014 survey. We received 81 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.



Note: The respondents' geographic area is based on their answer to "Please select the jurisdiction in which your organization/business has its primary location." Respondents were allowed to select more than one jurisdiction so the percentages do not add up to 100.

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.

Current Issues

Respondents were asked to identify the top three current issues having the most significant impact on the welfare of their communities.

Access to Affordable Housing

Access to affordable housing was the top current issue in the Fifth District, receiving over 13 percent of total votes. Respondents expressed concerns over housing costs rising faster than incomes thereby increasing the resource gap for most families and individuals seeking affordable housing.

"While we are a national leader, we have placed a priority on lending to permanently affordable housing projects in our immediate region (DC/MD/VA). The need is enormous and growing, fueled by a rapidly recovering economy that is once again pushing up housing prices."

- A District of Columbia Community Development Financial Institution Representative

Availability of Local Job Options

Availability of local job options received close to 12 percent of total votes, earning second place in the ranking of top current issues. Respondents commented that jobs are available but many require higher skills and more training than applicants possess. The supply deficit of skilled workers in certain industries, for example advanced manufacturing, means that many of these positions go unfilled.

"Workforce development and access to job opportunities are two of the highest priority issues in our community, especially our low-wealth communities. While the county and state are experiencing very low unemployment rates, our Special Emphasis Neighborhoods continue to struggle. Preparing residents, providing remedial education and GED training, are very important. The jobs exist, however, our residents do not have the skills to access new employment."

- South Carolina Local Governing Body Representative

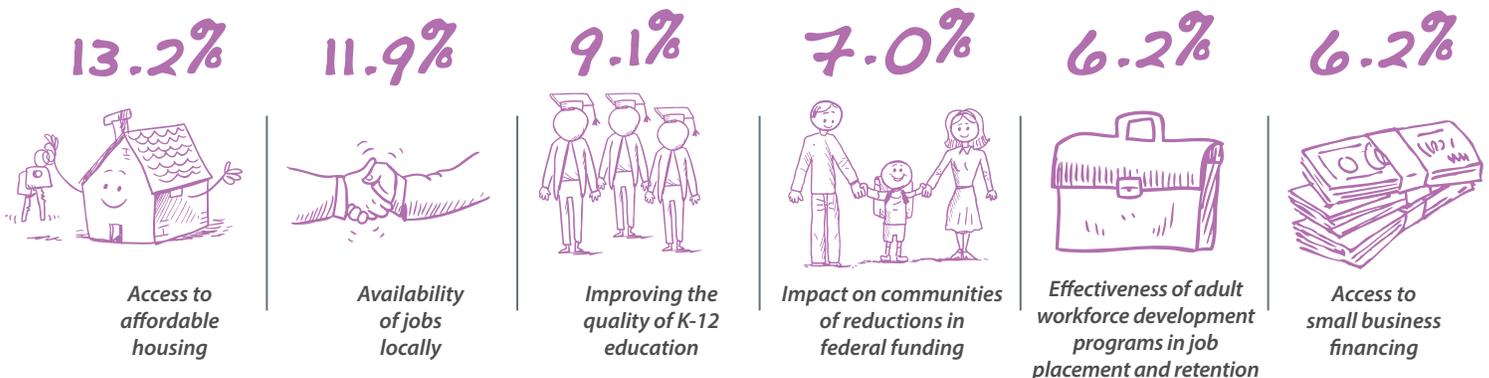
Improving the Quality of K-12 Education

The issue of improving the quality of K-12 education placed third with slightly more than 9 percent of the votes. Several respondents stressed the importance of early childhood education as the foundation upon which a better prepared workforce is built. The lack of connection between educational systems and workforce needs was also mentioned.

"Improving education standards/ results must be at the foundation of everything we do in the Carolinas to insure the long term economic viability and quality of life here."

- South Carolina Small Business Owner

Affordable housing, employment 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.

Emerging Issues

Respondents were asked to identify the top three emerging issues having the most significant impact on the welfare of their communities a year from now.

Availability of Local Job Options

Availability of local job options was voted the top emerging issue with over 12 percent of total votes. Respondents connected this issue to adult workforce readiness, the lack of a clear pathway between employers with low wage jobs and those with higher paying ones, and the perceived impact of the Affordable Care Act (ACA) on slowing down new job creation.

"It is expected that Mecklenburg County will see 7,000+ veterans and families move to our community in the next 2 years. The folks working in the various areas of housing, medical care, education, jobs, are working together to assist. It is of concern to all of us that we will not have the necessary jobs and services to help with a successful transition to civilian life. The jobs available for those with limited skills are not allowing those people to earn enough to live, even in affordable rental units, without working 2-3 jobs."

- North Carolina Urban/MSA Community Development Non-Profit Representative

Impact on Communities of Reductions in State and Local Funding

Impact on communities of reductions in state and local funding was in second place among emerging issues receiving over 10 percent of total votes. Respondents mentioned budget deficits and tax cuts as contributing factors. Multiple respondents discussed the impact these cuts were having on the capacity of nonprofits to serve their communities.

"Cuts in state and local funding are gutting the services that people depend on."

- North Carolina Small Business Owner

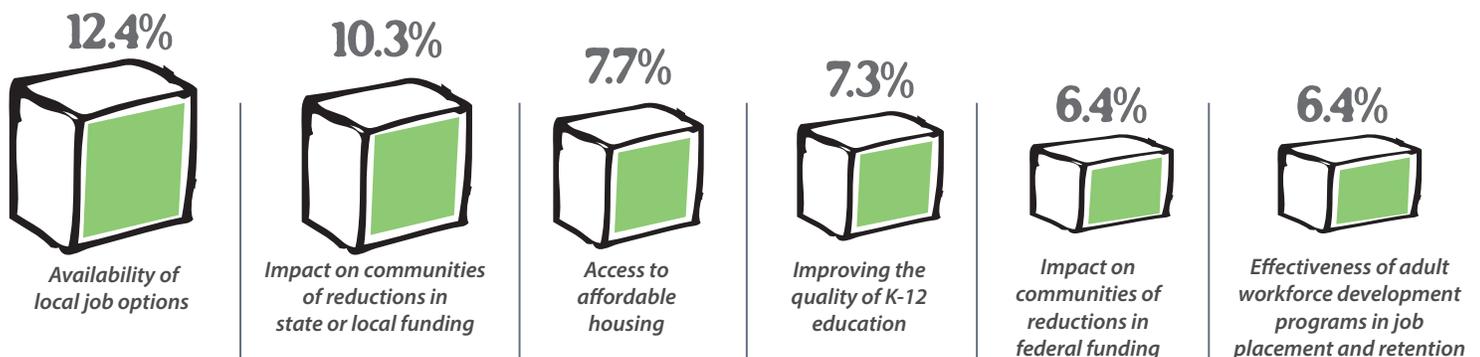
Access to Affordable Housing

Access to affordable housing received close to eight percent of the votes, making it the third most cited emerging issue in our District. Respondents are concerned that as the economy continues to improve and real estate prices rebound that there will be a scarcity of quality affordable housing available. Connections were also made to the new mortgage lending standards as well as credit counseling for those in need of credit repair.

"Inability to access credit from mainstream lenders opens the door for predatory lenders to once again target communities of color with higher cost than necessary loans that contain terms that are not in keeping with a borrower's credit profile."

- District of Columbia Public Interest Law Representative

Employment, state or local funding reductions and affordable housing 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 spring 2014 survey was administered online in February.

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



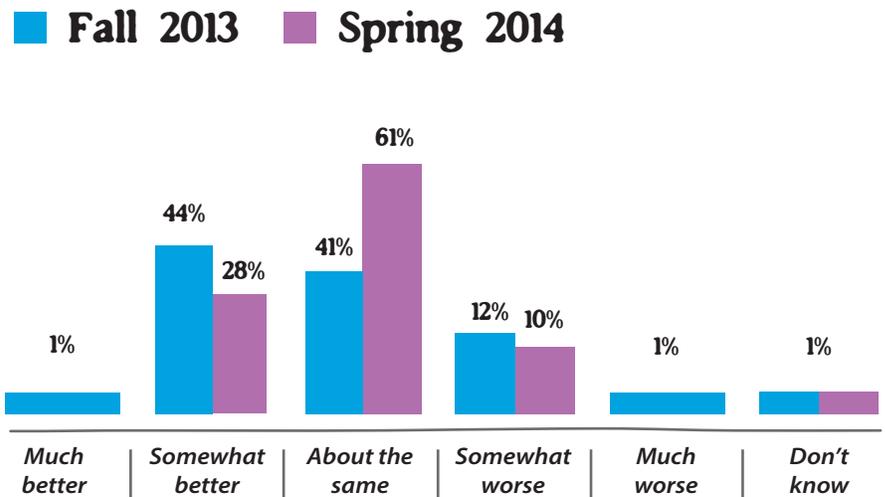
FEDERAL RESERVE BANK OF RICHMOND®

Richmond • Baltimore • Charlotte

Economic Prospects

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

A greater share of respondents in the spring compared to this past fall thought their community's future economic conditions would be about the same. This change may signal an increase in negative sentiment since it was accompanied by a decline in the share of respondents expecting somewhat better prospects between the fall and spring rounds. No respondents had expectations of much better or much worse in regard to their community's future economic conditions for the first half of 2014.



Most Popular Categories

Based on respondents' open-ended comments, there were eighteen categories into which they could be clustered. A category's font size corresponds to the number of comments clustered in it.

