

APRIL 2025

# Understanding Economic Stability and Economic Mobility in Philadelphia

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

COMMUNITY DEVELOPMENT & REGIONAL OUTREACH

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



\* Anglin and Hoopes: United For ALICE; Putnam, Singleton, and Stuart: Federal Reserve Bank of Philadelphia. For excellent research assistance, we thank Akash Banerjee. The opinions expressed in this paper are those of the authors and do not represent the opinions of the Federal Reserve Board, Federal Reserve Bank of Philadelphia, or the Federal Reserve System.

# Overview

By some measures, Philadelphia offers better economic opportunities today than it has in recent decades: 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.<sup>1</sup> Yet other indicators suggest that improvements in these metrics have not translated into widespread economic stability or intergenerational mobility. According to research on financial hardship conducted by United For ALICE,<sup>2</sup> nearly half of Philadelphia households are below the **ALICE Threshold**, earning less than the basic cost of living for their household type and location. In addition, recent research by the nonprofit Opportunity Insights found that, from 2014 to 2024, there was little improvement in intergenerational mobility in Philadelphia.<sup>3</sup> In fact, when comparing how much better off financially children are versus their parents, Philadelphia County was the least improved out of the largest 50 U.S. counties by population.

To help reconcile these often-conflicting metrics and to learn more about the experiences of Philadelphia residents related to income, work, expenses, and life satisfaction, the Federal Reserve Bank of Philadelphia partnered with United For ALICE on a two-part mixed-methods study. This study included:

- **The Survey of Economic Mobility (SEM):** The inaugural version of this survey asked individuals to complete surveys each month for a six-month period. To ensure adequate representation of lower- and middle-income individuals, participants were recruited from zip codes in Philadelphia where the median household income was at or below \$70,000 and the poverty rate was at or above 10 percent.
- Within these zip codes, individuals from all income levels were sampled; 592 individuals completed the first month of the survey and 363 completed all six months. Of the survey participants, 58 percent were below the ALICE Threshold. The survey tracked two key indicators of economic well-being — total earnings and life satisfaction — and then asked a series of questions to understand how participants navigated economic shifts and made decisions around work, income, basic needs, and family responsibilities. The survey ran from December 2023 to August 2024. (See the Appendix for survey details and the demographics of survey respondents.)
- **Participant focus groups:** To gain deeper insight into the survey responses, five focus groups were conducted in spring 2024. Fifty-nine individuals participated in these focus groups, each on a specific topic, based on their responses to the survey. Topics included navigating economic hardships, the ways in which people earn income, progress/success toward economic mobility, experiences with work, and participation in public benefit programs. (See the Appendix for more details.)

## THE ALICE THRESHOLD: MEASURING FINANCIAL HARDSHIP

Official measures underestimate the extent of financial hardship in the United States. As measured by the federal poverty level (FPL), 21 percent of households in Philadelphia were facing financial hardship in 2022. Yet United For ALICE data show that another 26 percent of households were **ALICE** (asset limited, income constrained, employed), earning above the FPL but not enough to afford the basics of housing, childcare, food, transportation, health care, technology, and taxes. The ALICE data are based on a household budget that is calculated for each county in the United States and for all household sizes and compositions, whereas the FPL uses the same cost across the country for all households of a given size and does not reflect different ages of household members. As a result, the FPL was \$13,590 for a single adult anywhere in the United States and \$27,750 for a family of four in 2022. In contrast, the ALICE Household Survival Budget shows the actual costs of basics in Philadelphia were approximately \$29,000 for a single adult and \$92,200 for a family of four with two adults, an infant, and a preschooler.

For this report, the ALICE Household Survival Budgets were compared with the household income of survey respondents to determine if their households were below the ALICE Threshold (earning less than the basic cost of living in Philadelphia for their household type) or above the ALICE Threshold (earning enough to cover basic costs).

<sup>1</sup> The Pew Charitable Trusts, "Philadelphia 2024: The State of the City," Philadelphia: Pew, 2024, [www.pewtrusts.org/en/research-and-analysis/reports/2024/04/philadelphia-2024](http://www.pewtrusts.org/en/research-and-analysis/reports/2024/04/philadelphia-2024).

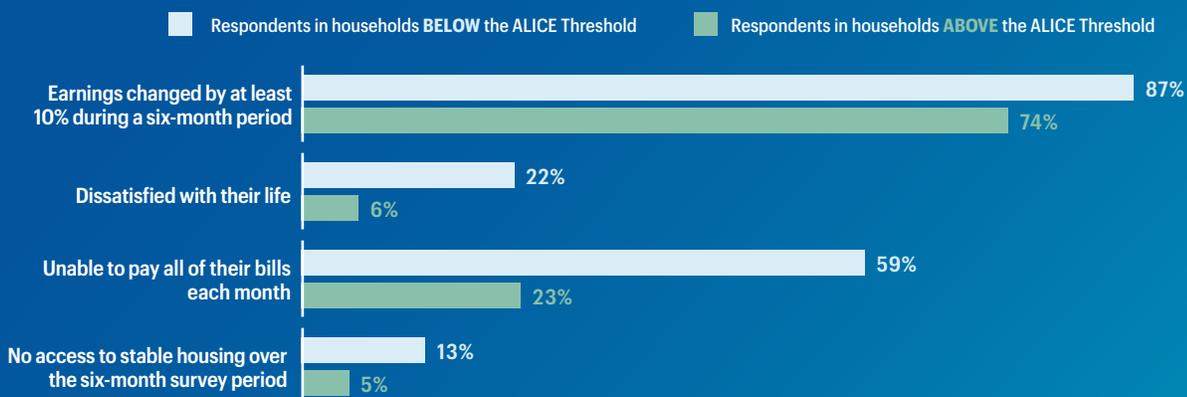
<sup>2</sup> See [www.UnitedForALICE.org/](http://www.UnitedForALICE.org/).

<sup>3</sup> Raj Chetty, Will Dobbie, Benjamin Goldman, Sonya R. Porter, Crystal S. Yang, "Changing Opportunity: Sociological Mechanisms Underlying Growing Class Gaps and Shrinking Race Gaps in Economic Mobility," NBER Working Paper No. 32697, 2024, [opportunityinsights.org/paper/changingopportunity/](http://opportunityinsights.org/paper/changingopportunity/).

# Key Findings

This survey reveals several novel findings on issues of economic stability and mobility:

- Importance of economic stability:** People are aspiring to economic stability before they can consider opportunities for economic mobility. Frequent fluctuations in earnings and expenses require constant, intentional navigation, leaving respondents focused more on the day-to-day of trying to make ends meet and less on broader strategies for economic mobility. There were substantial differences in meeting basic needs between respondents in households above and below the ALICE Threshold:
  - Almost 90 percent of respondents below the ALICE Threshold reported that their earnings changed by at least 10 percent during a six-month period, compared with 74 percent of respondents above the Threshold. Extreme swings in earnings also were more common for respondents below the Threshold.
  - Respondents below the ALICE Threshold were more likely to report that they were not satisfied with their life (22 percent, compared with 6 percent of respondents above the Threshold).
  - More than half (59 percent) of respondents below the ALICE Threshold were not able to pay all of their bills each month, compared with 23 percent of those above the Threshold.
  - Thirteen percent of respondents below the ALICE Threshold did not have access to stable housing over the six-month survey period, compared with 5 percent of those above the Threshold.
- Ongoing barriers to work:** Work is seen as the most common path to stability, but many respondents faced barriers to work. These interrelated, complicated barriers often have an external component and are unexpected, so navigating them is physically and mentally exhausting.
  - In terms of their ability to work, respondents below the ALICE Threshold were more than five times as likely as their peers above the Threshold to be limited by their caregiving responsibilities (26 percent versus 5 percent), three times as likely to be limited by health issues (31 percent versus 9 percent), and more than twice as likely to be limited by transportation access (22 percent versus 8 percent).
- Wide range of strategies for stability:** Focus group participants shared that they strive to achieve economic stability in four primary ways: by cutting costs, searching for better jobs or working multiple jobs, budgeting, and accessing government benefit programs.
- Opportunities for stability and mobility:** Each survey asked respondents, “What would be most helpful to you right now?” The most commonly selected choice for respondents below the ALICE Threshold was “finding a better job,” with respondents below the Threshold more likely to say so than those above the Threshold (32 percent versus 28 percent). Respondents below the Threshold were more likely than those above the Threshold to report that housing assistance (15 percent versus 4 percent) or benefits assistance (10 percent versus 5 percent) would be most helpful.



# What Do Economic Mobility and Income Mean to Philadelphians?

## What Does Economic Mobility Mean to You?

Across all five focus groups, participants were asked, “What does economic mobility mean to you?” The responses provide important additional framing for SEM results and for ongoing research related to economic mobility. Notably, it was not a term that participants generally used unless talking about the future.

For many, economic mobility meant the ability to pay the bills, and they explained that economic stability necessarily precedes economic mobility. One person shared, *“Economic stability means, for me, that I have the ability to pay all my bills, go to the supermarket, make sure everything is fine with my children, and still have a little bit to save for, like, repairs in the future or anything like that.”* Similarly, another participant explained, *“To me, mobility means the ability to go places ... unless you have your basic needs taken care of, you’re not going anywhere.”*

Others characterized it as an element of freedom. One person shared,

**“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.”**

Finally, when defining economic mobility, focus group participants explained that they considered both upward and downward mobility. One person explained, *“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 and post-COVID want to continue moving up, but I think everybody’s a little scared.”* Others spoke about challenges in achieving upward mobility:

**“Fundamentally, it seems to me the topic is about moving upwards. And more specifically, the reality that there are barriers to moving upwards. And those barriers are very real and, in my view, very severe.”**

Overall, most participants defined it as the day-to-day experience of feeling comfortable and making ends meet. They emphasized the barriers to stability they faced and the fear of downward mobility. These qualitative insights suggest that future research could benefit from an expanded focus on economic stability as a precursor to or foundation for economic mobility.

### ! CAPTURING INCOME: ARE WE GETTING THE FULL PICTURE?

Researchers have struggled to measure and understand people’s income through surveys. However, focus groups provide an opportunity to explore definitions and approaches in even more depth. In this study, many participants viewed the salary from their primary job as their “official” income, which is most likely what they would report on a survey. In contrast, second jobs and “side hustles” — activities that generate income but aren’t considered an official job or a primary source of income — were seen as temporary, unofficial, and a way to pay for things beyond basic costs, like birthday gifts. Participants expressed that their total income was often measured by their expenses: They did not think about income but whether they could pay their bills each month. If they were short, they would navigate how to bring in more income:

**“When I think of that, I think of salaried positions that are concrete, taxable, reportable. I wouldn’t use [a side hustle] as income, per se. Because it can just go away at any given time. It’s not sustainable or concrete.”**

**“It’s hard to remember what you make; mostly you stress about what you have to spend.”**

**“I just remember spending what I made, but not so much as calculating what I made during those four weeks. It [total income] was always what I spent out.”**

These findings suggest that asking individuals about all sources of income alongside their expenses could lead to better survey measurements of total income.



# Economic Well-Being: Earnings, Life Satisfaction, and the Struggle to Make Ends Meet

Economic stability sits at the core of economic well-being — earning enough to cover basic expenses each month, being able to budget based on stable earnings, and even being able to save. To measure the broader impact of economic stability, the SEM tracked two key indicators of economic well-being: total earnings and life satisfaction. Earnings is an objective measure, whereas life satisfaction is subjective and represents what is most important to the respondent. By tracking individuals’ responses for six months, the SEM was able to capture changes in people’s economic circumstances and life satisfaction that are not revealed in annual point-in-time surveys. The SEM also charted participants’ struggles to make ends meet, measuring indicators such as being able to pay bills each month and having access to stable housing.

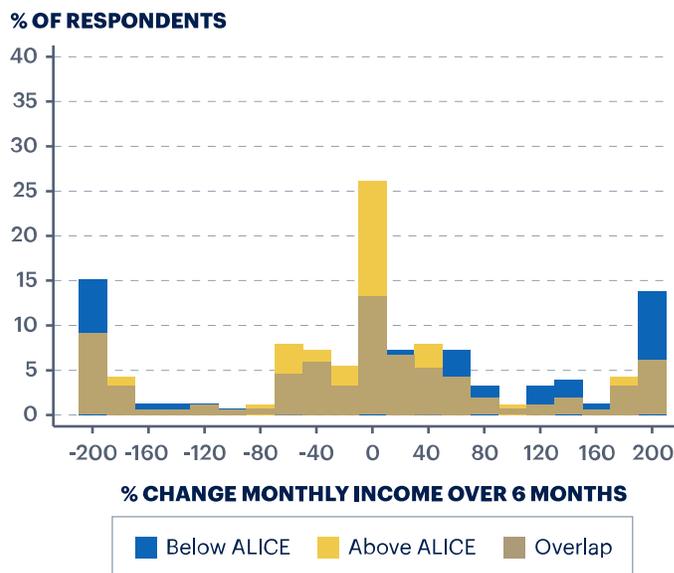
## Fluctuations in Earnings

Each month for six months, respondents reported their total wage, salary, and self-employment income (including bonuses and tips) over the prior four weeks.<sup>4</sup> Over time, fluctuations in earnings were widespread and substantial. About two-thirds of people reported earning a different amount as in the preceding month. Between the first and last months of the survey, 87 percent of respondents below the ALICE Threshold reported an increase or decrease in earnings larger than 10 percent (Figure 1, shown in blue), compared with 74 percent of those above the Threshold (shown in yellow; the overlap between income groups is shown in brown).<sup>5</sup> Respondents below the ALICE Threshold were also more likely to report extreme changes in earnings. For example, 78 percent of respondents below the Threshold reported that their earnings changed by more than 25 percent over the six-month period, compared with 63 percent of respondents above the Threshold.

Participants across all five focus groups confirmed that fluctuations in earnings were often a regular part of their experience, and they shared examples. Some participants’ experiences were marked by big changes (e.g., finding a new job or being laid off), but for many, fluctuations in earnings were a normal (albeit frustrating) part of their regular work life. These changes included having hours cut, picking up a part-time job, or taking on an extra shift. Almost all focus group participants who earned income from multiple sources described ebbs and flows in their schedule and earnings. For example, one person shared, *“My salary’s been cut in half ... so I tried to stay doing [deliveries with my truck], but the work fluctuates greatly.”*

FIGURE 1

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



**Notes**  
This figure shows the distribution of respondents completing all six months of the survey in arc percent change in earnings between the first and last month of the survey broken down by ALICE status (arc change is defined as the difference in earnings divided by the average across both periods).

<sup>4</sup> The specific questions were, “What is the total amount of income from wages, salary, bonuses, and tips that you earned before taxes and deductions from all jobs over the last four weeks? Please do not include self-employment income here.” and “What is the total amount of self-employment income that you earned before taxes and deductions from all jobs over the last four weeks?”

<sup>5</sup> Survey respondents sometimes report zero earnings in a month, which can lead to an undefined value for the percent change in earnings. To avoid this issue, we use the “arc percent change,” defined as the difference in earnings divided by the average across both periods. The arc percent change is bounded between -200 percent and 200 percent. For example, if someone reports \$0 of earnings in one month, and \$1,000 of income in the following month, the arc change is calculated as  $(1000-0)/(0.5*1000) = 2$ , which we report as 200 percent.

One of the five focus groups we convened was designed to focus on “economic mobility successes,” selecting only those survey participants who reported an improvement in their economic situation during the survey period. Yet when the group came together, we found that increases in earnings were temporary (for example, one participant worked a temp job at her son’s school; another had picked up a few extra shifts while her coworker was out of town). This underscores the importance of looking at income changes longitudinally and highlights the instability of work and earnings for many Philadelphians, especially for those below the ALICE Threshold.

## Life Satisfaction

Each month, survey participants rated their overall life satisfaction on a scale from 0 to 10, where 0 is “not at all satisfied” and 10 is “completely satisfied.”<sup>6</sup> Most survey respondents reported that they were moderately satisfied with their lives. However, as shown in Figure 2, life satisfaction scores were lower for respondents below the ALICE Threshold: 22 percent of respondents below the Threshold reported that they were not satisfied with their life (a score less than 5), compared with 6 percent of those above the Threshold. Interestingly, there were also greater fluctuations in life satisfaction scores for respondents below the ALICE Threshold, which echoed their earnings fluctuations.

## Financial Instability Influenced Life Satisfaction

In discussing their work and economic circumstances, focus group participants commented on how financial instability influences their life satisfaction, especially when that instability persists. Participants talked about “the grind” of having insufficient income, working multiple jobs, or working hard but not seeing the payoffs of that labor. One participant shared the frustration of living paycheck-to-paycheck and how that impacted their mental health and well-being:

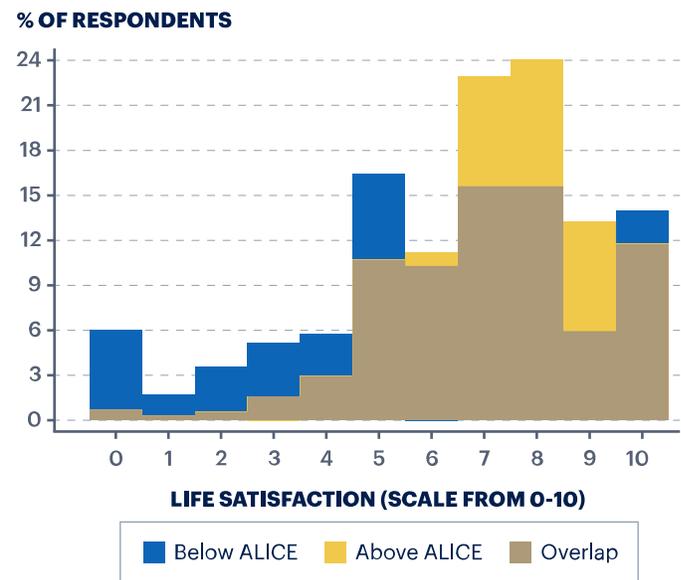
**“So it’s kind of frustrating and taking a toll on me mentally, because, like, I’m working so hard and it’s — I feel like I don’t see like the fruits of my labor ... I’m kind of frustrated, because I think to myself, I’m gonna do all this work now and then get another promotion and still be in the same spot, you know? So I’m working with somebody to, you know, navigate my feelings.”**

Conversely, focus group participants shared how much being able to pay the bills — even if only temporarily — improved their outlook on life overall:

**“If [the bills are] paid, then your mental [health] is fine and you’re able to enjoy and look at things differently in life.”**  
**“So, as I was getting more money and I was able to pay my bills and also save some money, I felt better about my financial situation and about my ability to plan for the future, and not have to think about how much groceries cost. Or rent, or utilities, or any of that.”**

**FIGURE 2**

### Life Satisfaction by ALICE Status, Point-in-Time, December 2023–August 2024



**Notes**

The distribution of life satisfaction is reported on a scale from 0–10. Bin width = 1.

<sup>6</sup> The specific question was, “Overall, how satisfied are you with life as a whole these days? Reply with a number between 0 and 10, where 0 is not at all satisfied and 10 is completely satisfied.”

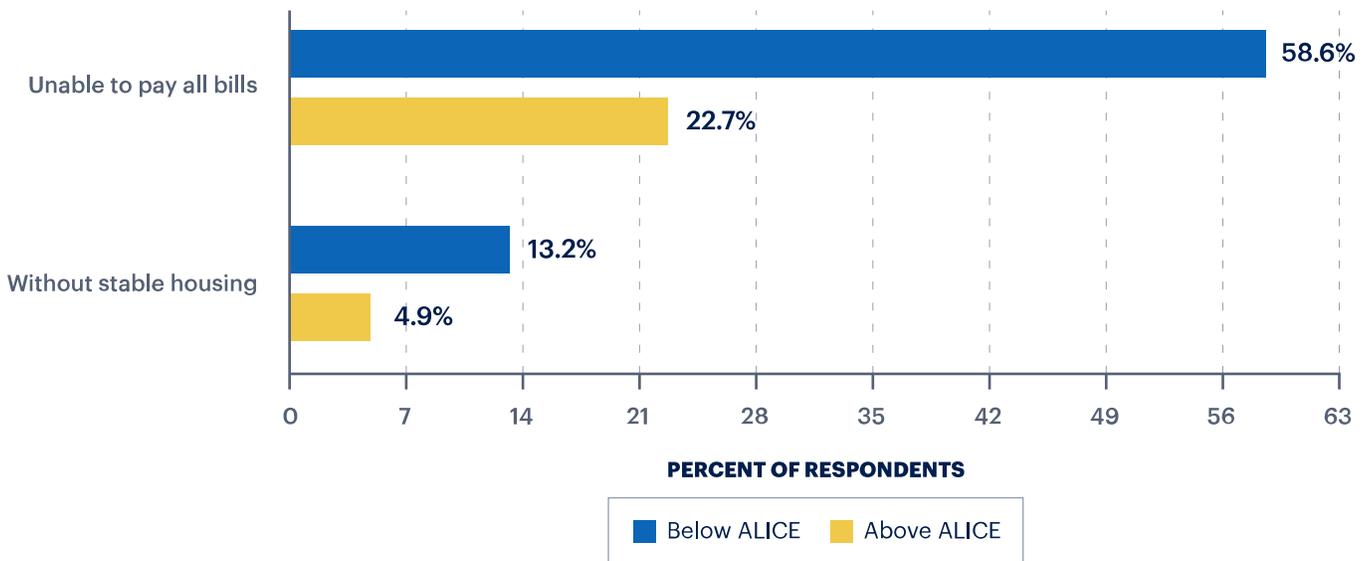
## The Struggle to Make Ends Meet

A substantial portion of respondents were struggling to make ends meet during the study period, with a notable divide by ALICE Threshold income status. More than half (59 percent) of respondents below the ALICE Threshold were not able to pay all their bills each month,<sup>7</sup> compared with 23 percent of those above the Threshold. As a further indicator of financial instability, the survey also found that 13 percent of respondents below the ALICE Threshold did not have stable housing,<sup>8</sup> compared with 5 percent of those above the Threshold (Figure 3).



FIGURE 3

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



#### Notes

This figure shows broad measures of economic stability (the share of respondents unable to pay all bills and the share of respondents who lacked access to stable housing), as reported by SEM respondents. Both measures are from all six months of the survey and are reported by ALICE status.

<sup>7</sup> The specific question was: "Are you able to pay all your bills in full this month? Yes, I can pay all bills in full; no, there are some bills that I cannot pay in full."

<sup>8</sup> The specific question was, "Do you have access to stable housing? Yes or No."



## Barriers to Work

The ability to work and generate income is the most basic way households cover their expenses and drive toward economic mobility. To explore some of the challenges participants face in making ends meet, the survey asked about the impact that caregiving responsibilities, health issues, and transportation have on their ability to work or look for a job.

In the first month of the survey, we asked individuals whether their ability to work or look for a job was limited by their need to take care of their children or other family members, their health (physical, mental, or emotional), or their access to transportation.<sup>9</sup> Importantly, the same objective hardship (such as one’s car breaking down) can have very different consequences for different people (such as those who can or cannot afford a car repair), and the survey questions were meant to capture these differences.

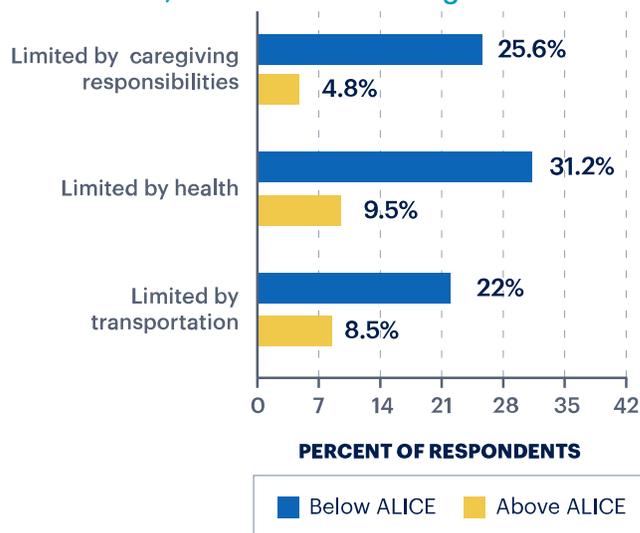
As shown in Figure 4, respondents below the ALICE Threshold were many times more likely than those above the Threshold to report that their ability to work or look for a job was limited by their caregiving responsibilities, health issues, or transportation access.

## Caregiving Responsibilities

Caregiving responsibilities were selected by 16 percent of all survey respondents as a limiting factor on their ability to work or look for a job. For respondents below the ALICE Threshold, the rate was almost five times higher than for respondents above the Threshold (26 percent versus 5 percent). Several focus group participants were directly caring for dependents with special needs, and others shared how they helped other loved ones navigate health problems. For many, caregiving led to added costs (“I have an eight-year-old child who has special needs ... we give her protein shakes, and those are expensive.”) and difficulties juggling work and care.

<sup>9</sup> In particular, the questions were: “Does your [physical, mental, or emotional health/need to take care of your children or other family members/access to transportation] limit your ability to work or look for a job?”

**FIGURE 4**  
Challenges to Ability to Work or Look for a Job by ALICE Status, December 2023–August 2024



**Notes**  
This figure shows the prevalence of limiting factors to working as reported by SEM respondents (physical/emotional health, caregiving burdens, and transportation access) by ALICE Threshold status. All measures are from the first month of the survey.

Households with young children, and even more so those with children with special needs, shared how caregiving needs can impact earnings. For example, a participant shared, *“With us, me and my husband working ... one works day shift, one works night shift. So it’s like the challenges of trying to be on a strict schedule just because we’re not fully comfortable with having him in a daycare ... sometimes I even decide on if I should go to work this day, just because sometimes he’ll need me more than I need to be at work. And then if I don’t go to work, it’ll affect my paycheck, and then we have to affect how we maneuver for the rest of that month.”*

## Health Challenges

Around 22 percent of all survey respondents said their health impacted their ability to work, yet this rate differed substantially by ALICE status: 31 percent of respondents below the ALICE Threshold reported that poor health limited their ability to work or look for a job, three times higher than the share for respondents above the Threshold (9 percent). And health challenges not only impact one’s ability to work but are also often expensive to manage. One focus group participant shared, *“I met my max out-of-pocket with my health insurance. You know, I had a C-section, so that was expensive as well.”*

## Limited Access to Transportation

Of all survey respondents, around 16 percent said their ability to work or look for jobs was limited by access to transportation. For respondents below the ALICE Threshold, the rate was 22 percent, compared with 8 percent for respondents above the Threshold. Unreliable transportation was also a barrier to work mentioned by focus group participants. For example, *“You know, so it’s just been a burden trying to keep this truck ... I don’t wanna get repoed [repossessed]; I wanna pay my truck off. But, you know, it’s just been a challenge ... I bought a vehicle that just doesn’t run well. And it really messed up the way I make income.”*



## Additional Barriers to Work

Beyond the barriers to work asked about in the survey, focus group participants mentioned additional factors, including challenges with online applications and job search platforms, entry-level jobs requiring specific training, and the need for flexible schedules. Several participants also discussed the challenges they've faced in finding jobs with pay that feels adequate given the job requirements, and a few mentioned experiences with age discrimination in the job market.

### Difficulty Finding Work with Adequate Wages

Several focus group participants shared that the wages for a job needed to be high enough to cover the effort and mental strain, especially for jobs with physical and onsite requirements.

**"[One job posting was] at the lower end of the salary range of what I'd like, but it's within my wheelhouse ... but it was inexplicably in-the-office mandatory, while also requiring a lot of field work ... that's a red flag; that weighs against everything else."**

**"I've just been taking it day by day and still applying to jobs every chance I can get. I'm just hoping for a good outcome, but so far there hasn't been anything that's within my price range [desired wage range] for me to want to change jobs."**

Another participant explained, **"I also look at the pay rate [of the job], to be honest, because I don't think I'll just go after that job because I want to be there, and the pay rate is not what I'm looking for. I'm not going to stay if it's, like, \$10 [per hour] and I know it's something worth more."**

Adequate wages and take-home pay were especially important for part-time and temporary jobs, and for gig work. One person working for a rideshare platform shared, *"You get a pay cut, you got a lot of wear and tear on your vehicle, and it's just not profitable."*

### Age Discrimination

A few older participants shared that they had been discriminated against based on their age, especially in particular industries. Said one, *"That industry is extremely ageist and you're just not going to get hired if you're over the age of 40."*

One participant shared that it was especially frustrating to be turned down for a position that they felt well-qualified for:

**"I'm over 50, and I discovered while looking for jobs, OK, they don't particularly want anybody above a certain age, even though that person with a certain age may have the experience that they're looking for ... When I say I'm 52, they're like, 'Oh...' and their face changes, and then you know that, OK, I'm not getting this one because they're looking for someone younger, but with the type of experience that someone my age would already have. Because I've been working for a long time."**





## Strategies for Getting By

Responding to questions about how they try to make ends meet, especially in light of fluctuations in earnings, focus group participants shared a wide range of strategies to cut costs, increase earnings, and pursue other sources of income. These included downsizing their house or apartment, moving to cheaper housing, getting a roommate, charging family members to live in the house, delaying higher education or training, changing jobs, applying for benefits, working overtime or adding extra shifts, cutting back on spending, walking to work, adding a side hustle, and clipping coupons. Participants explained that they frequently navigate unexpected expenses and have to make tradeoffs between personal and family needs, financial stability, and pursuing job opportunities. They also explained the importance, and the challenges, of participating in public benefit programs. As one focus group participant put it, *“I do what I have to do.”*

### Budgeting

Budgeting was on the mind of many focus group participants. They shared that their goal of financial stability — building savings or to *“live within your means”* — was challenging, considering their increasing grocery, health insurance, and utility bills. One participant shared, *“Now we’re using more [money] for food as opposed to using it for utilities. So we have to cut back on the utilities.”*

For many, their budgets don’t include things like vacations or dinners out, and it was clear that most focus group participants were aiming to *“cover the basics and maybe have a little extra to put toward savings.”* One participant explained their perspective: *“I don’t complain because I can’t take a vacation or do different things. I have a nice yard and a nice front porch; that’s my oasis. I just learn to do things at home. But there are times where, you know, a bill may get partially paid and I’ll make it up the next month.”*

A few focus group participants also mentioned how they have to adjust budgets and spending priorities when faced with unexpected expenses. With little to no savings, an expense they hadn’t budgeted for means cutting out something else. For example, one person explained, *“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.”*

### Cutting Costs

Cutting back on expenses was a common theme, but participants shared that it was difficult when budgets only included essentials. One participant shared how she worked to minimize transportation costs: *“I think the biggest thing that I look for [in a job] is what the schedule is going to be like, because I am in school, so I’m not very flexible to just do any shift. And I look at location, because you know how sometimes you could drive to the location? But I always look to see if it’s a location where you could take the bus to. Because it’s not every day you’re going to [be able to drive].”*

Many participants focused on cutting their housing costs, where strategies ranged from downsizing or moving to cheaper housing, to taking on a roommate or charging family members rent.

As one participant shared, *“I have a son who’s 29, and he’s a volunteer firefighter and a paramedic. And, you know, he called me a few months ago and he’s like ... ‘Mom, can I come home for a little while? ... By the time I pay my rent and all my utilities and my car insurance, I can barely buy lunch.’”*

The son’s goal was to save money to buy his own home: *“And he said, ‘I just think it’s time that I get a house. At least I’ll feel like I’m investing in me.’”*



## Gig Work and Other Sources of Income

When sharing the ways that they try to make ends meet, focus group participants frequently mentioned “side hustles” — activities that generate income that aren’t considered an official job or a primary source of income. These side hustles included activities like working for mobile application-based services (rideshare services, meal or grocery delivery), printing and selling t-shirts, providing notary services, making package deliveries, running yard/estate sales, making DIY social media videos, facilitating focus groups for a local university, doing temp work at their child’s elementary school, and crocheting clothing.

For some, the pandemic was a driving force in taking up a new side hustle, as they tried to keep busy and compensate for lost wages. Almost all participants who worked side hustles did so because of a need for additional income when between jobs, or when working part time, or to cover “extras” such as a child’s birthday present or an unexpected bill. Said one participant, *“That helps, like, you know, give my kids — I got two sons, you know what I mean? Their birthdays and stuff like that. Anything extra, it helps me with that kind of thing.”*

Some participants relied on a combination of side hustles or a primary job, plus additional work, to piece together enough income to cover expenses. One participant explained,

**“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].”**

Side hustles often brought challenges around licenses, tax liability, and implications for using their home or personal vehicle. For example, one person shared their experience with driving for a rideshare application: *“We’re beating up our cars*

and they just take money. You know, they design these apps and things, and they have all these people on the app, and they're just making money off of us." Additional challenges that participants mentioned related to mobile app-based work included the low rate of pay, penalties for delays (especially when it's not the fault of the worker), and fluctuating demand.

## Participating in Public Benefit Programs

An effective method of coping with economic hardships and the instability of earnings was utilizing public benefit programs, such as the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), the Low Income Home Energy Assistance Program (LIHEAP), childcare and housing vouchers, assistance for people with disabilities (Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI)), and cash assistance (through programs like Temporary Assistance for Needy Families (TANF) and Women, Infants, and Children (WIC)). To better understand the impact of these programs on economic well-being and upward mobility, we conducted a focus group with survey participants who received benefits.

For the most part, participants emphasized the ways in which their public benefits contributed to economic stability. For example, a participant receiving disability assistance shared, *"The benefits have greatly increased my mobility to be able to do some of the things and still maintain a sort of stability that I had when I was working. But now that I'm not working, I can still maintain some of the things that I was prior to being disabled ... when I was able to get these benefits, I was able to go handle the needs [for my daughter with a disability] at her school and everything else."* For some participants, benefits helped allay fears and uncertainty, especially in relation to health-care access:

**"For me, I feel so much better knowing that I have the ability [to get medical care], and it's a blessing that I can go and get seen in an emergency situation."**

However, participants who accessed public benefit programs also mentioned several challenges, including:

- **Navigating complicated systems:** One participant shared the difficulty just of applying for benefits: *"First, we tried on our own [to qualify for disability assistance], as most people do. And after, you know, jumping through all the medical hoops, we still were, we got two rejections ... So we wound up with a law firm ... And I'm sure you know that once you are approved for the benefits, they pay you back to the date of disability. So they [the law firm] took a percentage of that initial payment."* Another focus group participant noted how vigilant they need to be to even small changes in their public health plan, sharing, *"Medicare has changed their plan so benefits frequently change ... so I always have to worry about that and pay close attention to the changes."*
- **Losing eligibility or having benefit amounts lowered:** Several focus group participants noted that small decreases after the end of pandemic-era assistance made a notable difference in their ability to make ends meet. For example: *"I noticed around in my neighborhood, a lot of people have been impacted by the cut of the pandemic EBT, the stimulus. They were getting more money for food stamps, and then when those got cut, it impacted their ability to pay rent because they were working on that number for food stamps, and then food [costs] didn't decrease when the extra food stamps got cut."* Another focus group participant shared how an increase in his SSI (his main source of income) led to a decrease in SNAP benefits: *"Our main source of income is SSI. And when the COLA [Cost of Living Adjustment] benefits came through, almost immediately, I found a cut in SNAP. As if they were just waiting and saying, 'OK, well, SSI gave you X amount; we're taking this much of it back.' Which amounted to about a 30 percent cut."*
- **Experiencing "benefit cliffs":** Benefit cliffs occur when increases in income lead to changes in eligibility and benefit amounts, often with the loss in benefits greater than the increase in income. As explained by one focus group participant, *"What happens is, when my income increases, it takes away my daughter's benefits."* Another person shared the story of a friend who received a raise, which in turn made her ineligible for the public health insurance plan she and her daughter were on. Without the coverage, her daughter's medication cost \$750 a month.

*“She had to end up quitting her job to get her daughter’s medical [insurance] because she couldn’t afford the increase ... she had no clue. She went to HR to try to appeal the raise, and they couldn’t reduce her pay, and she had to quit her job.”*

When discussing public benefits and the resources they relied on to try to make ends meet, participants also mentioned forms of nongovernmental support, including personal/professional networks and direct support from faith communities and other nonprofit organizations in Philadelphia.

## ! IF PHILADELPHIANS ARE STRUGGLING, WHY DON'T THEY MOVE?

In one focus group, people were asked if they’ve considered leaving Philadelphia for better economic opportunity elsewhere. One participant reflected: *“I think it’s always an option, especially post-COVID, since so many things are mobile. Most of the companies, if they’re not doing completely remote, then they’re at least doing some sort of hybrid ... there are actual cities ... that are encouraging people to come move to their cities so that they can boost their population and their economic growth.”* But then she was quick to say that it wouldn’t be an easy decision, stating,

“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.”

Another person shared extended-family considerations:

“I don’t necessarily want to live my entire life in Philadelphia. I would like to move, potentially to a place with a lower cost of living. My parents live in Philadelphia ... I am quite concerned that once I move away, they will, like, immediately get sick ... so despite me wanting to like see the world, see other places, live in other places, I also don’t want to leave them.”

Trade-offs, and not knowing for sure that economic opportunity would be better elsewhere, were also mentioned. One person shared,

“I mean, on one hand, a lot of the places that seem to have better wages and stuff like that are also places with much higher cost of living. Philadelphia has a relatively low cost of living. And places that have low cost of living are often places that both are relatively poorly paid and often ... areas of the country where work protections for workers are much worse.”

A second person elaborated on this topic, saying, *“Most other areas of country are even worse than here. So a person may find themselves going from the frying pan into the fire.”*



# Identifying Opportunities for Stability and Mobility

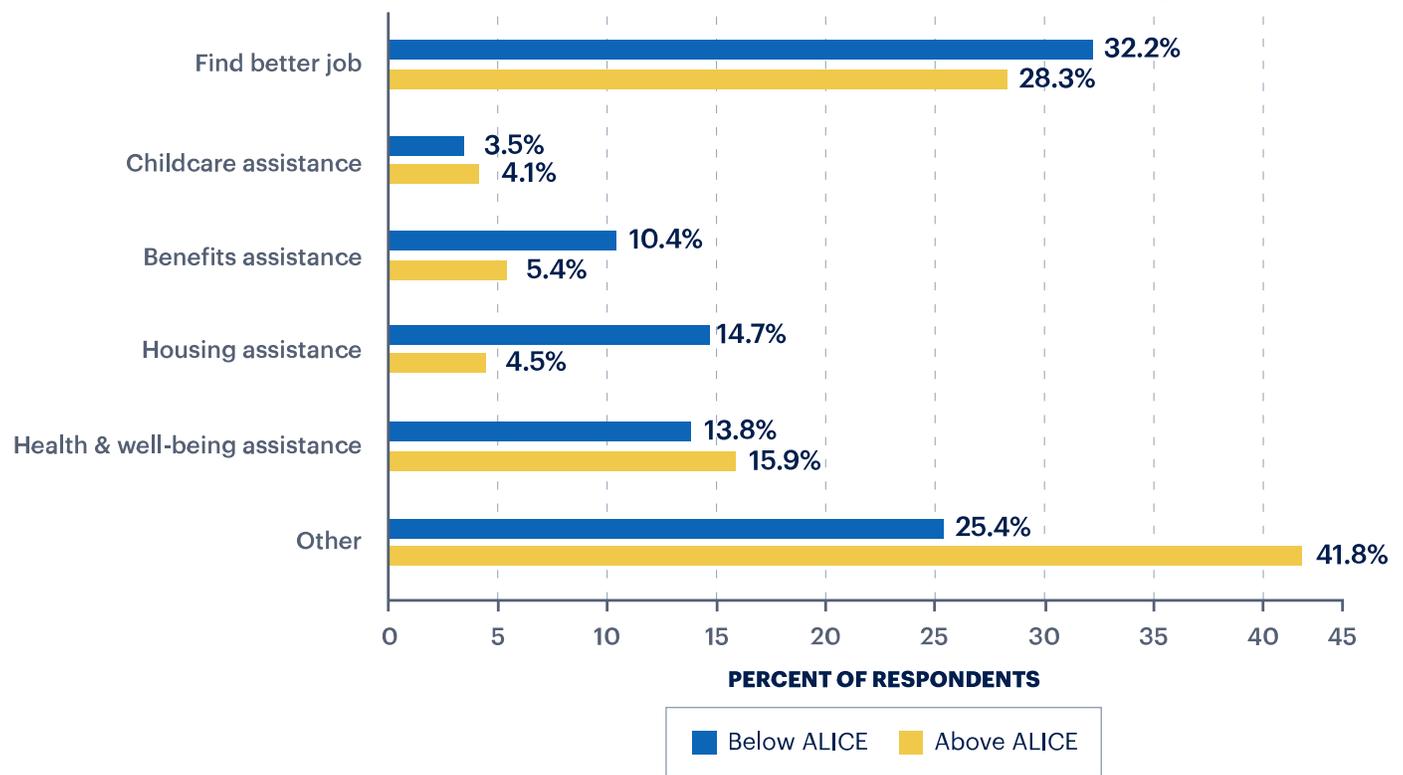
Each monthly survey asked respondents, “What would be most helpful to you right now?” Options included finding a better job, getting help with childcare, getting assistance with government benefits, getting assistance with housing, getting assistance with physical/emotional health, or something else (Figure 5). The most commonly selected choice besides “something else” was “finding a better job.” A sizable share of people also reported that “getting help with my health” would be most valuable.

Respondents below the ALICE Threshold were more likely than those above to report that finding a better job (32 percent versus 28 percent), housing assistance (15 percent versus 4 percent), or benefits assistance (10 percent versus 5 percent) would be most helpful, while those above the Threshold were more likely to select assistance with health/well-being (16 percent versus 14 percent) or something else (42 percent versus 25 percent).

The survey also asked, “What approach would work best for you if you wanted to increase your income, considering your current situation, time commitments, and other aspects of your life?”<sup>10</sup> Most people said that getting a job with a different employer and staying in the same field they’ve worked in was the best approach. The second most common response was

**FIGURE 5**

**Areas of Assistance Most Helpful to Respondents by ALICE Status, December 2023–August 2024**



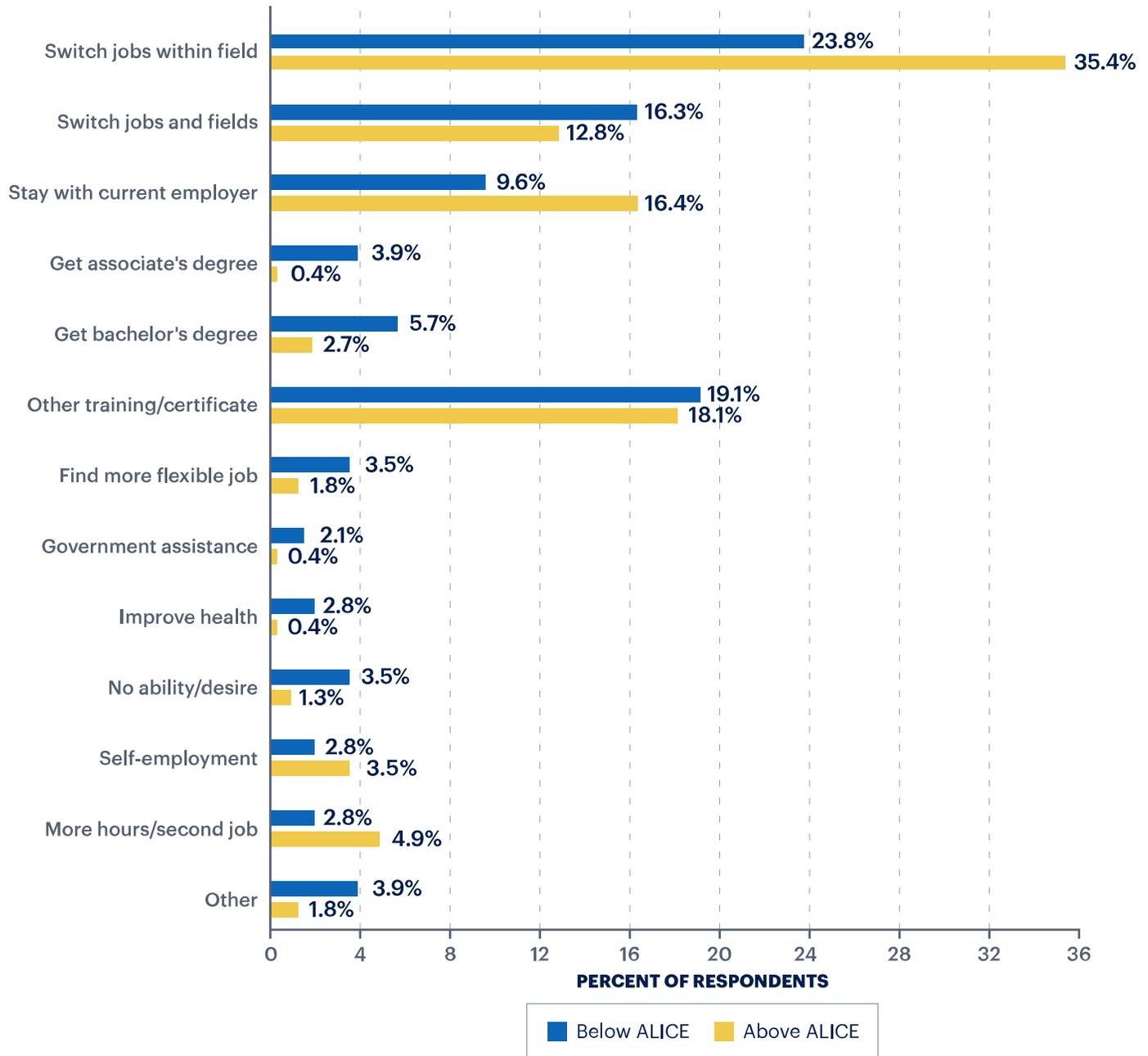
**Notes**  
 This figure shows the share of respondents, by ALICE status, reporting whether the following actions or interventions would be most helpful for them right now: finding a better job, getting help with childcare, getting assistance with government benefits, getting assistance with housing, getting assistance with physical/emotional health, or something else.

<sup>10</sup> The possible responses were: “Get a job with a different employer and stay in the same field I’ve worked in,” “Get a job in a different field,” “Stay at my current employer,” “Get an associate’s degree,” “Get a bachelor’s degree,” “Complete a different type of training or certificate program,” and “Something else.” If individuals chose the last answer, we asked for a free response entry and classified these responses into the categories shown in the figure.

completing a training or certificate program that did not result in an associate's or bachelor's degree. A very small share of people said that getting a bachelor's degree would work best for them, and even fewer said that getting an associate's degree would be best (Figure 6).

**FIGURE 6**

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



**Notes**

This figure shows the preferred method of increasing income reported by each respondent. The bars represent the share of respondents reporting each category as their preferred method. The original survey categories include switching jobs/employers but staying within their current field, switching jobs and fields, staying with their current employer, getting an associate's degree, getting a bachelor's degree, enrolling in another training or certificate program, or something else. Respondents choosing "something else" were asked to provide more detail in a free response question, and these answers were reclassified into the following categories: find more flexible job, receive government assistance, improve health, no ability/desire to increase income, pursue self-employment, work more hours/get a second job, or other.

These responses suggest that individuals focus primarily on job-related solutions to advancing their economic mobility. The finding that very few people identified higher education as their best option is particularly interesting.

Differences by income status were by degree rather than priority. The top four strategies were the same for respondents above and below the ALICE Threshold. However, the gaps between the two groups were widest for certain strategies, like switching jobs within their current field of work (35 percent for those above the ALICE Threshold versus 24 percent for those below) or even staying in their current job (16 percent above the Threshold versus 10 percent below). By contrast, those below the ALICE Threshold were much more likely than those above the Threshold to see solutions in switching to a different field of work, gaining additional education, getting government assistance, and improving health.

To garner additional insights into opportunities for stability and mobility, participants in all five focus groups were asked, “What would you want someone in research or government to know about your experience?” and “What do you think needs to change to help you or others in your community be financially stable?” For many, the answers focused on navigating and expanding resources:

**“If you don’t have, per se, enough money at the end of your month, being knowledgeable of who offers what, or where you can readily go get help and apply for different things [energy programs, food benefits program, or the pantries].”**

**“Let us know what’s out there. What are you finding [that helps people make ends meet]? You know, are there resources out there? The welfare office, that’s not what I’m talking about ... I’m thinking like small business type of stuff. Ways to help people like me who want to do for themselves, who want to get started ... to put us on that path to financial freedom.”**



Other focus group members noted the need for a more equitable distribution of public funds, with a focus on helping Americans who are working hard but still struggling financially. For example, one person explained, “*It feels like a slap in the face [when I see government military spending] and I’m sitting here with the newspaper clipping coupons for diapers because everything so expensive.*” Another participant shared, “*It [the distribution of funds for public programs] just needs to be a little bit more equitable so that people who do work and do responsibly pay their bills don’t always feel like they’re punished.*”

Others pointed to the role of the private sector in improving wages and treating employees better: “*I think that [employers] should have to care about their employees. Because the way they’re treating employees is really bad. And then that extends to how they treat the customers. So I think that employers have to have some kind of empathy.*” Another said: “*A minimum should be imposed to all employers in order to make it an affordable way for all the workers, hard workers, like veterans, teaching jobs, and other situations, to keep up balance.*”

Finally, where resources exist, participants noted that accessing them was challenging. Participants spoke about the various types of benefit programs and the different applications, requirements, and red tape many walk through to access benefits that they are eligible for. For example,

**“After about 11 months, finally her benefits were approved. Anyone else in our panel today who is collecting disability benefits, I’m sure, will agree with what I just said, or have had some horrific experiences with that.”**

**“Just have all your information in one clearinghouse, and if your income qualifies, you would automatically receive all these benefits at once. And you would only have to reapply yearly, for only one time. Instead of getting one in March, one in April, one in July, and having to constantly churn out this paperwork.”**



## Conclusions

Because of its unique longitudinal and mixed-methods approach, this study provides important insights for future researchers and policymakers on the barriers many people face to upward mobility, and the impacts of economic instability on their lives and livelihoods.

### Key Takeaways for Researchers

- **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. Fluctuations were more frequent for respondents below the ALICE Threshold. The 2023 Survey of Income and Program Participation (SIPP)<sup>11</sup> reports significant fluctuations for households above and below the FPL; comparing these rates to movement above and below the ALICE Threshold would provide additional insights. Surveys with a longer time horizon (1–2 years) with monthly or bimonthly responses could help determine whether earnings gains were sustained or whether they were only temporary, such as those shared by focus participants (e.g., extra work shifts, a temp job).

<sup>11</sup> Brittany King, "Monthly and Episodic Poverty: 2022," Current Population Reports, July 2024, P70BR-196, [www2.census.gov/library/publications/2024/demo/p70br-196.pdf](https://www2.census.gov/library/publications/2024/demo/p70br-196.pdf).

- **Terminology:** Economic mobility was not a term that participants generally used. For many lower-income respondents, economic stability was the preferred reference point, and income was more accurately calculated by expenses covered in a month than by the dollar amount that was coming in. Future research and survey design should consider these points so that everyone is speaking the same language.
- **Additional barriers to work:** The focus group participants raised several barriers to work that had not been included in the survey. Future research should explore experiences with online applications and job search platforms, training requirements, scheduling flexibility, age discrimination, and the 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, combined with analysis of other surveys,<sup>12</sup> suggest that ALICE status is a more meaningful dividing line than the FPL and should be an added dimension of survey analysis. Notably, respondents below the ALICE Threshold experienced more earnings fluctuations, and lower life satisfaction, than those above the Threshold. They also faced more barriers to working or finding work than those above the ALICE Threshold.

## Key Considerations for Policymakers

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. This research presents a starting point for understanding the sources of economic instability, which is key to designing policies and programs that create economic opportunities for all.

- **Fluctuations in earnings are widespread and substantial.** With only one-quarter of people reporting earning the same amount over six months, 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 economic 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.
- **Survey respondents shared their views of the most effective solutions that policymakers can support:** finding a better job, getting housing assistance, getting benefits assistance, improving health, and getting additional education (with emphasis on training rather than degrees).

<sup>12</sup> See analysis of the Federal Reserve Board's Survey of Household Economics and Decisionmaking (SHED), the University of Southern California's Understanding America Study's Understanding Coronavirus in America survey, and the U.S. Census Bureau's COVID-19 Household Pulse Survey in recent United For ALICE reports, [www.unitedforalice.org/national-reports](http://www.unitedforalice.org/national-reports).

# Appendix: Study Participants and Methods

## Longitudinal Text-Based Survey

To gain a deeper understanding of economic mobility, the Federal Reserve Bank of Philadelphia launched the Survey of Economic Mobility (SEM) in late 2023. This inaugural survey focused on residents of Philadelphia in zip codes where the median household income was at or below \$70,000 and the poverty rate was at or above 10 percent. This sample covers the bottom and middle thirds of Philadelphia zip codes in terms of income. We chose this set of neighborhoods to ensure adequate representation of lower- and middle-income individuals, who are undersampled in some surveys. Within these zip codes, individuals from all income levels were sampled.

To build trust with participants, the Federal Reserve partnered with United For ALICE and sent letters and postcards to randomly selected households within these zip codes. We sent out 55,000 letters and selected the first 592 individuals who agreed to participate for the study. Surveys were then administered via text message. Individuals received electronic gift cards worth \$15 after completing each survey, and if they completed all six surveys, they received \$25 after the last survey, for a total of up to \$100. The survey was active for a nine-month period, from December 2023 to August 2024.

A wide range of Philadelphians participated in the survey (see Table 1). The first column provides summary statistics for the 592 individuals who completed the first month of the survey; 363 completed all six months. About 28 percent of respondents have a high school diploma or less, while 43 percent have a bachelor’s degree or more. Forty-four percent of respondents reported receiving government benefits, and 64 percent were employed at the time of completing their first survey.

By income, 58 percent of survey respondents were below the ALICE Threshold. The ALICE Threshold is a more realistic measure of financial hardship than the Federal Poverty Level because it reflects the actual cost of household basics and varies by location and household composition. In Philadelphia, basic costs totaled approximately \$29,000 for a single adult and \$92,200 for a family of four in 2022 (the latest data available). As seen in columns 2 and 3 of Table 1, respondents below the ALICE Threshold are more likely to be female, be Black or Hispanic, and have lower levels of education. This is consistent with the [ALICE demographics](#) for the zip codes included in the survey geography.

**TABLE 1** Summary Statistics of Survey Respondents

	Survey of Economic Mobility (SEM)			ACS
	All	Below ALICE	Above ALICE	
<b>AGE, GENDER, RACE/ETHNICITY</b>				
Percent respondents: 18–24 years old	6.8	9.9	2.40	12.8
Percent respondents: 25–34 years old	24.8	24.2	25.7	21.6
Percent respondents: 35–44 years old	25.7	28.6	21.7	16.7
Percent respondents: 45–54 years old	16.0	15.5	16.9	15.1
Percent respondents: 55–64 years old	14.4	13.4	15.7	15.9
Percent respondents: 65+ years old	12.3	8.5	17.7	17.9
Percent respondents: male	36.3	30.6	44.2	46.1
Percent respondents: female	61.0	67.1	52.6	53.9
Percent respondents: White (non-Hispanic)	33.4	23.0	47.8	22.8
Percent respondents: Black (non-Hispanic)	40.0	46.4	31.3	46.8
Percent respondents: Asian (non-Hispanic)	7.3	5.5	9.6	7.2
Percent respondents: Other race (non-Hispanic)	6.6	8.2	4.4	4.1
Percent respondents: Hispanic	11.8	15.7	6.4	19.0

TABLE 1

## Summary Statistics of Survey Respondents (continued)

	Survey of Economic Mobility (SEM)			ACS
	All	Below ALICE	Above ALICE	
<b>EDUCATION</b>				
Percent respondents: less than high school	3.7	5.8	0.8	15.9
Percent respondents: GED	5.7	9.3	0.8	4.6
Percent respondents: high school diploma	18.2	28.3	4.4	30.9
Percent respondents: some college	21.6	27.1	14.1	20.6
Percent respondents: associate's degree	7.9	8.2	7.6	6.2
Percent respondents: bachelor's degree or higher	42.7	21.3	72.3	21.8
Percent respondents: enrolled (undergraduate)	3.7	5.8	0.8	6.7
Percent respondents: enrolled (other college)	2.4	2.3	2.4	2.0
<b>HOUSEHOLD ECONOMIC SITUATION</b>				
Percent respondents: receive means-tested government health insurance (e.g., Medicaid)	38.0	60.9	6.4	46.3
Percent respondents: receive any government benefits	43.9	61.5	19.7	33.5
Percent adults 18–64 years old: employed	68.4	59.1	86.6	64.3
Percent respondents: below ALICE	57.9	100	0	54.0
Percent respondents: household income under \$25K	28.0	48.4	0	29.4
Percent respondents: household income \$25K–\$35K	13.7	19.8	5.2	9.9
Percent respondents: household income \$35K–\$50K	15.9	21.0	8.8	12.6
Percent respondents: household income \$50K–\$75K	16.7	9.3	26.9	16.7
Percent respondents: household income \$75K–\$100K	9.1	1.5	19.7	10.9
Percent respondents: household income \$100K+	16.6	0	39.4	20.5
<b>HOUSING</b>				
Percent households: with mortgage	34.8	23.9	49.8	30.7
Percent households: no mortgage	12.8	11.1	15.3	22.7
Percent households: renting	49.0	59.8	34.1	44.4
<b>Observations</b>	<b>592</b>	<b>343</b>	<b>249</b>	<b>868,971</b>

**Notes**

This table shows the percent of individuals with certain demographic and socioeconomic characteristics across a variety of samples. Column 1 includes all respondents completing month 1 of the Survey of Economic Mobility (SEM). Columns 2 and 3 include respondents who completed the first month of the SEM and are classified as being below and above the Asset Limited, Income Constrained, Employed (ALICE) Threshold based on household income and structure. Column 4 includes American Community Survey (ACS) 5-year population estimates from 2018–2022 for zip codes included in the SEM sampling frame. Income is measured in 2022 dollars.

To compare the survey participants to the American Community Survey (ACS), the final column of Table 1 provides the 2018–2022 ACS population estimates for this survey's sample zip codes. While the available ACS data cover an earlier time period than our survey, they are useful for gauging how SEM respondents relate to the broader population. Overall, SEM respondents are fairly representative of all Philadelphia residents in these zip codes, but there are some important differences to keep in mind. Most notably, survey respondents are less likely than the overall population to be age 18–24 or 65+ years old, to be Hispanic, or to have less than a high school education.

The survey results presented in this paper are not weighted. However, as a robustness check, Table 2 presents the unweighted results compared with weighted results based on an iterative proportional fitting model to match the survey respondents' demographics with the ACS. The comparison is provided for selected survey questions by ALICE status. The weighted and unweighted results are similar.

**TABLE 2**

**Selected Survey Questions, Weighted and Unweighted Results**

	Below ALICE		Above ALICE	
	Unweighted %	Weighted %	Unweighted %	Weighted %
<b>ABILITY TO PAY BILLS AND ACCESS TO STABLE HOUSING (FIGURE 3)</b>				
Unable to pay all bills	58.6	57.1	22.7	28.0
Without stable housing	13.2	11.4	4.9	3.2
<b>CHALLENGES TO ABILITY TO WORK OR LOOK FOR A JOB (FIGURE 4)</b>				
Limited by caregiving responsibilities	25.6	22.3	4.8	11.0
Limited by health	31.3	33.4	9.5	12.7
Limited by transportation	22.0	22.6	8.5	11.0
<b>AREAS OF ASSISTANCE MOST HELPFUL TO RESPONDENTS (FIGURE 5)</b>				
Find better job	32.2	31.3	28.3	28.7
Childcare assistance	3.5	3.5	4.1	3.8
Benefits assistance	10.4	12.1	5.4	5.7
Housing assistance	14.7	17.0	4.5	4.8
Health & well-being assistance	13.8	11.8	15.9	14.7
Other	25.4	24.3	41.8	42.3
<b>BEST WAY TO INCREASE INCOME (FIGURE 6)</b>				
Switch jobs within field	23.8	20.5	35.4	30.6
Switch jobs and fields	16.3	15.4	12.8	15.1
Stay with current employer	9.6	10.6	16.4	14.
Get associate's degree	3.9	4.7	0.4	0.1
Get bachelor's degree	5.7	8.4	2.7	3.8
Other training/certificate	19.1	16.1	18.1	18.8
Find more flexible job	3.5	6.0	1.8	2.0
Government assistance	2.1	2.1	0.4	0
Improve health	2.8	1.5	0.4	0.1
No ability/desire	3.5	5.9	1.3	2.6
Self-employment	2.8	3.0	3.5	4.2
More hours/second job	2.8	1.4	4.9	5.4
Other	3.9	4.4	1.8	3.4

**Notes**

This table reproduces selected key results from the paper without and with weighting to make the SEM sample look more like the ACS sample in column 4 of Table 1 in terms of gender (male or female), age (18–24, 25–34, 35–44, 45–54, 55–64, 65+), race/ethnicity (non-Hispanic White, non-Hispanic Black, non-Hispanic Asian, other non-Hispanic, Hispanic), education (less than a HS diploma, GED, HS diploma, some college, associate's degree, bachelor's degree or above), and household income (less than \$25,000, \$25,000–\$34,999, \$35,000–\$49,999, \$50,000–\$74,999, \$75,000–\$99,999, \$100,000 or more). See notes to Figures 3–6 and Table 1 for additional details.

## Focus Groups

To gain depth and further insight into the survey data, we conducted five focus groups with 59 individuals who participated in the survey. The focus groups covered different topics and were each designed to provide further insight on a data trend or question we had as researchers. Participants who participated in the text message survey were recruited based on their responses to the survey. Individuals received an electronic gift card worth \$75 for participating in a focus group.

**TABLE 3** Focus Group Topics, Recruitment, and Participation

Primary Topic and Date	Recruitment Criteria	Number of Participants
<b>Economic hardships</b>	Participants noted a change in their health or caretaking responsibilities that affected their ability to work, a change in their access to stable housing, or a change in their employment status at some point during survey participation	8
<b>How people earn income/ make ends meet</b>	Participants noted that they did some freelance or app-based work, or noted that they were or were not employed (both groups were included)	10
<b>Progress/success toward economic mobility</b>	Participants noted an improvement in their ability to pay their bills or an improvement in their life satisfaction over the survey	12
<b>Experiences with work/ employment</b>	Participants were not employed at some point during the survey and then transitioned to a month of employment, or remained not employed	17
<b>Participation in public benefit programs</b>	Participants noted that they were enrolled in one or more public benefit programs in the first month of the survey or noted a change in their access to benefits during the survey	12

Each focus group met for an hour with the session focused on a specific topic, while holding some other questions consistent across all groups. The first group focused on how people were navigating economic hardships, the second focused on how people were making ends meet, the third focused on individuals who improved in earnings or life satisfaction, the fourth focused on the costs and benefits of employment, and the fifth focused on public benefit programs and the social safety net. For each focus group, we targeted individuals who had relevant experience, as indicated by their survey responses (Table 3). Questions asked across all focus groups included, “What does the term ‘economic mobility’ mean to you?” “What would you want someone in research or government to know about your experience?” and “What do you think needs to change to help you or others in your community be

**TABLE 4** Selected Characteristics of Focus Group Participants

AGE, GENDER, RACE/ETHNICITY	%
Percent respondents: 18–24 years old	7.7
Percent respondents: 25–34 years old	13.5
Percent respondents: 35–44 years old	25.0
Percent respondents: 45–54 years old	28.8
Percent respondents: 55–64 years old	17.3
Percent respondents: 65+ years old	7.7
Percent respondents: male	38.5
Percent respondents: female	59.6
Percent respondents: White (non-Hispanic)	26.9

financially stable?” The insights from each of these focus groups inform the qualitative aspects of this paper and further explain some of the nuances we saw in the quantitative data.

Selected characteristics of focus group participants are provided in Table 4. Overall, focus group participants were fairly representative of the full set of survey respondents in terms of many demographic variables.

## External Review

To ensure ALICE’s voice is clear and respectfully presented, and focus group quotes are presented authentically, the ALICE Community Advisory Committee was consulted. In addition, members of the ALICE Research Advisory Committee for Pennsylvania reviewed an early version of these findings and provided feedback.

**TABLE 4** Selected Characteristics of Focus Group Participants *(continued)*

Percent respondents: Black (non-Hispanic)	50.0
Percent respondents: Asian (non-Hispanic)	1.9
Percent respondents: Other race (non-Hispanic)	9.6
Percent respondents: Hispanic	9.6
<b>EDUCATION</b>	
Percent respondents: less than high school	3.8
Percent respondents: GED	7.7
Percent respondents: high school diploma	15.4
Percent respondents: some college	25.0
Percent respondents: associate’s degree	9.6
Percent respondents: bachelor’s degree or higher	38.5
Percent respondents: enrolled (undergraduate)	5.8
Percent respondents: enrolled (other college)	3.8
<b>HOUSEHOLD ECONOMIC SITUATION</b>	
Percent respondents: receive means-tested government health insurance (e.g., Medicaid)	50.0
Percent respondents: receive any government benefits	50.0
Percent adults 18–64 years old: employed	62.5
Percent respondents: below ALICE	67.3
Percent respondents: household income under \$25K	36.5
Percent respondents: household income \$25K–\$35K	15.4
Percent respondents: household income \$35K–\$50K	13.5
Percent respondents: household income \$50K–\$75K	13.5
Percent respondents: household income \$75K–\$100K	11.5
Percent respondents: household income \$100K+	9.6
<b>HOUSING</b>	
Percent households: with mortgage	25.0
Percent households: no mortgage	13.5
Percent households: renting	51.9
<b>OBSERVATIONS</b>	<b>52</b>

**Notes**

This table reports summary statistics for 52 of the 59 focus group participants. Six individuals used a different email address for the focus group, so we could not match their survey demographics, and one participated in more than one group.



PHILADELPHIAFED.ORG | @PHILADELPHIAFED