

Community Development and Policy Studies (CDPS)

Background

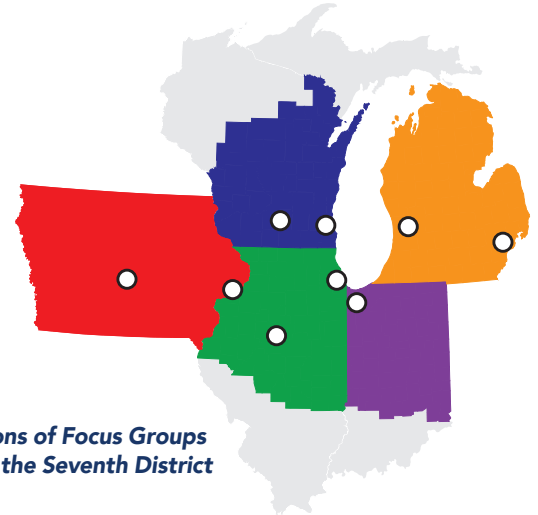
CDPS is a division of the Economic Research department of the Federal Reserve Bank of Chicago that promotes fair access to credit and financial services and researches issues that impact low- and moderate-income (LMI) communities. CDPS has crafted a strategic plan to guide its work over the next five years. The plan derives in large part from an information-gathering process – focus groups, one-on-one meetings – with internal and external stakeholders with related missions, as well as a review of literature on key issues raised. As a result of the information gathering process, we identified three core functions, five strategic priorities, and several challenges facing the community development field that our work will address.

Challenges Identified in the Community Development Landscape

- Need for affordable housing, access to credit for small businesses, rural development, and funding for community and economic development in lower-income communities
- Limited resources to implement comprehensive community and economic development strategies (i.e., that connect efforts to facilitate jobs, transportation needs, health, education, etc.)

Core Functions

- **Research** and conduct outreach to gain insight on key issues hindering access to credit and economic opportunity
- **Convene** diverse community development and policy stakeholders to share information and coordinate solutions
- **Connect** financial institutions and other intermediaries with places in need to foster effective interventions



Locations of Focus Groups Held in the Seventh District

Strategic Priorities and Intended Outcomes

- Facilitate access to credit by helping financial institutions meet the credit and banking services needs of their entire markets, including LMI areas.
- Share knowledge about the Community Reinvestment Act (CRA), fair lending and housing laws, and the role of banks in supporting communities while facilitating efforts to modernize CRA.
- Foster holistic/comprehensive community development in areas that are economically challenged by documenting and sharing effective strategies and interventions.
- Promote the growth and health of small businesses – key drivers of local economies – by working with assistance providers to more efficiently address small business needs.
- Promote CDPS products and services to a broader range of stakeholders by formulating an effective communication strategy leveraging digital and social media.

CDPS Initiatives and Programs

- **Industrial Cities Initiative (ICI):** Established to gain a better understanding of the economic, demographic, and social trends shaping industrial cities in the Midwest.
- **Resources for Business and Growth in Detroit:** Established to examine the availability of resources for small businesses in the Detroit region and strategies to attract investment to the city.
- **Policy Conferences; Topics to Date Include:** Healthy communities, regionalism, CDFIs, foreclosure mitigations, and access to credit for small business and low- and moderate-income individuals and communities.
- **Technical Assistance:** CRA and fair lending laws, and community and economic development strategies.
- **Mission-Focused Depository Institution Research:** Assess the vulnerabilities that mission-oriented banks encounter and the role they play within lower-income and minority communities.



CDPS works to improve the socioeconomic prospects of low- and moderate-income people in addition to working with community leaders to bring development and reinvestment opportunities to underserved communities.