

Survey of Low- and Moderate-Income Populations and Service Organizations in the Tenth District

The Federal Reserve Bank of Kansas City has developed a quarterly survey to evaluate the economic conditions of low- and moderate-income (LMI) populations and the organizations that serve them. LMI people have incomes below 80 percent of the area median income, which is defined as the metropolitan median income for urban residents and state median income for rural residents. The goal of the survey is to provide service providers, policymakers, and others a gauge with which they can assess changes in the economic conditions of the LMI population over time.

The roughly 150 survey participants represent a variety of organizations that provide services to LMI populations throughout the Tenth Federal Reserve District, which includes western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado, and northern New Mexico.

Survey results are used to construct five indicators of economic conditions in LMI communities and two indicators of the condition of organizations that serve these populations. The LMI Financial Condition Index gauges the general financial condition of LMI people, including their ability to fund basic needs and manage debt. The LMI Service Needs Index reflects reports by community organizations about the demand expressed for the services they provide. The LMI Credit Access Index measures the amount of credit that is available to LMI populations. Other indicators measure the availability of jobs (LMI Job Availability Index) and affordable housing (LMI Affordable Housing Index) for LMI populations. Conditions of the organizations serving LMI communities are measured by the LMI Organization Capacity Index (availability of nonfinancial resources) and the LMI Organization Funding Index (availability financial resources).

Each indicator in the survey takes a value between 0 and 200. The indexes are calculated as the share of respondents reporting better conditions less the percentage of respondents reporting worsening conditions, and adding 100. Thus, a value of 200 indicates that all

respondents reported better conditions, and a value of 0 indicates that all respondents reported worsening conditions. A value of 100 is considered neutral.

The Federal Reserve Bank of Kansas City will continue to report survey results on a quarterly basis. Please visit the Community Development page on the Federal Reserve Bank of Kansas City website (www.kansascityfed.org) for future reports, or sign up for email notification.