FEDERAL RESERVE BANK of ST. LOUIS
CENTRAL TO AMERICA'S ECONOMY®

The Impact of COVID-19 on Communities

Daniel Paul Davis
Vice President
and Community Affairs Officer

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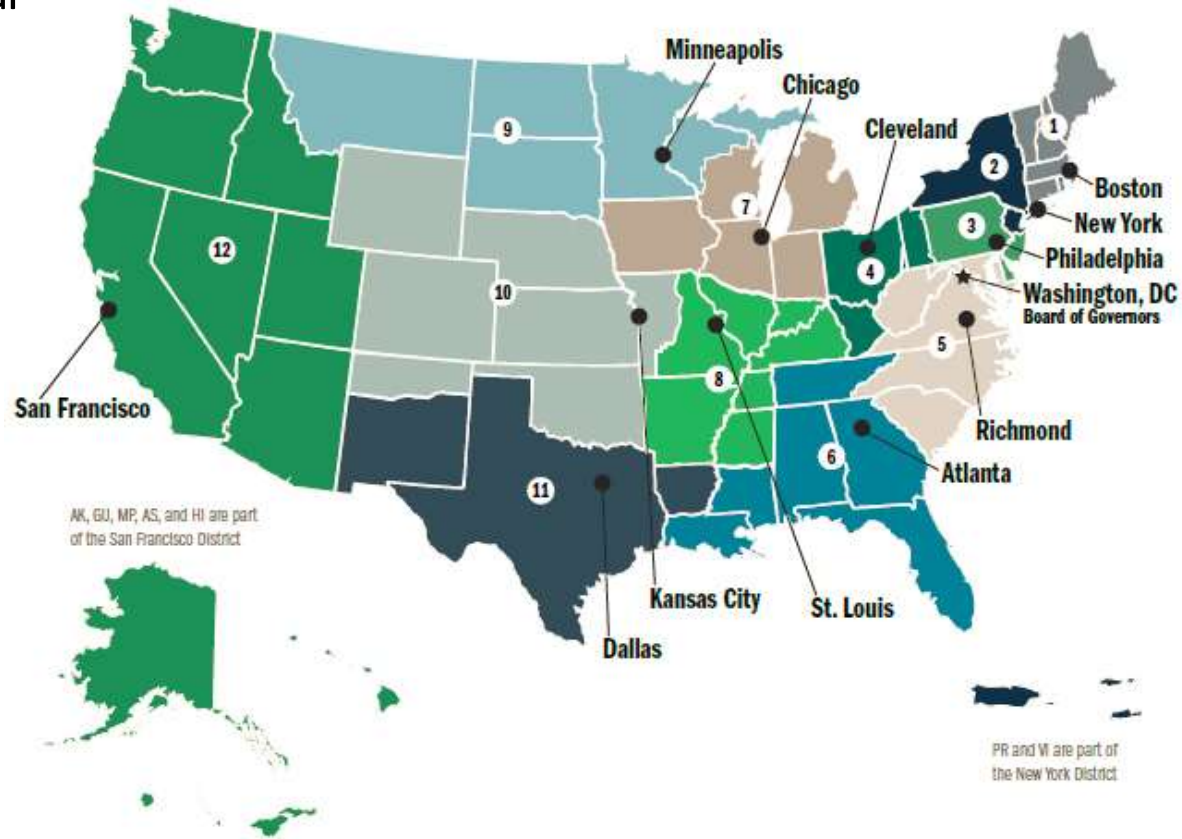
These comments do not necessarily represent the views of the Federal Reserve Bank of St. Louis or the Federal Reserve System.

The Federal Reserve is the central bank of the United States. It is responsible for monetary policy, supervision and regulation of banks, and payment systems.

Its community development function aims to **promote economic resilience and mobility** for **low- and moderate-income** and **underserved** individuals and communities.



Perspectives from Main Street:

The Impact of COVID-19 on Communities and the Entities Serving Them

Federal Reserve System

Davis, Daniel Paul; Kaufmann, David; and Leone de Nie, Karen. *Perspectives from Main Street: The Impact of COVID-19 on Communities and the Entities Serving Them*. Federal Reserve System, April 2020.

About the Survey

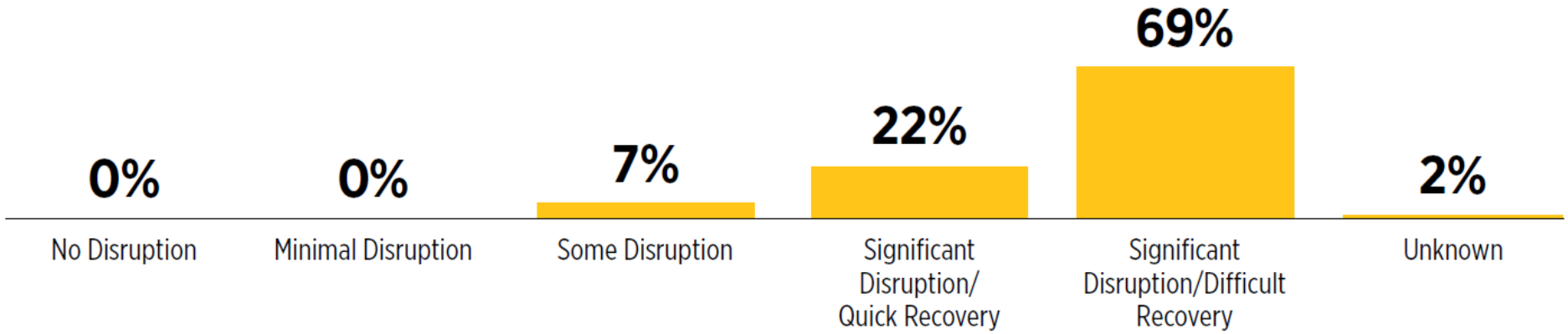
The spread of the coronavirus (COVID-19) and the many efforts to slow it are impacting communities across the nation. In order to best respond to this crisis, information is needed about the scope and scale of challenges in various communities. This report offers findings of a survey designed to collect information on the effects of COVID-19 on communities and the entities serving them. It was fielded by all 12 Reserve Banks and the Board of Governors of the Federal Reserve System between April 8 and April 10, 2020, and resulted in 3,899 responses. Responses were collected through a convenience sampling method that relied on Reserve Bank and Board of Governors stakeholder contact databases to identify representatives of nonprofit organizations, financial institutions, government agencies and other community organizations. These representatives were invited by email to participate in an online survey.

Survey Findings:

- Nearly 7 out of 10 respondents (69%) indicated COVID-19 was a significant disruption to the economic conditions of the communities they serve and that recovery is expected to be difficult.
- Income loss, business impacts, health concerns, and basic consumer needs were the most frequently cited impacts of COVID-19.
- Over one-third of respondents (35%) indicated it will take more than 12 months for their communities to return to the conditions prior to the disruption from COVID-19.
- 72% of respondents indicated COVID-19 is having a significant disruption on the entity they represent, with 41% expecting to bounce back quickly after recovery begins.
- Nearly 2 out of 3 respondents (66%) indicated demand for their services has increased or is anticipated to increase, and more than half of the respondents (55%) noted a corresponding decrease or anticipated decrease in their ability to provide services.
- A quarter of respondents (25%) indicated their entity could operate for less than three months in the current environment before exhibiting financial distress.

At this point in time, what level of disruption is COVID-19 having on economic conditions in the communities you serve?

N=3,899



Please note, percentages have been rounded and may not equal 100%.

Top impacts of COVID-19 on communities.

N=3,881

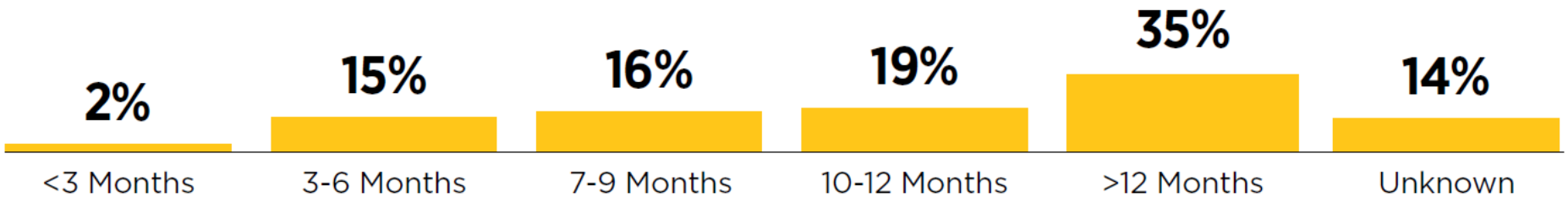
In an open-response question, respondents were asked to share the **top impacts** of COVID-19 on the communities they serve. Responses were coded, and the top impacts include:

INCOME LOSS	BUSINESS IMPACTS	HEALTH CONCERNS	BASIC CONSUMER NEEDS
including loss of jobs and self-employment, leading to the inability to service debt and pay bills	including closures, revenue loss, and supply chain disruptions	including efforts to preserve health, prevention of COVID-19 spread, and the limited availability of testing and personal protective equipment	including food and housing

EFFECTS ON VULNERABLE POPULATIONS
including homeless and aging populations and those without access to the internet or computers—that are exacerbating existing disparities

How long do you expect it will take for the communities you serve to return to the conditions they were experiencing before the impact of COVID-19?

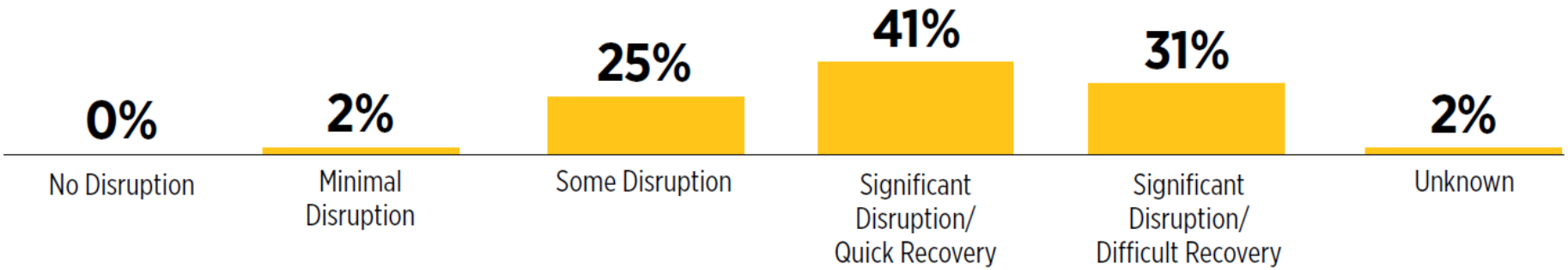
N=3,897



Please note, percentages have been rounded and may not equal 100%.

At this point in time, what level of disruption is COVID-19 having on the entity you represent?

N=3,899



Please note, percentages have been rounded and may not equal 100%.

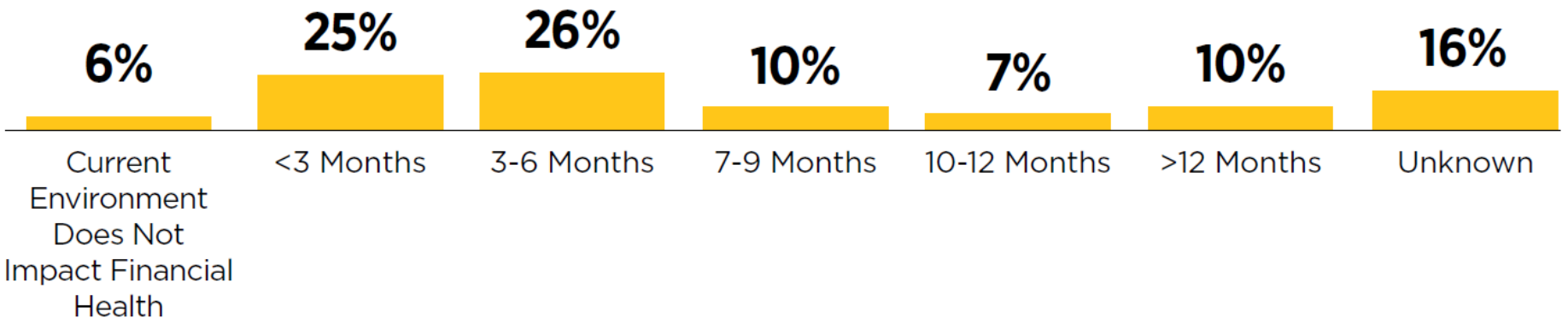
In what ways has COVID-19 impacted the entity you represent?

	Demand for Services N=3,871	Ability to Provide Services N=3,859	Staffing Levels N=3,873	Expenses N=3,858	Fee for Service N=3,836	Philan-thropic Funds N=3,853	Gov't Funds N=3,857
Decreased	18%	**36%**	23%	6%	17%	16%	7%
Anticipated Decrease	7%	19%	16%	12%	11%	**22%**	13%
No Change	9%	18%	**48%**	**28%**	**36%**	21%	24%
Anticipated Increase	19%	12%	6%	27%	6%	16%	**31%**
Increased	**47%**	14%	5%	25%	3%	8%	9%
N/A	1%	1%	2%	2%	27%	18%	16%

Please note, percentages have been rounded and may not equal 100%.

How many months can your entity operate in the current environment before exhibiting financial distress?

N=3,890

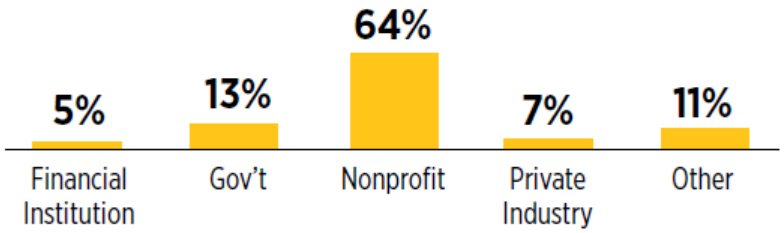


Please note, percentages have been rounded and may not equal 100%.

RESPONDENT PROFILES

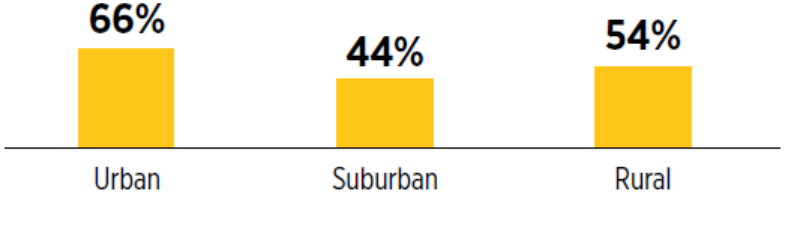
What type of entity do you represent?

N=3,898



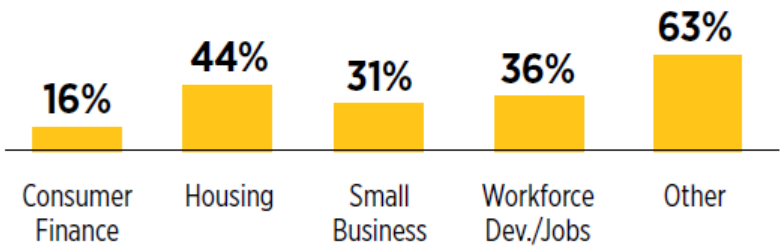
What type of area do you mostly serve? Select all that apply.*

N=3,891



What issues do you work on? Select all that apply.*

N=3,876



Are you a direct service provider?

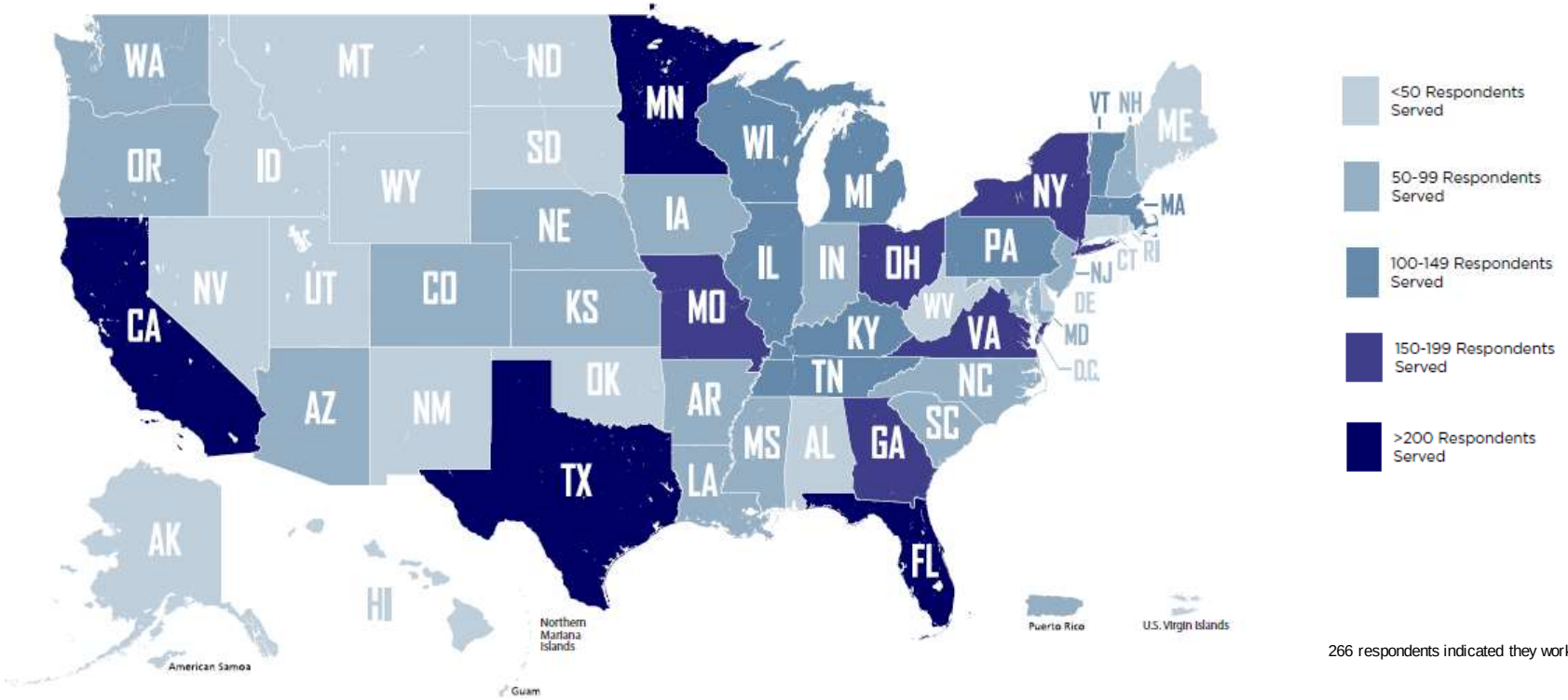
N=3,899

* Aggregate percentages exceed 100% due to the ability of respondents to select all that apply.

RESPONDENT PROFILES

In which states and/or territories do you conduct most of your work? Select all that apply.

N=3,881



266 respondents indicated they worked nationwide.

Investing in America's Workforce

- A resource from the Federal Reserve
- Three volumes on improving outcomes for workers and employers:
  - Volume 1 – *Investing in Workers*
  - Volume 2 – *Investing in Work*
  - Volume 3 – *Investing in Systems for Employment Opportunity*
- More than 100 workforce development experts and practitioners contributed
- www.investinwork.org/book

Investing in America's Workforce – 7 Snapshots

Investing in America's Workforce
Improving Outcomes for Workers and Employers

1. Focus on **inclusion** – this is most important way we can invest in our workforce.

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Improving Outcomes for Workers and Employers

2

Bostic and Carpenter from the Federal Reserve Bank of Atlanta examine **spatial mismatch and mobility** in the workforce system.

Investing in America's Workforce

Improving Outcomes for Workers and Employers

3

Engel from the Federal Reserve Bank of Chicago shares data and case studies about connecting **returning citizens** to employment.

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Improving Outcomes for Workers and Employers

4 Gruenewald from the Federal Reserve Bank of Minneapolis demonstrates how investments in **early childhood education** transform the workforce development pipeline.

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Improving Outcomes for Workers and Employers

5

Johnson from Clark Atlanta University explains the way in which **Historically Black Colleges and Universities** influence labor market outcomes.

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Improving Outcomes for Workers and Employers

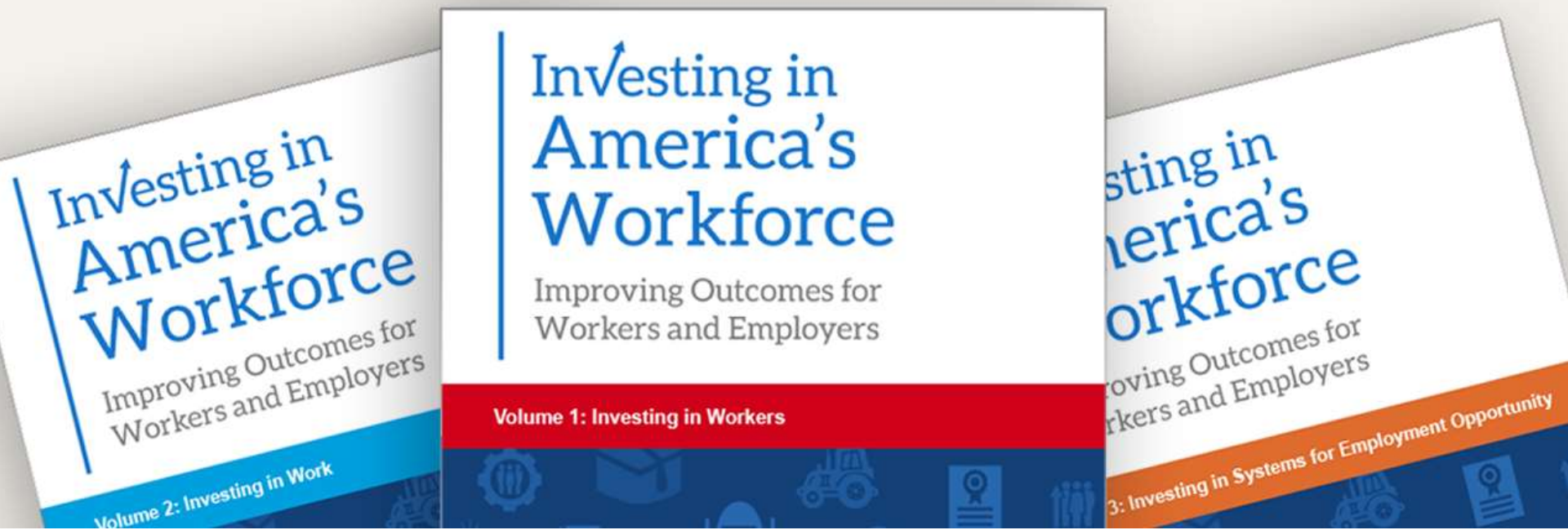
6 Jones from Local Initiatives Support Corporation and Longworth and Mattoon from the Federal Reserve Bank of Chicago discuss the potential of **community-based solutions** to shape the workforce.

Investing in America's Workforce

Improving Outcomes for Workers and Employers

7

Rice and Hefner from Morehouse University School of Medicine describe how addressing **social determinants of health** can boost labor force productivity.



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