

# Community Development and Policy Studies (CDPS)

## Background

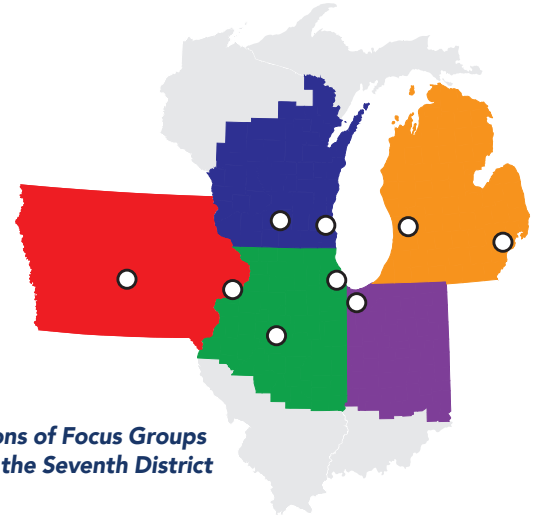
CDPS is a division of the Economic Research department of the Federal Reserve Bank of Chicago that promotes fair access to credit and financial services and researches issues that impact low- and moderate-income (LMI) communities. CDPS has crafted a strategic plan to guide its work over the next five 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.*