

# New England Community Outlook Survey

## Fourth Quarter 2011 Highlights

Once again, service providers ranked job availability, state and local budget cuts, federal budget cuts, access to affordable housing, and adequate adult workforce development as the top five challenges facing low- and moderate-income communities.

The figure to the right compares respondents' rankings of the top challenges over time.

### COMPARISON OF TOP CHALLENGES OVER TIME

Issue	Rank Q4 2011	Rank Q3 2011	Rank Q2 2011*
Availability of employment opportunities	1	1	1
State and local budget cuts	2	2	2
Federal budget cuts	3	3	3
Access to affordable housing	4	4	4
Adult workforce development programs	5	5	7
Increasing homelessness	6	8	8
K - 12 education	7	6	n/a**
Home foreclosures	8	7	5
Negative impact of vacant properties	9	11	11
Credit scores	10	10	9
Access to consumer credit	11	12	6
Other	12	13	14
Predatory and/or fraudulent financial services	13	14	12
Access to small business loans	14	9	10
Immigration issues	15	15	13

\*We began asking respondents to rank the top challenges facing LMI communities in the second quarter of 2011.

\*\*The Quality of K-12 education category was added in the third quarter of 2011.

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### **Year-over-year Changes to Our Low- and Moderate-Income (LMI) Indicators**

Most of our indicators pertaining to the conditions of lower-income households improved in the fourth quarter of 2011 compared with the same period a year ago: Financial Well-being, Job Availability, and Access to Credit. The exception was the Availability of Affordable Housing Index, which saw a decline over the period. Indicators pertaining to the conditions of the organizations that serve these households saw a decline as well: Demand for Services, Organization Capacity, and Organization Funding.

“Low- and moderate-income families continue to struggle to provide for basic needs.”

– Eastern Massachusetts

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### **Job Availability Improves, but Remains the Top Challenge Facing LMI Communities**

Service providers continue to cite job availability as the most important challenge facing LMI communities. Notwithstanding, our Job Availability Index improved in the fourth quarter to a relatively neutral value of -2.1. This improvement brought the index to a full 21 points above its value in the fourth quarter of 2010 (-23.2). Expectations for the next quarter suggest optimism regarding continued improvement in job availability, with more service providers expecting job availability to increase (30.5 percent) than to decrease (20 percent).

“The manufacturing sector appears to have stabilized and is looking for qualified workers. Unfortunately, workforce development cuts have limited training opportunities for these jobs.”

– Southern Maine

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### **Organizations Split on Their Expectations Regarding Capacity**

Of service providers who have managed to maintain capacity over the last 12 months despite funding cuts, 42 percent expect to maintain capacity over the next two years, while 58 percent do not. Most of the latter group explained that this was due to expectations of further public-sector budget cuts and the effect those additional cuts would have on their organizations' already strained budgets. Service providers explained that further cuts would likely mean that their organizations would have to further reduce the scope of services to clients, reduce the number of clients served, and/or reduce staff.

"We have reduced staff, and those remaining do their best to provide adequate services. However, this cannot be maintained over the long term."

– Southern New Hampshire

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### Emerging Issues

**Proposed Healthcare Budget Cuts** – A number of service providers operating in Maine expressed concerns over the projected effect on lower-income individuals of the MaineCare/Medicaid budget cuts proposed in December 2011. The cuts are aimed at closing a \$121 million shortfall in the state’s Department of Health and Human Services budget.

**Escalating Costs of Higher Education** – Service providers also cited concerns about the escalating cost of higher education. Several respondents noted the increasing burden higher costs place on lower-income families and the negative effect of higher costs on access for lower-income families.

“The lack of affordable education options is a problem.”  
– Northern New Hampshire