



Perspectives from Main Street: The Impact of COVID-19 on Communities and the Entities Serving Them

THE FEDERAL RESERVE SYSTEM

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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 System¹ 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.

¹ [The Federal Reserve's community development function](#) seeks to promote the economic resilience and mobility of low- to moderate-income and underserved households and communities across the United States.

Survey Findings

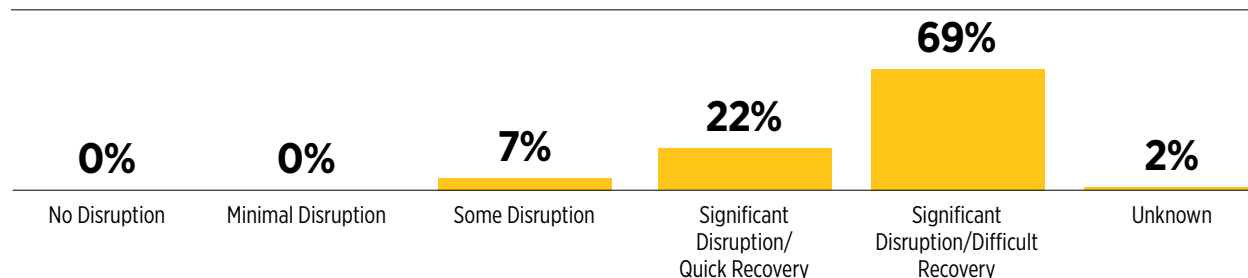
Overall, the survey finds:

- 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.

THE IMPACT OF COVID-19 ON LOWER-INCOME COMMUNITIES

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







N=3,899



Top impacts of COVID-19 on communities.

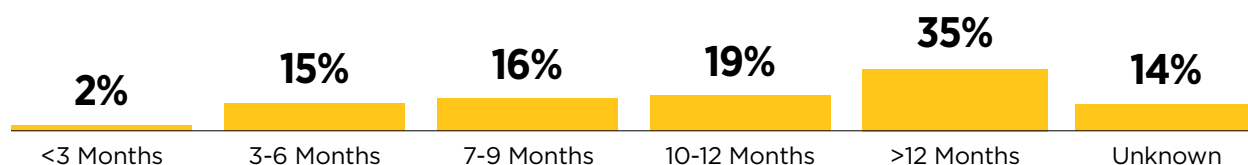
N=3,881

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	EFFECTS ON VULNERABLE POPULATIONS	NONPROFIT IMPACTS
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	including homeless and aging populations and those without access to the internet or computers—that are exacerbating existing disparities	including challenges reaching and serving clients remotely, access to funds, and closures

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?

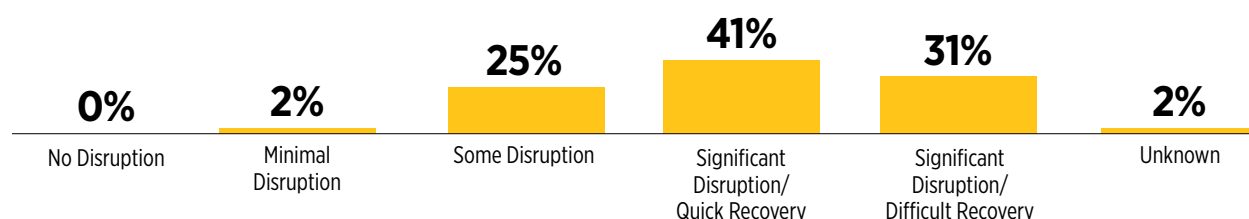
N=3,897



THE IMPACT OF COVID-19 ON ENTITIES SERVING LOWER-INCOME COMMUNITIES

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

N=3,899

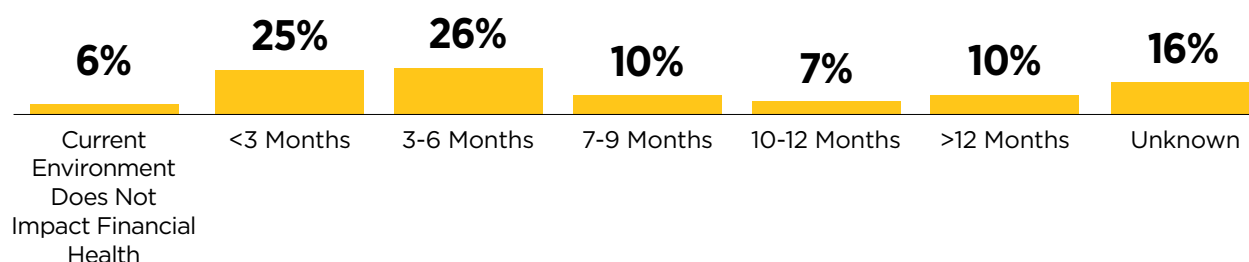


In what ways has COVID-19 impacted the entity you represent?

	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	Philanthropic 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%

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

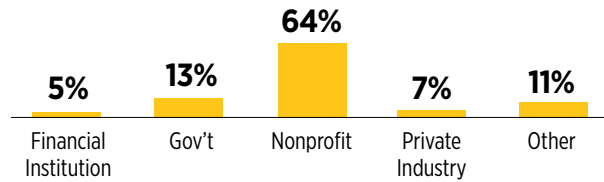
N=3,890



RESPONDENT PROFILES

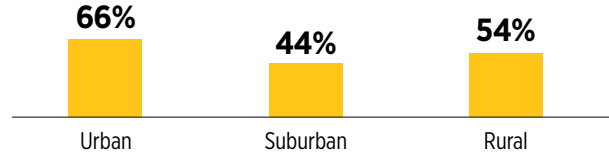
What type of entity do you represent?

N=3,898



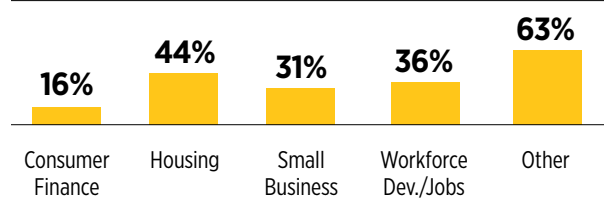
What type of area do you mostly serve? Select all that apply.*

N=3,891



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

N=3,876



Are you a direct service provider?

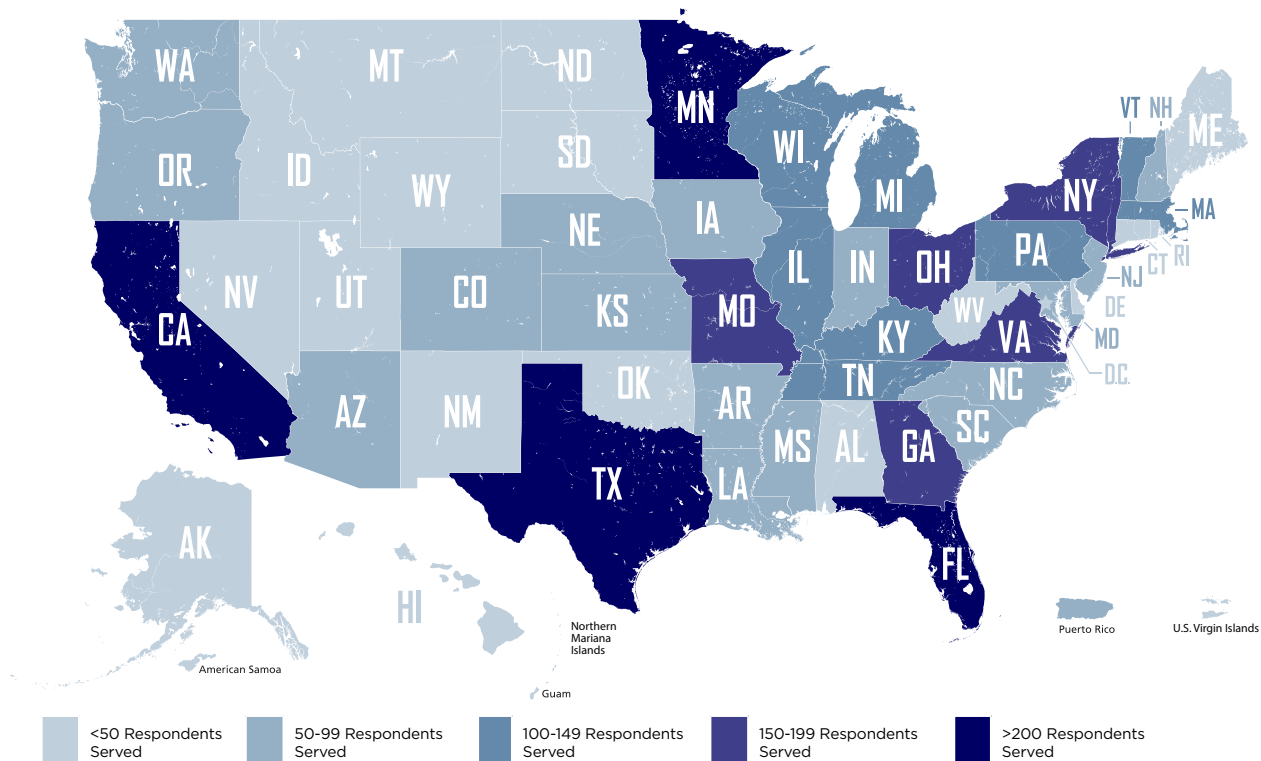
N=3,899



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

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.