



## **Economic and Community Advisory Council**

**November 18, 2025**

The Federal Reserve Bank of Philadelphia’s Economic and Community Advisory Council (ECAC) convened on November 18, 2025, at the Federal Reserve Bank of Philadelphia. The council consists of national and regional leaders offering a broad range of perspectives, including business, energy, healthcare, manufacturing, and community development. There were 11 members in attendance. More information about the ECAC and its members can be found on the [Federal Reserve Bank of Philadelphia website](#).

Joseph Budash, senior director of engagement and operations, opened the meeting, facilitated introductions, and turned the meeting over to the council chair, Loree Jones Brown. After Chair Brown gave a brief overview of the agenda, President Anna Paulson shared her reflections on the economy and answered questions from council members. There were two presentations during the meeting. Ryo Tashiro, senior outreach economist, provided an economic outlook presentation, and Adam Scavette presented recent research on occupational exposure to artificial intelligence (AI) in the Third District. Following each presentation, Chair Brown facilitated a group discussion to gain members’ perspectives on business and economic factors as well as labor market dynamics across sectors.

Since the council’s last convening in August, several member organizations have experienced economic and business impacts from trade and other policy changes and the government shutdown. Manufacturers are paying increased costs from tariffs with little recourse. Two members in manufacturing noted the tariffs are expected to cost hundreds of millions of dollars for their organizations. They are adjusting supply chains where possible, but timelines for shifting assembly lines from high-tariff countries to the United States could take one to two years, depending on the industry. More complex operations, such as chip manufacturing, could take four to five years.

The government shutdown furloughed thousands of workers in the region, and government spending cuts left many jobless. In addition, nonprofits experienced cash flow challenges. and Supplemental Nutrition Assistance Program (SNAP) was subject to both a shutdown and new policy changes, triggering increased demand for food assistance among vulnerable populations. A nonprofit leader expects new eligibility criteria to cause 144,000 Pennsylvania residents to lose SNAP benefits. Another member noted that SNAP funds account for \$4 million per week in nationwide sales and that 10–15 percent of their



organization's employees are SNAP recipients. SNAP-dependent grocery retailers also reported a drop in sales aligning with SNAP benefit changes.

Healthcare systems are in a similar situation as new policies affect healthcare delivery and insurance coverage. Recent Medicare funding cuts and anticipated Medicaid eligibility changes threaten to narrow access to essential care. The expiration of Affordable Care Act subsidies will cause additional financial burdens for healthcare providers and increase healthcare insurance costs for employers.

Uncertainty around inflation and rising prices also emerged as a concern among council members. For members engaged in construction, uncertainty is causing a slowdown in new projects and elevated escalation rates for future projects. A council member in the construction sector reported that cost of capital and materials has increased, and another member noted that uncertainty drives inaction, as people are reluctant to sign contracts or begin construction out of fear of making a bad decision. Members representing the retail industry are expecting challenging conditions in the new year because of rising costs.

New energy demands and utility infrastructure limitations are seeping into development projects that require a massive power supply, such as data centers. According to one member, data centers are building their own power generators and backups to ensure uninterrupted power supplies. In other areas of the country, data center builders must pay large utility connection fees upfront.

Consumer sentiment levels are also reacting to economic uncertainty. Seasonal shopping periods, including back-to-school and holiday shopping, continue to occur later each year as consumers delay purchases. Consumers are making more value or off-brand purchases and showing a preference for smaller, lower-cost packages. A member in the convenience store industry said they are making more customer-focused investments with promotions and deals, but forecasting growth has become increasingly difficult. Another member noted bifurcated consumer spending habits with some premium items growing in demand while the value segment also expands.

As the discussion shifted to workforce dynamics, a member in the workforce development space noted that finding a job in this uncertain environment is becoming increasingly more difficult. Job seekers face longer search periods, while employed workers are more reluctant to leave their positions, referred to as job hugging. Employers on the other hand are keeping jobs unfilled and becoming more selective. Rather than skills-based hiring, employers are going back to more traditional practices, such as requiring higher education degrees.



The special topic of the meeting was the adoption of AI technology. Multiple council members confirmed that their organizations are planning integration of AI technology in many areas, including forecasting, inventory management, content and design, data analysis, theft prevention, and customer service. Members are also using AI for personal productivity. One member uses AI to monitor real-time market intelligence and policy updates. Another member noted that AI is expected to provide numerous benefits and savings in the healthcare industry, including speeding up certain research and documentation tasks. When AI technology is enabled, nurses and providers can spend less time with administrative tasks and more time with patients, leading to less burnout.

Conversely members also raised several risks around AI technology, especially from the workforce perspective. There is concern about economic mobility for workers who are not well positioned to take advantage of or keep up with AI. Also, as lower-level jobs become more automated, there may be fewer entry-level jobs available. The workers who do not have a digital skill set risk being left behind, while people who have the tools to operate AI may have an advantage. A member in workforce development emphasized the need for the incoming workforce to have both digital and durable skills.

After the facilitated group discussions, Chair Brown turned the meeting back over to President Paulson for closing remarks. The council will reconvene on April 8, 2026.