# Federal Reserve Data Reveals Continuing Disruption from COVID-19 Pandemic Among Organizations and Communities

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In August, with help from our networks, the Federal Reserve surveyed entities serving low- to moderate-income (LMI) communities. More than 1,700 responded, of which 69 percent were nonprofits. The survey, which was an update of a survey the Fed conducted last summer, asked again about the impact of the COVID-19 pandemic on households, on communities, and on the organizations themselves. This article is based on the unpublished report, which will be released next week. [Update 11/17/2022: the Federal Reserve report is now live and can be accessed on their FedCommunities site.]

While there are signs of improvement, the COVID-19 pandemic continues to negatively impact communities across the nation. For both communities and the organizations serving them, **inflation, labor shortages,** and the availability of **childcare** were top challenges.

The situation is daunting given the probability of a recession and nonprofit staff that are feeling burned out from dealing with the pandemic and the associated stressors.
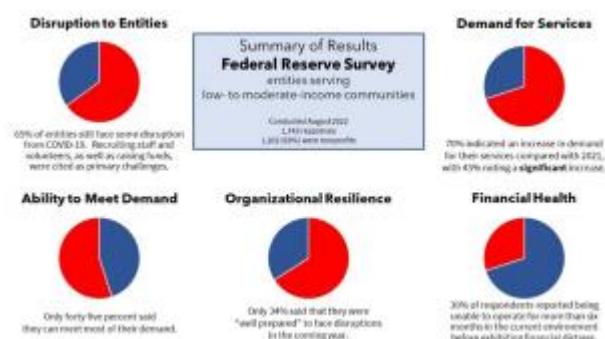


Although disruptions persisted, there were lower levels of pandemic-related effects in many segments of the economy relative to 2021, according to the Federal Reserve's initial report. However, **housing stability has not shown signs of improvement** in the past year.

> Approximately **70 percent of respondents indicated an increase in demand for their services, with 43 percent noting a *significant* increase**.

While the percentage of organizations serving LMI communities that reported experiencing disruptions decreased this year relative to 2021, major challenges persist. **More than 60 percent of entities** reported at least some disruption, including **one-third that reported significant disruptions**. Findings on the impact on organizations included:

- **Disruption to Entities**: nearly two-thirds of respondents (65 percent) still face some disruption. **Recruiting staff and volunteers and raising funds** were cited as primary challenges.
- **Demand for Services**: Approximately **70 percent of respondents indicated an increase in demand for their services, with 43 percent noting a *significant* increase**.
- **Ability to Meet Demand: Only 45 percent of entities said they can meet *most* of their demand.**
- **Organizational Resilience**: Almost 90 percent of respondents said that their entity was able to adapt to some, but not all, disruptions they faced last year. However, **only 34 percent said that they were "well prepared" to face**

**disruptions** in the coming year.

Among findings for the people and communities they serve, respondents reported that fewer experienced significant disruptions than in 2021 – except for housing.

- **Housing Stability**: Almost 50 percent of respondents said that those they serve continued to face significant **disruptions in housing stability**, an issue that saw little progress over the past year. Insufficient affordable housing and high housing costs were reported as the primary reasons for disruptions.
- **Access to Health Care**: Almost 40 percent fewer respondents reported significant disruptions in access to health care compared with 2021. A quarter still reported significant disruptions**. Lack of access to mental health services, followed by shortage of health care staff**, were reported as primary sources of disruption.
- **Services for Children**: Compared with 2021, the number of respondents reporting significant disruptions to services for children fell by half. However, 30 percent of respondents continued to report significant disruptions, with **staff shortages** and **lack of available childcare** cited as the main reasons.

The researchers at the Federal Reserve will continue to analyze the survey data according to various characteristics such as subsector, state, and leadership categories. We'll publish those updates as they become available.