2025 NATIONAL
ECONOMIC MOBILITY
& OPPORTUNITY CONFERENCE

MAY 21–23, 2025
BALTIMORE, MARYLAND

Measuring What Matters: Understanding Economic Stability and Mobility in Philadelphia

Dr. Stephanie Hoopes, Director, United for ALICE

Ashley Putnam, Director, Economic Growth and Mobility Project, Federal Reserve Bank of Philadelphia

ICMA Local Government REIMAGINED

FEDERAL RESERVE BANK PHILADELPHIA
Economic Growth & Mobility Project

Understanding Economic Stability and Mobility in Philadelphia

A Mixed-Methods Study on Income, Work, Expenses, and Life Satisfaction

Ashley Anglin, Stephanie Hoopes, Ashley Putnam, Theresa Singleton, & Bryan A. Stuart

PhiladelphiaFed.org | @PhiladelphiaFed
April 2025

The views expressed today are those of the presenters alone and do not represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve system.

Economic Mobility in Philadelphia

Philadelphia remains the poorest large city in America, and yet by many standards is improving.

The city's unemployment rate is the lowest it's been in 30 years, the poverty rate is falling, and median household income is increasing.

Yet other indicators suggest that growth has not been distributed to all Philadelphians.

Recent research by the nonprofit Opportunity Insights found that, from 2014 to 2024, there was decreased improvement in intergenerational mobility in Philadelphia.

Understanding People’s Experiences

- Annual statistics provide limited insights into the everyday experiences of Philadelphians
- When we talk to people, they emphasize big changes in their employment and financial situation
- Philly Fed **Survey of Economic Mobility** is designed to better understand changes in people’s economic circumstances
- Our qualitative research helps us understand the human beings behind the numbers and informs our greater understanding of the economy.

Measuring Financial Hardship

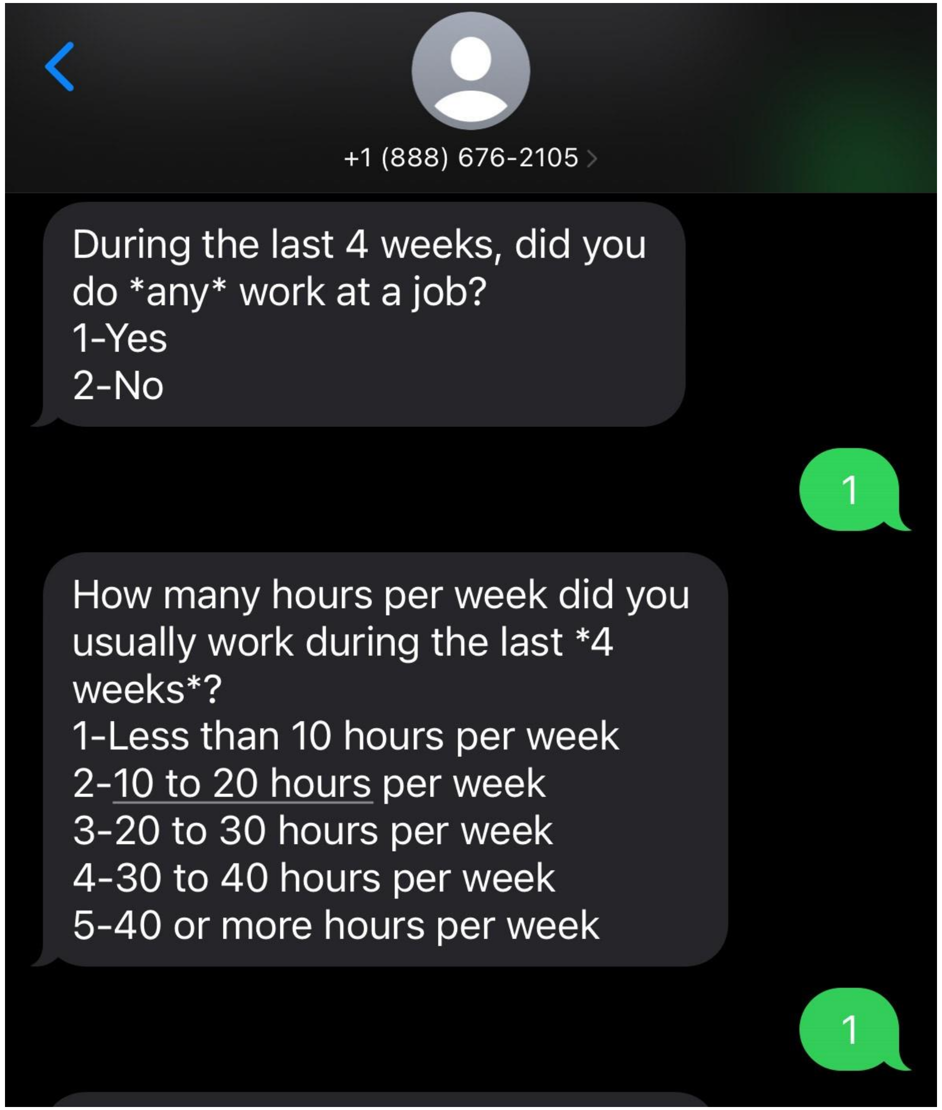
- We use the United for **ALICE** (asset limited, income constrained, employed) Threshold to measure whether a household's income is sufficient to meet their basic needs
- While 21% percent of households in Philadelphia were below the federal poverty line, another 26% were below the ALICE Threshold
- Nearly half of Philadelphia households don't earn enough to afford the basics of housing, childcare, food, transportation, health care, technology, and taxes
- Our study focuses on understanding how changes in economic circumstances differ for people above vs. below the Threshold

Survey of Economic Mobility: Unique data collection & insights

	What?	Why?
Direct recruitment of survey participants	Send letters to randomly selected addresses in Third District	More representative sample than other approaches
People complete text message surveys each month	Topics: Employment and earnings, job search, education and training, barriers and pathways to economic mobility	Insights into *changes* in people's lives and state of economy
People participate in online focus groups	Focus group participants are selected based on survey responses	Deeper insights on key issues

This innovative approach to understanding month to month experiences helps provide nuanced information on barriers, opportunities, and outcomes for Philadelphians.

Survey of Economic Mobility: Unique data collection & insights



Survey of Economic Mobility: Pilot Outcomes

- Conducted pilot from October 2023-August 2024
- Sent 55,000 letters to lower-income ZIP codes in Philadelphia
- 592 people completed first month of survey, 363 people completed all 6 months, 59 people participated in a focus group

Understanding Philadelphia

- Survey respondents are broadly representative in terms of education, income, age, race, ethnicity, sex, homeownership
- Participants tilted towards lower socioeconomic status population, as planned

Findings: Economic Mobility

- Different meanings to different people
- Economic stability was necessary before upward mobility

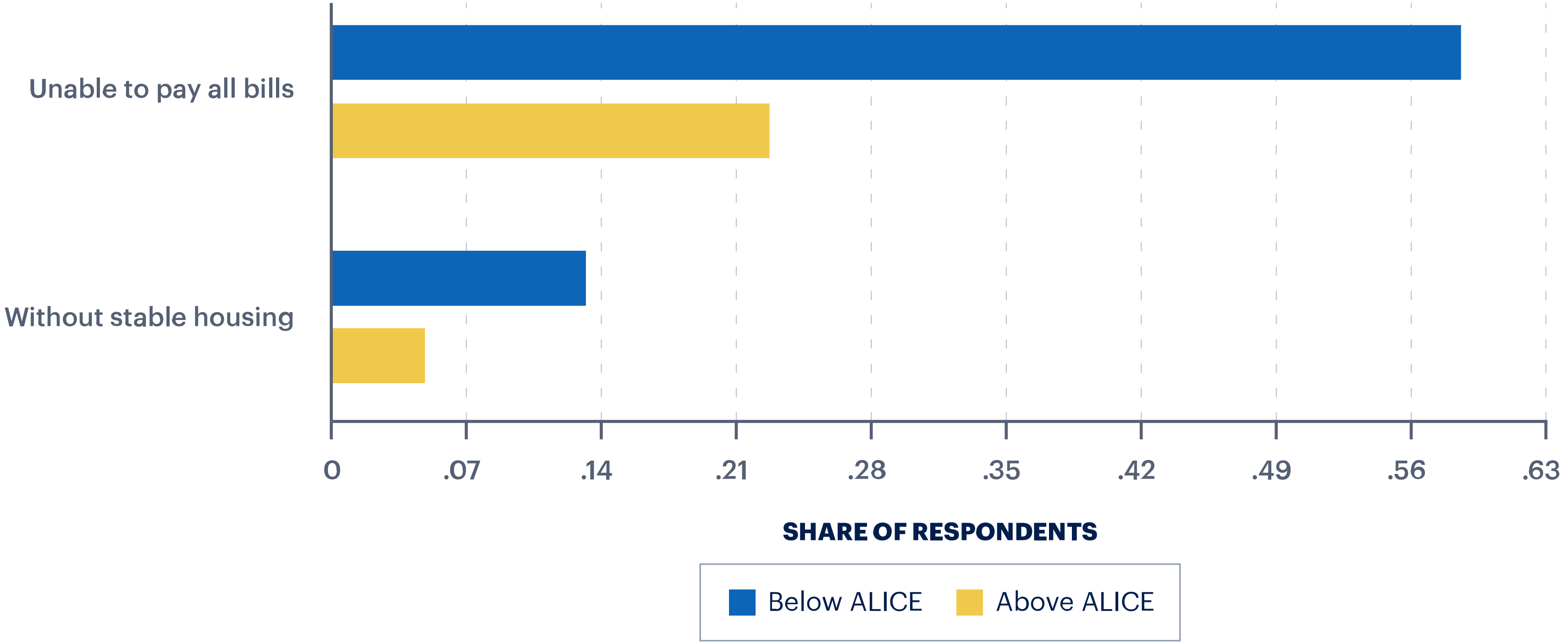
"I think [economic mobility] just means, in part, financial freedom. Just being able to adequately pay your bills, save money. You know, just having that freedom and that flexibility."

“It can go either way … economic mobility is also moving down on the ladder. And I think that a lot of people in this current economy want to continue moving up, but I think everybody’s a little scared.”

Findings: Differences by Income Status

- **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) Threshold
- Instability is more prevalent for lower-income individuals

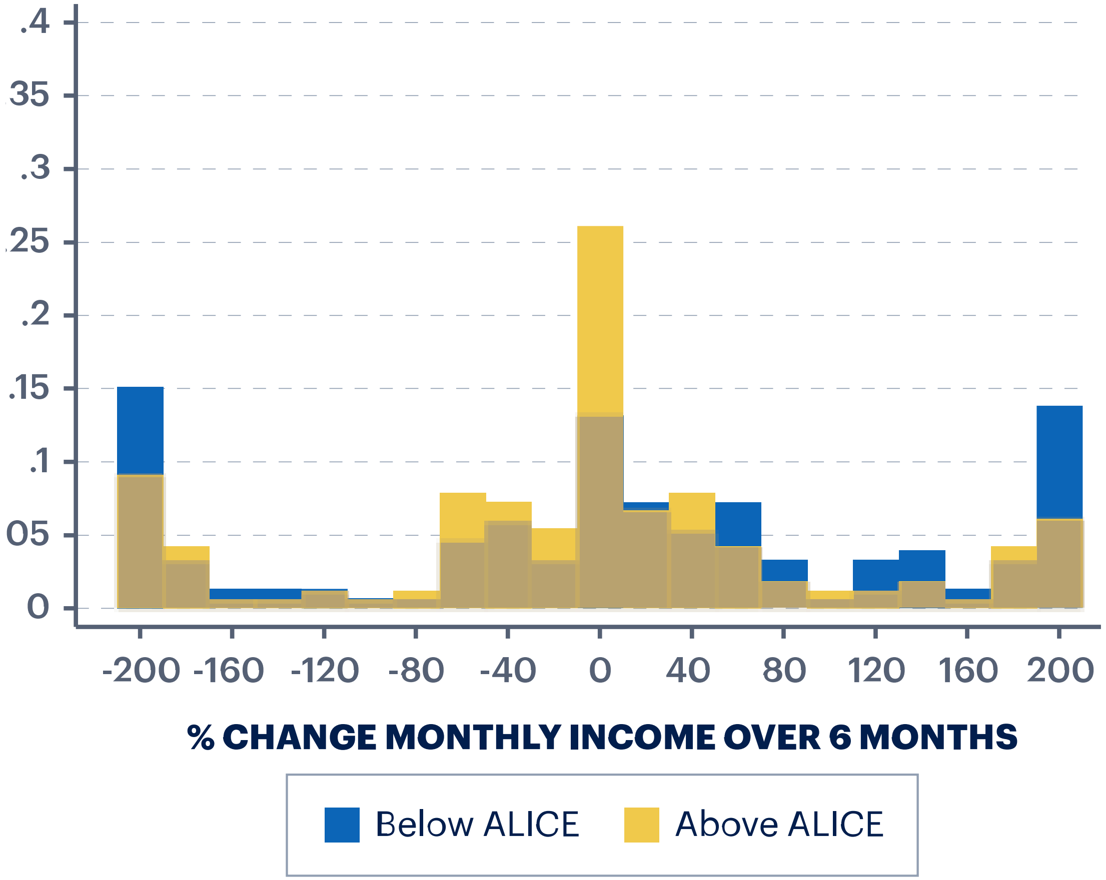
Ability to Pay Bills and Access to Stable Housing by ALICE Status, December 2023–August 2024



Findings: Income Is Unstable

- Survey respondents experienced swings in income
- Focus group participant reasons:
  - Finding a good job
  - Losing a job
  - Smaller changes – hours being cut or adding an extra shift

Fluctuations in Monthly Earnings over Six Months by ALICE Status, December 2023–August 2024



"So actually, you're stuck between your job and always, in your mind, is how to pay your bills. So you get involved in a side job. You're always thinking in your mind, Oh my gosh, can I just come back to my job [alone]? That's not enough; let's try to find something with the side job. And that's ridiculous; that's not supposed to happen [that one job is not enough]."

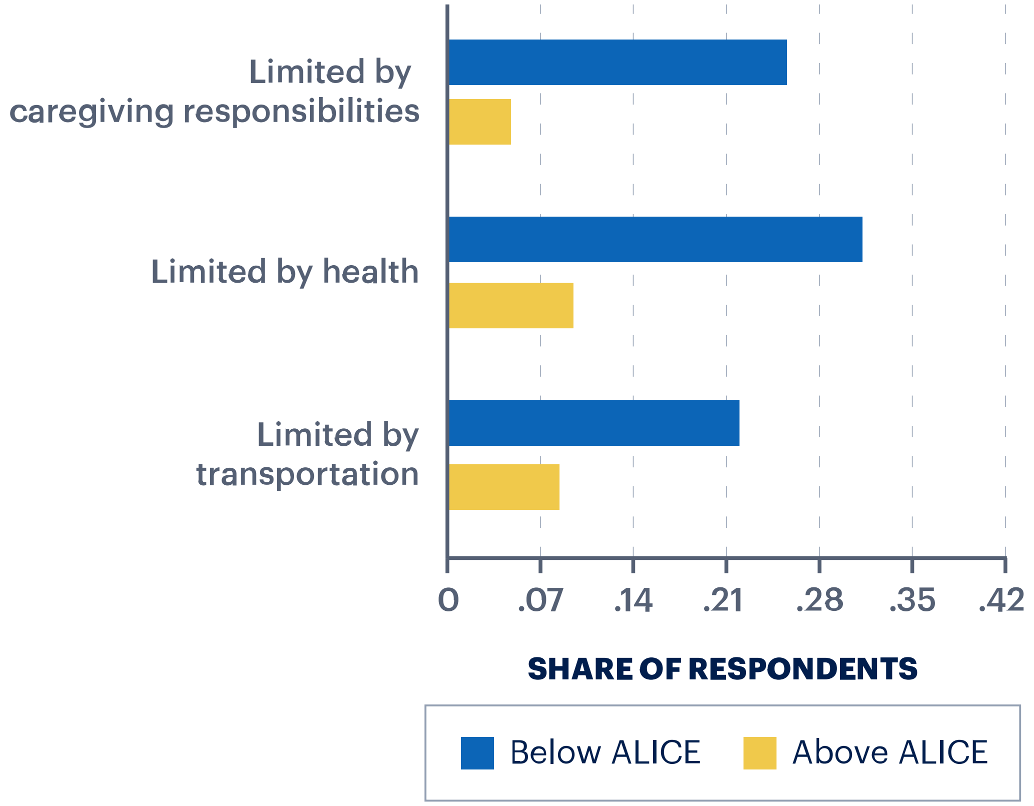
Findings: Barriers to Upward Mobility

- Barriers for survey respondents:
  - 22% said their ability to work or look for a job is limited by **health**
  - 16% reported being limited by **transportation**
  - 16% reported being limited by **caregiving responsibilities**

- Barriers are much larger for individuals below the ALICE Threshold

- Focus group participants described how these barriers affected both ability to work and ability to pay bills

Challenges to Ability to Work or Look for a Job by ALICE Status, December 2023–August 2024



“I met my max out-of-pocket with my health insurance. You know, I had a C-section, so that was expensive as well.”

Findings: Making Ends Meet

- People discussed strategies like budgeting, cutting costs, and gig work or other sources of income to supplement.
- Participants faced tradeoffs between work and personal life.

> "I had to get a roof a couple of years ago, and I was in tears because it took me a week to figure out how I was going to budget to get this new roof. You know, things that you don't count on and just so happen."

Findings: Public Benefits

Participants in the survey discussed participation in public benefit programs as providing extra stability but often being fragile.

- Navigating complicated systems
- Losing eligibility or having benefits amounts lowered
- Experiencing “benefit cliffs”

> “What happens is, when my income increases, it takes away my daughter’s benefits.”

Findings: Best Ways to Increase Income

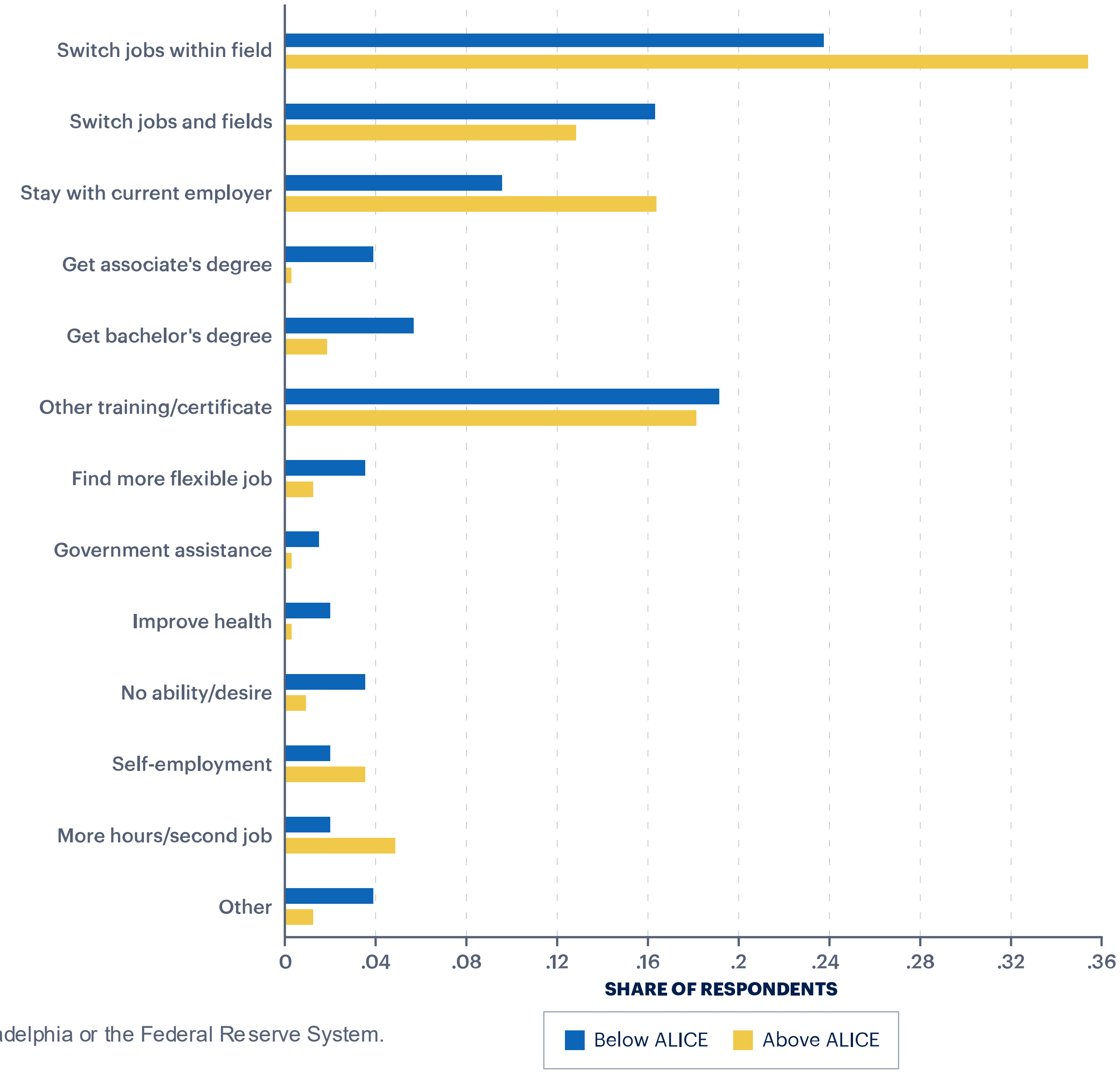
Survey respondents think that the best ways to increase their income given their current situation are:

- Switching jobs
- Getting training/certificate

Focus group participants:

- Coordinate/access resources and benefits
- Challenges to moving to a "higher opportunity" place

Best Way to Increase Income by ALICE Status
December 2023–August 2024



“It is hard to leave where you’re from … it’s a little bit harder, because if you have a family, then you’re looking at moving away from your support system, as well. So you have to take all of those things into consideration.”

Policy Considerations

Fluctuations in earnings are widespread and substantial.
Income instability is a widespread challenge both to the broader economy and to individual communities.

The ability to work or look for a job is often limited by caretaking responsibilities, health issues, or transportation access**.** These barriers are more significant for those below the ALICE Threshold.

Economic instability is a key challenge and a source of stress that can be consuming at times. Not only is there need for more mental health resources, but income stability should also be considered as a key determinant of people's health.

Public benefits are an effective way of contributing to stability. However, ability to participate in public assistance programs is often limited due to the difficulty of navigating complicated systems, narrow requirements for eligibility, and benefit cliffs.

Individuals are focused on jobs to achieve mobility
More people are interested in short-term training and certificates that Associate or Bachelor's degrees.

Considerations for Future Research

- **Longitudinal surveys:** Monthly responses on household economic experiences reveal sizable and frequent upward and downward earnings changes not revealed in annual point-in-time surveys.
- **Terminology:** Economic mobility was not a term that participants generally used. Also, income was more accurately calculated by expenses covered in a month than by the dollar amount that was coming in.
- **Additional barriers to work:** Future research should explore experiences other barriers to work such as online applications, training requirements, scheduling flexibility. Researchers should also look into factors people consider when determining whether a job's wage is adequate to cover costs, effort and physical/mental strain.
- **Benefit cliffs:** The impact of additional earnings on benefit eligibility was on the minds of several focus group participants. Future research should delve into how people report additional income (side hustles, projects, etc.) and if there is bias in reporting income, even on a survey, for fear of losing benefits.
- **Meaningful measure of financial hardship:** Analysis of results by respondents' ALICE status reveals meaningful differences in experience. These results suggest that ALICE status is a more meaningful dividing line than the Federal Poverty Level to add a dimension to research.

Before policymakers can start building upward mobility by creating paths for individuals to move up the career ladder, there needs to be a stable floor.

Understanding Economic Stability and Economic Mobility in Philadelphia

Thank you.