Labor, Income, Finances, and Expectations (LIFE) Survey

An Overview of the LIFE Survey

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The Federal Reserve System has a long history of survey-based data collection and research. Resources such as the Survey of Consumer Finances (SCF), the Survey of Household Economics and Decisionmaking (SHED), the Survey and Diary of Consumer Payment Choice (SCPC/DCPC), and the Survey of Consumer Expectations (SCE), among others, gather data about how U.S. consumers manage their financial lives.

In 2023, the Consumer Finance Institute (CFI) at the Federal Reserve Bank of Philadelphia launched a new survey to collect data on topics related to CFI's mission to better understand "how people earn, spend, save, and invest, as well as how credit markets and payment systems affect the economy." This new survey — the Labor, Income, Finances, and Expectations (LIFE) Survey — complements the existing Federal Reserve System survey efforts while providing unique insights relating to CFI's research. This document is an overview of the LIFE Survey's goals, structure, and execution to provide a reference point for future published materials.

The Goals of the LIFE Survey

The LIFE Survey is designed with three important elements in mind: frequency, flexibility, and audience.

Frequency — Most of the existing Federal Reserve System surveys that were mentioned previously are fielded on an annual or less frequent basis. Those surveys produce granular information about consumers' income, balance sheets, financial conditions, and payment choice. Many of these surveys have been conducted over an extended time frame with relatively small changes in the survey instruments. The result is often a relatively long time series of observations. However, infrequent surveys may not provide timely information gathering when there are sudden, rapid, or unusual shifts in economic or social conditions. While preserving the continuity of survey instruments facilitates the maintenance of a long time series of responses, it limits the ability to adapt quickly to changing conditions by fielding new questions. CFI chose a quarterly frequency to ensure the data are relatively fresh and to build a time series that will permit us to control for typical seasonal variations in responses. It also enables us to field new questions more rapidly. While the LIFE Survey is not the only quarterly survey of consumers conducted in the Federal Reserve System, it is one of the most agile (see the next section).

Flexibility — The LIFE Survey is designed to emphasize flexibility. The survey team can develop and field new questions rapidly. Incorporating new and timely topics into the regular quarterly survey places those results into a consistent context over time. Issues that may lend themselves to one-time data collection can be seamlessly integrated into topics that are tracked consistently over extended periods within the core survey.

Audience — The LIFE Survey collects information from approximately 5,000 individuals each quarter. The samples are cross sections with a six-month responder holdout implemented each quarter.[1] We use a cross section to manage survey costs and complexity over time. The sample size and sampling technique (described next) make it possible to obtain adequate demographic representation across time. CFI's service provider offers a balance of audience size and management methods that can generate consistent and statistically valid results while minimizing respondent overlap.

Survey Methodology and Execution

Data for the LIFE Survey are collected by YouGov, Inc. The survey targets a cross-sectional sample of U.S. adults (ages 18+); sampling and response weighting are executed by YouGov using a *sample matching* methodology, a sampling technique that selects opt-in survey respondents to build a response pool that matches a defined *target population*, which is the 2019 American Community Survey in this case. The *sample matching* methodology is described in more detail here. Demographic information (e.g., age, income, gender, race/ethnicity, educational attainment, marital status, and household size/composition) is collected each quarter, and the composition is monitored to ensure the consistency of sample characteristics across the surveys. **Table 1** shows the distribution of respondent demographic characteristics throughout the first five surveys.

The survey is conducted exclusively through YouGov's web-based survey process, and the majority of respondents access the survey through mobile operating systems. While this mode of collection introduces certain biases (e.g., technology access is required to participate, which eliminates members of the population who lack such access), our requirements for frequency, flexibility, and affordability make web-based collection the most reasonable option. Survey data are collected quarterly, with collection beginning at or just before the first

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[1] The six-month holdout limits the overlap of respondents across adjacent surveys and ensures a larger gap between surveys for any respondents who may take it multiple times. In the third and fourth survey waves (the first ones that could include repeat respondents), approximately 3 percent of respondents had taken the survey before. Going forward, these and other patterns will be monitored, and holdout practices will be adjusted where necessary.

week of each calendar quarter and proceeding until the target volume has been achieved (generally 10–14 calendar days).

Survey Content

The survey consists of three main components: the core quarterly survey, annual modules, and ad hoc modules. The *core survey* is a set of questions that appear in every quarter; these are questions on topics that have been identified as the primary investigative targets for CFI and will be incorporated into long-term tracking reports and visualizations.

The *annual modules* focus on specific topics and will appear on a regular cadence in the survey, although less frequently than on a quarterly basis. These have been identified as topics that are important to consumer finance research but may exhibit less frequent changes or may be tied to seasonal events (e.g., tax season). By reducing the frequency by which we ask certain recurring questions, we lower the cognitive burden on respondents by reducing the median length of interaction (LOI), measured in minutes, in any given quarter. Spacing out topics and managing the baseline LOI also lets us include ad hoc survey questions and modules.

Ad hoc survey modules are sets of topical questions that may support specific research or policy investigations associated with one-time events (e.g., major economic news or world events). These may include a single question, or a small number of questions, that are unlikely to be repeated in future surveys.

One of the primary goals of the survey is to monitor the financial health and stress of consumers across certain key aspects of their financial lives. In keeping with this goal, we collect data relating to four broad categories described here:

- **Labor** — This category includes respondents who are employed and supply information about the type of employment (e.g., full-time, part-time, gig), industry, and job role that is most applicable to their work. Those who are not currently employed indicate their status (e.g., retired, full-time student, stay-at-home parent). All respondents receive questions about concerns they have regarding their work in the current environment; for example, respondents will indicate how concerned they are/would be about finding or keeping childcare or maintaining access to adequate transportation.

- **Income** — In this category, respondents are asked to report their annual income from the previous calendar year and their expectations for the current calendar year, in relation to the previous year (e.g., higher, same, or lower). They also provide information on whether they received any income

from a list of nonemployment sources, including retirement savings, pensions, nonretirement investments, unemployment insurance, other government programs, or disability support.

- **Finances** — The results in this category generate a picture of respondents' financial health. We ask a series of questions about financial disruptions that respondents have experienced and financial coping strategies they have used to help them afford monthly expenses over the previous 12 months. They also provide information about their current feelings of financial security compared with the previous year.

- **Expectations** — In this category, respondents are asked to look forward in two ways. First, they indicate their level of concern about making ends meet over the next six and 12 months (from *not at all concerned* to *very concerned*). Second, they provide an expectation for the directional change in five key economic indicators: gas prices, mortgage rates, residential rents, food prices, and the national unemployment rate. Responses to those questions are provided on a five-point Likert scale, from *significantly decrease* to *significantly increase* in both six- and 12-month timescales.

In addition, the survey collects data to measure consumers' participation in different aspects of financial services. For example, we collect data on consumers' ownership and experience with different forms of debt, payment instruments, banking, savings, and investment products. These data allow us to track trends in product use over time and to analyze differences in financial experience among those who have access to a selection of products and services.

Dissemination and Data Availability

Beginning in 2024, CFI will publish reports on the results of each wave of the LIFE Survey in the quarter after the survey is completed. Additional publications relating to data collected from the survey may be published over time as well. LIFE Survey information and publications directly derived from LIFE Survey data will be made publicly available through a web page accessible through the Federal Reserve Bank of Philadelphia's website. Plans for making LIFE Survey respondent data available for public use will be evaluated and updated as more waves are completed.

Table 1 — Post-Weighting Demographic Distributions

	Survey Date				
	Jan-23	**Apr-23**	**Jul-23**	**Oct-23**	**Jan-24**
Unweighted N	5,119	5,039	5,158	5,013	5,172
	Weighted Distributions				
Age Range					
18–35	31.5%	31.5%	31.5%	31.5%	31.5%
36–55	32.4%	32.4%	32.4%	32.4%	32.4%
56–65	16.4%	16.4%	16.4%	16.4%	16.4%
66+	19.7%	19.7%	19.7%	19.7%	19.7%
Gender					
Male	48.7%	48.7%	48.7%	48.7%	48.7%
Female	51.3%	51.3%	51.3%	51.3%	51.3%
Race/Ethnicity					
White (Non-Hispanic)	62.8%	62.8%	62.8%	62.8%	62.8%
Black/African American	12.1%	12.1%	12.1%	12.1%	12.1%
Hispanic/Latino	16.4%	16.4%	16.4%	16.4%	16.4%
Other	8.7%	8.7%	8.7%	8.7%	8.7%
Census Division					
New England	4.7%	4.7%	4.7%	4.7%	4.7%
Middle Atlantic	12.8%	12.8%	12.8%	12.8%	12.8%
East North Central	14.3%	14.3%	14.3%	14.3%	14.3%
West North Central	6.5%	6.5%	6.5%	6.5%	6.5%
South Atlantic	20.3%	20.3%	20.3%	20.3%	20.3%
East South Central	5.8%	5.8%	5.8%	5.8%	5.8%
West South Central	11.9%	11.9%	11.9%	11.9%	11.9%
Mountain	7.5%	7.5%	7.5%	7.5%	7.5%
Pacific	16.3%	16.3%	16.3%	16.3%	16.3%
Education Level					
High School or Less	39.0%	39.0%	39.0%	39.0%	39.0%
Some College/2-Year Degree	30.3%	30.3%	30.3%	30.3%	30.3%
4-Year Degree	19.3%	19.3%	19.3%	19.3%	19.3%
Post-Graduate Degree	11.4%	11.4%	11.4%	11.4%	11.4%

Source: Federal Reserve Bank of Philadelphia Consumer Finance Institute LIFE Survey Data