

BY MATTHEW WELLS

New from the Richmond Fed's Regional Matters blog

Sierra Latham. "Teacher Wages and Purchasing Power in the Fifth District."

Data from the 2020 Census show a wage gap for the Fifth District's teachers, who earn about 30 percent less than non-teachers with similar work experience and education. The gap is smaller, however, in rural areas than in urban ones: Teachers in urban areas earn about 29 percent less than those in comparable occupations, on average, while rural teachers earn 13 percent less. Moreover, the difference in purchasing power between urban teachers and rural teachers is smaller than it appears. After accounting for the higher cost of living in urban areas, the average difference between urban and rural teacher wages across the district drops from 12 percent to 3 percent.

Nicholas Haltom and Jacob Walker. "How to Get the (High-Skilled) Workers?"

The Richmond Fed's monthly surveys of Fifth District businesses indicate they are having difficulty finding workers in what has been an exceptionally tight labor market. To attract low- and mid-skilled workers, businesses have increased wages. They still have problems, however, finding high-skilled workers. In the September 2022 survey, over 40 percent of firms reported finding high-skilled workers became harder as the year went on, while less than 30 percent said the same of low-skilled workers. This difference may stem from the fact that firms have not been using wage increases at the same level to attract high-skilled workers, although that could change. Growing concerns regarding the economy, however, leave significant uncertainty when it comes to future hiring needs.

Adam Scavette. "How to Bridge the Digital Divide? Assessing the Affordable Connectivity Program."

The Affordable Connectivity Program (ACP) subsidizes broadband subscriptions for low-income households and was passed as part of the 2021 Infrastructure Investment and Jobs Act. Participation in the program has been only around 27 percent nationwide as of May 2022, and it is especially low in most of the Fifth District. Internet service providers point to a lack of awareness of the program among eligible households and to cumbersome administrative processes.

To address these issues, the FCC has created a grant program that will "enlist partners around the country to help inform ACP-eligible households about the program ... and to provide those partners with the funding and resources needed to increase participation."

Laura Dawson Ullrich and Jacob Walker. "Pell Grants and Community College Success: Improving Metrics via our Community College Survey."

Community colleges provide economic development and workforce training but measuring their success has been difficult using existing metrics. The Richmond Fed recently piloted a survey of nine Fifth District community colleges that better reflects the diversity of their students. Beyond standard graduation or completion rates, the Fed's survey included two additional categories of success: students who transferred to another institution (including four-year institutions), and those who remained enrolled. Under these new standards, 64 percent of community college students are succeeding compared to 51 percent on the basis of graduation rates alone. Data from the survey also show that Pell Grant recipients are less likely to transfer and come predominantly from rural areas.

Zach Edwards. "Are Recession Fears Replacing Supply Chain Challenges? Evidence from Fifth District Business Surveys."

The Richmond Fed's August survey of Fifth District businesses indicated increasing concern over reduced demand and the possibility of recession; at the same time, businesses were less worried about supply chain disruptions and input costs than they were in the May survey. In August, 21.5 percent of businesses expressed concern over decreasing demand, up from 11 percent in May. Similarly, 20.9 percent of August respondents reported concerns over a potential recession, 10 points higher than in May. The August survey also revealed that manufacturers were more worried about supply chain disruptions and decreasing demand, while service-oriented firms tended to fear inflation and recession risk. **EF**

