Our Regional Community and Economic Perspectives network is comprised of community and business leaders from across the Twelfth District. Through regular discussions, they provide us with valuable real-time information about local economic conditions. This snapshot summarizes what we heard during the first quarter of 2024.

We engage with representatives of community organizations to better understand the lived economic experience of low- and moderate-income (LMI) households.

**WHAT WE HEARD IN EARLY 2024:**

**Jobs Outlook**
Jobs are available for LMI workers. However, there are multiple constraints to employment, including the expense of childcare and the lack of remote work options. Also, some jobs don't pay a living wage, especially in the more expensive areas of the District. Our contacts also reported that many young workers prefer gig work.

**Cost of Living**
The cost of housing is a major concern for LMI communities. Even though inflation has cooled, many households report having a tough time making ends meet. Multiple organizations reported an increase in household debt. Federal supports for rent and utility assistance are expiring, and our contacts noted this will put further put pressure on many households.

**Small Business Conditions**
The economic outlook for small businesses varies across the District. Financial health varies by business size with the smallest businesses reporting struggling the most. Across the board, businesses note that high interest rates are limiting expansion.
From the business leaders in our network, we learn about what economic challenges and opportunities their companies face.

WHAT BUSINESS LEADERS TOLD US ABOUT EARLY 2024:

**Consumer Demand**
Through the first three months of the year, businesses saw a general softening of demand as consumers showed more sensitivity to prices. Even with this development, most companies feel the general outlook is stable and they are cautiously optimistic.

**Labor Market and Productivity**
Many of our contacts reported the labor market has returned to a more normal state. Across most type of positions, it is easier to find employees and turnover has decreased. Some positions, especially those with in-demand skills, are still difficult to fill. Companies also continue to adapt to earlier wage increases. Looking ahead to the rest of the year, many businesses are exploring new technological advances like generative AI in the hopes of increasing productivity.

**Input Costs and Prices**
Our contacts noted that input costs have moderated in part because of significant improvements in the supply chain. They observed that it has become more difficult to pass through any increased costs because consumers are increasingly shopping around. Many reported that bank credit is available while securing equity investment presents more of a challenge.

We believe it's important to hear the experiences of all communities, including those facing barriers to economic participation. These insights help us make better decisions and better policy to create an economy that works for all Americans.

– Mary C. Daly, President and CEO