Record of Meeting
Community Advisory Council and the Board of Governors
October 8, 2026

Introduction

This memo covers recent observations and trends identified by Community Advisory Council members in their respective states and regions. Responses to standard questions about current market and labor force conditions, housing, and additional matters are organized according to themes that emerged.

Several key themes surfaced from the input gathered from members:

- Citing higher prices, low- and moderate-income (LMI) consumers have increased their reliance on credit to cover necessities.
- Rising costs and lower commodity prices are a challenge for farmers.
- High costs and an inability to keep pace with demand are noted as challenges to the development of affordable housing.
- Stable economic conditions are simultaneously paired with hiring and retention challenges for employers and job entry barriers for less-skilled employees in the current job market.
- Local implications of data center development and the accompanying unprecedented technology investments raised as additional matters.

Item #1: Current Credit Market and Economic Conditions

What is the Council's view of the current condition of, and the outlook for, loan markets and financial markets generally? Has the Council observed any notable developments since its last meeting for loans in such categories as (a) small business, (b) home mortgage, (c) multifamily and affordable housing, and (d) consumers?

LMI households are under stress due to rising costs, evidenced by the increased use of credit to cover essentials, increased reliance on food banks, and rising rates of delinquency

Several members noted an increased tendency for LMI consumers to cut back spending severely or rely on credit card usage to cover necessities.

A Council member in San Francisco noted that families there report buying less food, buying lower-quality food, or putting groceries on a credit card.[1]

Note: Observations expressed in this memo are those of Community Advisory Council members based on their experiences and conversations with colleagues and community members in July and August 2026, as well as local data and narratives. Opinions do not necessarily reflect those of the Federal Reserve System, the Federal Reserve Board of Governors, or any of the individual Federal Reserve Banks.

In Texas, the Central Texas Food Bank reports its weekly meal count increased from about 20,000 to more than 30,000 this year as rising food costs outrun family budgets.[2] Statewide, food banks report record need, exacerbated by a decline in Supplemental Nutrition Assistance Program (SNAP) participation of roughly 9 percent due to expanded work requirements.[3]

Multiple members noted that the rise in household debt levels and increasing credit card and auto loan delinquencies remain areas of concern. The implications are wide ranging, and some members shared observations of higher debt-to-income ratios for housing purchases, restaurants being hesitant to increase menu prices, and consumers forgoing needed medical care.

In Minnesota, the statewide network of homeownership advisors observes a trend in which households are increasingly leveraging debt, which can affect consumers' debt-to-income ratios when purchasing a home. Trends in which mortgage lenders will accept higher total debt ratios (some above 50 percent of gross income) raised concern among network advisors about the sustainability of homeownership.

In Florida, households are becoming increasingly selective about how much they spend. One company that operates Pensacola restaurants indicates customer counts are up while the average check is down. Organizations report limited ability to raise menu prices further without risking customer traffic, as they absorb significant increases in food costs rather than passing them fully to customers.[4]

A Florida banker reports that higher consumer credit card balances are making it more difficult for some borrowers to qualify for automobile loans and other additional credit.[5] These observations suggest revolving debt is beginning to reduce household financial flexibility.

Participants in a recent community needs assessment survey in Oklahoma revealed an emerging trend of choosing to let medical or credit card debt go to collection rather than pay the balances. Other observations included LMI consumers maxing out credit cards for everyday living expenses and using payday loan companies; an increase in payday loan activity due to a failed past banking relationship; and the cost of food, health care, utilities, and housing, causing LMI families to go without certain essentials or selectively pay bills.[6]

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[1] Based on Council member's observations, conversations, and surveys from clients over the years about how they manage during difficult times.

[2] Bettie Cross, "Summer Meal Programs Help Central Texas Families Cope with Rising Food Costs," CBS Austin, June 20, 2026, https://cbsaustin.com/news/local/summer-meal-programs-help-central-texas-families-cope-with-rising-food-costs, and CBS Austin, "Central Texas Food Bank Calls on Community to Help Meet Record Summer Need," July 15, 2026, https://cbsaustin.com/features/we-are-austin/central-texas-food-bank-calls-on-community-to-help-meet-record-summer-need.

[3] Julieanna Jackson, "SNAP Enrollment Drops as Texas Food Banks Face Rising Demand," KCEN, May 14, 2026, https://www.kcentv.com/article/news/local/snap-enrollment-drops-texas-food-banks-face-rising-demand/500-9bb34159-4f83-44eb-b40c-b826f5f2175e.

[4] William L. Merrill, Merrill Land Company, email response to author, August 19, 2026.

[5] Matt Newcomer, PNC Bank, email response to author, August 18, 2026.

[6] Not all are verbatim responses, as some are summarized.

These trends are surfacing among employed households as many community-based organization contacts expressed the increased cost of basic living expenses are exacerbating the financial strain felt by ALICE (Asset Limited, Income Constrained, Employed) families. In the Pacific Northwest, organizations are monitoring the growing financial strain among households that, while employed, are financially vulnerable. Historically, financial distress was associated with unemployment or a major economic event. Today, organizations observe households, particularly among LMI households that are working and earning income but are still struggling to keep up with rising living costs. A workforce development organization shares that LMI households have a greater need for stabilization services and wraparound support programs as well as for housing and food support, transportation assistance, and other financial stress offsets. Because of this, workforce providers are increasingly helping participants address immediate household stability needs before moving into job placement support programs.

Small business lending a mixed picture amid economic challenges

Despite challenges small businesses face, a large regional bank serving the eastern seaboard noted businesses still largely want to grow. Expansion, acquisitions, commercial real estate purchases, additional locations, equipment purchases, and succession transactions were noted drivers as some owners continue to invest despite economic uncertainty.

However, many accounts were not as positive. Multiple members shared instances of small businesses seeking capital largely to cover operating expenses rather than for business expansion. Growth is being challenged by cash flow pressure, labor shortages, rising operating costs, delayed receivables, higher financing costs, fraud and cybersecurity concerns, and increasing documentation requirements for borrowing.

In Texas, much of the borrowing by small firms, restaurants, shops, services, and small contractors is attributed to staying afloat rather than growing. Likewise, demand for working capital at a financial institution in Washington state rose as small businesses continue to face economic challenges, including higher inventory costs, supply chain disruptions, increasing insurance premiums, and rising local tax burdens.

Other Council members reported a decrease in demand in response to market risk and cost uncertainty or an inability to secure financing. One community development financial institution serving emerging and very small businesses in rural Minnesota communities reported a recent and noticeable decline in demand for small business start-up loans and microloans, a possible early sign of decreased confidence and willingness to assume risks.

Higher costs creating difficulties for farmers

Several members reported higher production costs are putting pressure on farmers. One member from New England shared how their investment team observed sales weakness in companies that sell to the farm industry, citing tariffs and a stalled farm bill. According to this member, only a small share of producers reported being financially better off than a year ago, and many expect continued challenges

over the next 12 months. Lower commodity prices and persistently high production costs resulted in below breakeven returns for many crop producers, further constraining farmer margins. Losses are likely to continue across several major crops as operating expenses remain elevated and market prices dip.

Community bankers in Oklahoma stated more capital is required to operate at the same level in rural markets, as live cattle prices have been particularly volatile. From mid-March to late June of this year, prices for live cattle increased roughly 10.8 percent but have since declined by almost 13 percent, to levels not seen since early December 2025.[7] Bankers noted while cattle operations are in a good financial position, crop farmers (e.g., corn, soybean, and wheat) are struggling. While prices of all three grains are up this year, higher input costs (i.e., diesel and fertilizer) are squeezing margins.

In Kansas and Missouri, farmers are facing a difficult combination of poor yields, higher production costs, and continued uncertainty around federal farm policy.

Item #2: Housing Markets

How have house prices and rental rates changed since the last meeting? Have there been any new developments in housing activity for low- and moderate-income communities in Council members' regions?

High costs of construction and financing disrupt housing development

Nationally, multifamily starts are down roughly 73 percent from the early-2022 peak, to the lowest quarterly level since 2011,[8] with budgets disrupted for national projects at current construction costs and borrowing rates. Multifamily transaction volume also fell 10.7 percent through May.[9]

In Austin, Texas, apartment construction is slowing sharply. In Florida, one member noted similar trends where affordable and multifamily housing projects funded by a mix of public and private dollars have faced delays and required multiple extensions caused by increased construction and financing costs.

Some markets are also facing delays in single-family housing production. Recent tariffs (50 percent on steel/aluminum and more than 10 percent on softwood lumber) added more than $10,000 to a typical new home.[10] Developers and local governments find it difficult for affordable housing production, on the thinnest margins, to absorb these increases, alongside rising insurance, utilities, and labor costs. For

[7] See Live Cattle Prices at https://tradingeconomics.com/commodity/live-cattle.

[8] Apartments.com and CoStar Group, "Apartments.com and CoStar Release a Multifamily Construction Activity Update for Q1 2026," May 12, 2026, https://www.costargroup.com/press-room/2026/apartmentscom-and-costar-release-multifamily-construction-activity-update-q1-2026.

[9] Yardi Matrix, multifamily transaction volume through May 2026.

[10] National Association of Home Builders, "How Tariffs Impact the Home Building Industry," https://www.nahb.org/advocacy/top-priorities/building-materials-trade-policy/how-tariffs-impact-home-building.

example, San Francisco completed only about 400 homes in the first half of 2026, near a historic low—despite more than 37,000 units in the pipeline, of which 3,300 are actively in the construction process.[11]

On the financing side, investor demand for low-income housing tax credits (LIHTC) has not kept pace with the increased supply, and LIHTC investors are being highly selective, pushing investor yields up and credit pricing down. The Council member in Minnesota noted an imbalance of LIHTC and investor equity, partly due to recent amendments to the credits that reduce the threshold of private activity tax exempt bond financing for eligible projects.

Increasing rents continue to put pressure on the ability of LMI families to save or move

In San Francisco, rents increased sharply while construction flatlined because of high material and borrowing costs. Rents are rising faster in San Francisco than in any other major U.S. city, up roughly 3.9 percent month-over-month and 23 percent year-over-year as of August 2026.[12]

In June 2026, rental rates in the Twin Cities metropolitan area of Minnesota reflect rent growth of 1.4 percent to 2.5 percent year-over-year.[13] Despite this modest growth, Minnesota's State Housing Finance Agency estimates the annual need for emergency rental assistance for low-income Minnesotans is $350 million, of which approximately $28 million available.[14]

A contact in Oklahoma noted fewer landlords are willing to accept U.S. Department of Housing and Urban Development Housing Choice Vouchers (section 8) across the state.

Others noted that the purchase of homes by private equity firms or the replacement of affordable rental properties by other developments affects the supply of affordable rental units.

On ramps to homeownership for LMI families are limited

Council members noted both housing shortages and affordability as impediments for LMI families to achieve homeownership.

In Kansas City (a relatively affordable housing market), housing activity improved somewhat, but supply remains a significant constraint, especially at more affordable price points. May home sales increased 2 percent from a year earlier, pending sales increased slightly, and active listings declined 3.7 percent.[15] Nearly half of listed homes remained unsold after 60 days, suggesting a market in which affordability and

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[11] Adam Brinklow, "SF Has Built Only 400 Homes This Year. Tens of Thousands More Are Waiting," *The Frisc*, July 8, 2026, https://thefrisc.com/sf-has-built-only-400-homes-this-year-tens-of-thousands-more-are-waiting/.

[12] Apartment List, "San Francisco, CA Rental Market Trends," September 2026, https://www.apartmentlist.com/rent-report/ca/san-francisco.

[13] Claudiu Tiganescu, "National Multifamily Report—June 2026," *Multi-Housing News*, July 10, 2026, https://www.multihousingnews.com/national-multifamily-report-june-2026/.

[14] Minnesota Housing, "Annual Estimation of Emergency Rental Needs for Minnesotans with Low-Income," January 15, 2025, https://www.mnhousing.gov/documents/53293/2025-annual-emergency-rental-assistance-estimation_final_rpdf/view.

[15] Stacker-Kansas City, "Are Homes Selling in Kansas City in 2026?," ABC 17 News, July 14, 2026, https://abc17news.com/stacker-kansas-city/2026/07/14/are-homes-selling-in-kansas-city-in-2026/.

elevated mortgage rates are constraining buyers even while desirable and lower-priced homes remain competitive.

In San Francisco, the median single-family home cost $2,150,000 in second quarter 2026.[16] The high concentration of artificial intelligence (AI) companies in San Francisco and the expectation of initial public offering payouts accelerated demand for luxury real estate, with all-cash or well-above-asking transactions becoming more frequent. As a result, access to the city's homeownership market is constrained for low-income families.[17]

Likewise, in the Cleveland, Ohio, area, rising costs of materials, labor, and permits keep pushing new home prices beyond what lower-income families can afford without subsidy.[18] More people are renting than in a more normal market as high home prices and mortgage rates deter many would-be buyers.[19] Additionally, a real estate broker in St. Louis who specializes in first-time home purchases and entry markets noted the rise in "for sale as-is" listings. This activity is making it harder for clients to finance the homes as many are using down payment assistance programs that would require sellers to make essential repairs before approving the prospective homeowner for assistance.

In the Pacific Northwest, as a result of the affordability crisis, homeownership programs are seeing increased requests for downpayment assistance, greater utilization of homeownership counseling, and financial education resources to help bridge the gap between renting and owning.

Item #3: Labor Market Conditions

How have the labor markets in which Council members operate changed since the last meeting? Recent labor market data are indicating low-hire, low-fire environment. Are Council members observing similar trends in their communities? Are certain industries or demographics experiencing this more? Are techniques/workforce solutions being developed

[16] The Front Steps: San Francisco and Marin County Real Estate, "San Francisco Real Estate Update July 2026: Surging Prices, Listings Crisis," July 16, 2026, https://thefrontsteps.com/2026/07/16/san-francisco-real-estate-update-july-2026/.

[17] Samantha Delouya, "'A Million Dollars Over Asking': AI Wealth Is Fueling Housing Market Frenzy in San Francisco," ABC7 Bay Area, August 17, 2026, https://abc7news.com/post/ai-wealth-is-fueling-housing-market-frenzy-san-francisco-million-dollars-asking/19692675/.

[18] Federal Reserve Bank of Cleveland, "Beige Book: Fourth District—April 2026," Federal Reserve System, April 15, 2026, https://www.federalreserve.gov/monetarypolicy/beigebook202604.htm.

[19] Matt Klesta, "Community Issues and Insights 2026: Housing Affordability and Inflation Remain Top Concerns," Federal Reserve Bank of Cleveland, May 19, 2026, https://www.clevelandfed.org/publications/community-issues-and-insights/2026/20260519-cis-housing-affordability-and-inflation-remain-top-concerns.

to provide new opportunities for those entering the labor force? Does the Council see signs of directional movement towards the "hire" or "fire" side?

Low-hire, low-fire labor market

Overall, members observe a cautious labor market in which broad hiring has slowed, worker mobility has weakened, and demand is increasingly concentrated in occupations with specific skills. Council members across multiple geographies—including Florida, rural New England, St. Louis, Delaware, and California—note a low-hire, low-fire labor market due to hiring, training and turnover costs, and challenges of finding skilled replacements.

In northwest Florida, employers are increasingly selective about adding or replacing positions, while workers who are already employed appear to have fewer opportunities to move into better jobs. For example, local restaurant operators are adjusting to softer spending patterns by reducing staffing, hours, and hiring as the business adapts to this trend.[20]

Birmingham, Alabama-area employers have described reliance on attrition and automation rather than large layoffs.[21]

In St. Louis, lower sales and rising operating and materials costs are making it prohibitive to hire more employees than the minimum number needed to operate. In addition, employers in retail, food service, and facility maintenance sectors shared they are retaining lower-performing workers and delaying or avoiding firings because of the cost of recruitment and training as well as the lack of qualified candidates.

In New England, companies are concerned about hiring full-time employees only to have to fire them if costs continue to increase and customers push back orders. This has resulted in an increase in workers reporting non-traditional employment income (e.g., contract, gig, freelance, etc.) and fewer full-time jobs being created.

In Indiana, layoffs are limited, unemployment remains low, and employers generally continue to hold onto workers given the difficulties they experienced recruiting during the last labor shortage and current difficulties matching workers to available positions.[22] There are also signs employers are becoming more cautious in adding head count and more selective in hiring decisions.

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[20] William L. Merrill, Merrill Land Company, email response to author, August 19, 2026.

[21] A.J. Leary, "Low Turnover, Fewer Hires: Why Birmingham Labor Markets Look Stable Despite Slowdown," *Birmingham Business Journal*, April 16, 2026, https://www.bizjournals.com/birmingham/news/2026/04/16/labor-squeeze-grips-economy.html.

[22] Indiana Department of Workforce Development, "Monthly Indiana Employment Reports," September 18, 2026, https://www.in.gov/dwd/newsroom/employment-reports/; Specialized Staffing Solutions, "Michigan/Indiana Labor Market Review Summary—June 2026," June 15, 2026, https://www.specializedstaffing.com/michigan-indiana-labor-market-review-summary-june-2026/; Blazer 91.1 WVUB, "Indiana Unemployment Holds at 3.3% as Hiring Market Grows More Competitive," July 27, 2026, https://www.wvub.org/2026/07/27/indiana-unemployment-holds-at-3-3-as-hiring-market-grows-more-competitive/.

In Delaware, the unemployment rate seems to have leveled out. One report indicates very slight movements in employment, by industry, year-over-year, which supports the notion of Delaware operating in a low-hire, low-fire environment. For those businesses that are hiring, they are not looking for entry-level talent for entry-level positions. While there is not much context as to their motivation, one possible reason is the steep cost associated with training, which businesses would rather not take on in such an uncertain economic situation.[23]

In California, one opinion is that the low-hire, low-fire environment is particularly prevalent in the nonprofit sector.

Responses to an Ohio-based survey of nonprofits and community groups that work directly with LMI families shows the ways that the current environment is experienced by workers. According to survey data, 41 percent of survey participants indicated "job availability for LMI households" decreased within the past six months.[24]

Specific challenges for many LMI workers were shared by community contacts across Oklahoma:[25]

- Industrial jobs are available, but for those who are physically able to do the work.
- Employment prospects decline as AI replaces some positions, and employers cut the number of entry-level positions available.
- While some jobs are available, the wages remain very low; in other cases, job openings appear to be declining, while the number of applicants increases.

In Oklahoma, a lack of job skills and a dearth of access to job skill training resources were listed as primary entry barriers into the labor market for lower-skilled and LMI worker populations. Contacts have also observed that a reluctance to hire individuals with criminal records has been a consistent barrier for a portion of LMI workers.

Exceptions to the low-hire, low-fire approach include generally healthy conditions in Florida and a large degree of variation within states. States like Washington note labor market characteristics are inconsistent from county to county. Likewise, Texas reports a mixed case: Austin appeared to break out of the low-hire pattern by midsummer, but revised July and new August data show job growth slowing again, to 1.2 percent over the year.

Amidst the variation, certain sectors showed strength across a broad range of industries: health care, construction/manufacturing, professional services, and education/health services. In many regions, however, labor market strength in certain sectors does not translate into opportunity for LMI workers.

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[23] Delaware Department of Labor, "Monthly Labor Review," https://lmi.delaware.gov/monthly-labor-review.

[24] Matt Klesta, "Community Issues and Insights 2026: Housing Affordability and Inflation Remain Top Concerns," Federal Reserve Bank of Cleveland, May 19, 2026, https://www.clevelandfed.org/publications/community-issues-and-insights/2026/20260519-cis-housing-affordability-and-inflation-remain-top-concerns.

[25] Respondents were asked about employment prospects in their geographic areas for lower-skilled workers and workers from LMI communities and what are some of the most common barriers to employment faced by those workers.

Firms experience difficulty in hiring or hiring qualified candidates

Members across a number of states report patterns of difficulty recruiting workers. Across multiple geographies, two sectors stood out as needing workers—skilled trades and health care—and different factors affect hiring challenges regionally:

Difficulty hiring specialized skills or for lower wage occupations: Acute workforce shortages in New Hampshire's health-care and social assistance sectors increased competition for workers and put upward pressure on wages.[26] In general, in New England, businesses reported difficulty finding skilled tradespeople, technicians, drivers, health-care workers, and administrative staff. Employers faced challenges recruiting and retaining workers, especially in occupations requiring specialized skills or offering relatively lower wages.[27]

Lags in funding hiring efforts: In New England, even if talent was available to hire, some companies did not have the cash flow to facilitate hiring or finding funding from the business or a senior lender or equity provider came too slowly. This funding delay resulted in a labor shortage.

High demand paired with uncertainty over future outlook for health care: One Tulsa, Oklahoma-area city is trying to introduce students to careers in health care by connecting local health-care employers to area high schools and community colleges. However, robust employer demand for these jobs is being tempered by concerns over Oklahoma hospitals, especially in rural areas, at risk of closing due to "lower Medicare rates" and "lower Medicaid reimbursements."[28]

Constraints on hiring and training workers to meet demand: Manufacturers in urban Pennsylvania that want to hire more workers are unable to find instructors at local community colleges and technical schools to train new workers. In Indiana, employers continue to face skills gaps in advanced manufacturing, technology, construction, etc.[29]

Construction-related job demand in the region of Austin is projected to nearly double from 2023 levels by 2040, yet demand varies for different skillsets or types of labor. Stalled apartment and office construction projects left experienced tradespeople available to compete for entry-level openings. As a result, newly trained entrants wait, hoping that the pipeline of industrial development will create employment opportunities.

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[26] Member's contacts—M&T presidents in the New England markets.

[27] Member's contacts—M&T presidents in the New England markets.

[28] Matthew Stafford, "Report: 25% Of Oklahoma Rural Hospitals at Immediate Risk of Closing; 45 Flagged Overall," Fox 25, August 12, 2026, https://okcfox.com/features/living-oklahoma/report-25-of-oklahoma-rural-hospitals-at-immediate-risk-of-closing-45-flagged-overall.

[29] Tech Indiana and Evolve HR Workforce Strategy, "Indiana Tech Workforce: Labor Market Survey," May 2026, https://techindiana.org/wp-content/uploads/2026/06/TechIndiana_Workforce_Survey_2026.pdf.

Requirements for experience and specialized qualifications for entry-level positions pose a challenge for LMI job seekers

In the Pacific Northwest, LMI entry-level job seekers and career changers feel that employers prefer experienced workers, as job postings ask for existing credentials, occupational training, or prior experience. As a result, job seekers are spending longer periods in training or job-search activities to meet more selective requirements by employers.

In central Texas, job numbers look strong, but entry-level jobs in the construction and trades careers require prior experience. The burden then falls on less experienced workers to compete with more skilled workers, despite pervasive expectations for work opportunities due to the building boom.

A Council member shared that in Ohio, entry-level jobs with minimal experience requirements or a specific credential are getting harder to find, making it more difficult for people without an extensive resume, a diploma, or a clean record.

New labor market entrants, younger workers, career changers, and those seeking to move into higher-paying occupations in Indiana appear to face increasing competition as employers become more selective. Workforce development organizations in Indiana report growing numbers of underemployed individuals seeking assistance with upskilling or career advancement.[30]

In Kansas City and the surrounding region, employers appear reluctant to both add staff and conduct widespread layoffs. That dynamic can be particularly difficult for workers trying to enter the labor force or move from one job to another. Recent reporting in Kansas and Missouri documents young workers submitting dozens of applications without receiving offers and recent college graduates remaining in jobs that do not require their degrees while searching for career-track positions.

Caregiving continues to be a challenge for workers

Childcare affordability continues to be a major impediment to LMI households entering or remaining in the workforce. In some instances, childcare center closures eliminate both childcare capacity and jobs in Florida, though the effects may take time to appear in unemployment statistics. For example, a parent may remain employed while reducing hours, missing shifts, changing jobs, or relying on an unstable care arrangement. Regional leaders in northwest Indiana continue to advance employer-focused childcare strategies designed to strengthen labor force participation and support economic growth.

Several members highlighted eldercare as an issue affecting their local labor market. In many regions, members noted overall labor force participation rates and the economy are negatively affected by caregiving barriers; high costs of care and inconsistent schedules of available care during nontraditional hours and summer months can affect retention of workers.

[30] Blazer 91.1 WVUB, "Indiana Unemployment Holds at 3.3% as Hiring Market Grows More Competitive," July 27, 2026, https://www.wvub.org/2026/07/27/indiana-unemployment-holds-at-3-3-as-hiring-market-grows-more-competitive/.

Regional strategies for supporting workers and the broader economy

There are examples from Florida, Indiana, Oklahoma, California, Washington, and Texas of the development of workforce pipelines through work-based learning, technical training, career readiness, and apprenticeship.

- In Florida, one institution of higher education is expanding employer-aligned technical training, which offers paid co-op placements at regional employers. These investments strengthen the talent pipeline, but their long-term economic value will depend in part on whether trained workers and transitioning service members can afford to remain in northwest Florida.
- One notable trend is Indiana's growing emphasis on work-based learning and apprenticeship models. State agencies, employers, and educational institutions are increasingly focusing on programs like high-school-to-career apprenticeships and apprenticeship pathways, employer-sponsored training programs, and State Earn and Learn (SEAL) programs among others.[31] These initiatives are designed to address skills mismatches and create clearer pathways into high-demand occupations. Stakeholders increasingly describe the strategy as "building talent pipelines" rather than relying on traditional recruiting.
- One Tulsa school district (where the large majority of students qualify for free or reduced lunches) created a robust system of career readiness programs focused on STEM training.[32]
- For older Oklahoma students, success over the past two years is largely credited to partnerships between area higher education institutions and local employers.[33]
- In the Austin area, one institution of higher education operates one of the country's few rapid-response customized training models. Informed by employer requests for training capacity, the institution has a direct line into hiring intentions before they appear in labor data. With this information, the institution has built training ahead of the hires: one of the region's largest advanced manufacturers doubled its request for customized new-hire training to nearly 4,000 people beginning in January. The institution is also standing up a new subsidiary to scale this model into skilled trades, bioscience, and health care.
- While the state of California is supporting apprenticeship programs to help youth enter the labor market, some companies are trying a new approach to help recent college

[31] The Indiana Career Apprenticeship Pathway, https://indianacap.org/; Apprenticeship Indiana, https://www.in.gov/dwd/apprenticeship-indiana/apprenticeship/; Indiana Office of Work-Based Learning and Apprenticeship, https://dwdportal.dwd.in.gov/owbla/owbla_landing/.

[32] Bartlesville Public Schools, Oklahoma, https://www.bps-ok.org/page/stem.

[33] Makayla Glenn, "Tulsa Emerges as a Top Hiring Hot Spot for College Graduates," News on 6, May 15, 2026, https://www.newson6.com/tulsa-oklahoma-news/tulsa-emerges-as-a-top-hiring-hot-spot-for-college-graduates. Ray A. Smith, "These Are the Hiring Hot Spots Where College Grads Are Landing Good Jobs," *The Wall Street Journal*, May 3, 2026, https://www.wsj.com/lifestyle/careers/cities-college-graduate-new-hires-c3771d3d.

graduates secure their first job in mission-driven work specifically. One such company announced a program to train and place 1,000 fellows with nonprofit organizations.

Item #4: Additional Matters: Data Centers and Tech Investment

Have any other matters affecting consumers and communities emerged from the work of the Council members that they want to present at this time?

The topic of data centers emerged prominently in two different ways—both in terms of local pushback to data center growth and potential opportunities from the technological expansion.

Discussion of local data center concerns

Comments from Council members regarding local data center development revealed pervasive tensions between the potential for labor, tax revenue, and lending or investment opportunities versus concerns about increased resource utilization, higher utility bills, and a general sense that local communities are without a voice in these deliberations.

Amidst Indiana's hyperscale data center development, an Indiana organization reported an unprecedented volume of consumer complaints surrounding rising electricity bills, prompting statewide hearings on affordability and rate transparency.[34] Local leaders and consumer advocates have also expressed concerns.

In Ohio, some communities welcome the benefits of data centers, while others voice worries over water usage, effects on farmland, and pricing related to electric utilization. This friction translates into an unusual wave of local governance responses, including consideration or enactment of moratoria on new data center construction, a "data center tariff," and even a ballot measure that attempts to qualify a constitutional amendment regarding data.

In Texas, the scale of data center requests led to new state rules, adopted in September, on which large power users receive grid access, and on what terms. The state also ordered a verification audit of every data center project in the queue and has paused state environmental permits for data center projects until the audits are complete.

At the same time, some members noted that significant investments in technology are driving regional growth, although some tradeoffs persist. For example, the central Texas credit market is expanding in the manufacturing and semiconductor and data center buildout sectors and tightening for other markets.

Some central Texas banks grew business loans by roughly half over the year, while 5 of the 12 locally headquartered banks shrank. In short, lending is booming where the buildout is happening.

[34] Zak Cassel, "'We're Kinda Stuck': Residents Vent Frustration Over Rising Utility Bills at Noblesville Hearing," WFYI Public Media, April 10, 2026, https://www.wfyi.org/wfyi-news/2026-04-10/were-kinda-stuck-residents-vent-frustration-over-rising-utility-bills-at-noblesville-hearing.

In Pennsylvania, a member noted how a strong and diverse energy sector is attracting investment and labor. The energy sector growth is driven by growing energy demands from AI and AI data center projects.

Another member described one of the largest economic development investments in Indiana's history: the ongoing construction of SK hynix's approximately $4 billion semiconductor packaging and research facility in West Lafayette. Nearly a quarter of the cost will be supported by federal funding.[35]

[35] Kenrick Cai and Heekyoung Yang, "SK Hynix to Start Chip Output in Indiana in 2029, Sees Memory Shortage through 2030," Reuters, August 27, 2026, https://www.reuters.com/world/asia-pacific/sk-hynix-holds-groundbreaking-ceremony-4-billion-indiana-ai-chip-packaging-2026-08-27/.