

**Economic and Community Advisory Council  
November 12, 2021**

The Federal Reserve Bank of Philadelphia's Economic and Community Advisory Council (ECAC) convened virtually on November 12 for its third and final meeting of 2021. The ECAC consists of national and regional leaders from a broad range of perspectives encompassing business, philanthropic, academic, and community development voices. This meeting focused on current consumer, business, and economic trends and challenges related to the COVID-19 pandemic. There were ten (10) ECAC members in attendance. One member sent a written report ahead of the meeting. Ryo Tashiro, senior outreach economist, provided a detailed economic update presentation ahead of the meeting.

Erin Mierzwa, assistant vice president of Strategic Outreach & Engagement, opened the meeting and facilitated group introductions. Chellie Cameron, council chair, gave welcoming remarks and a brief overview of the agenda before turning it over to President Patrick Harker for his reflections on the economy. After taking questions, President Harker turned the meeting back to Chair Cameron, who asked each member for insights.

As in previous council discussions, members noted that challenging labor market dynamics have persisted. Members continue to face significant obstacles in finding and retaining qualified staff. This is especially pertinent in hospitality and healthcare. Other affected industries include retail, high-tech and travel, with members citing particular challenges filling technical, engineering and skilled trade roles. Companies continue to offer both tangible and intangible benefits to attract labor. For example, in hospitality, restaurants are providing higher starting wages, access to healthcare, and opportunities for growth and development. In the healthcare sector, one council member noted becoming increasingly reliant on costly agency labor. As the COVID-19 pandemic persists, hospitals continue to face labor shortages and stress-induced burnout in the face of surging demand.

In tandem with labor market conditions, supply chain disruptions continue to impact numerous businesses. Transportation issues, border closures, labor shortages, and other challenges related to the ongoing pandemic have all contributed to supply chain interruptions. One council member reflected on the effects of the resin shortage, noting that it is difficult to source items like walk-in cooler walls, fiberglass underground storage tanks, and construction materials. Another member noted that lead times for necessary equipment pieces have doubled or even tripled, making it exceptionally challenging to upgrade, improve, and streamline operations. Supply chain disruptions have resulted in project delays, decreased offerings and reduced inventory. Another member stated that these delays have negatively impacted customer satisfaction. Several members shared concerns around rising inflation as supply chain constraints drive up prices for materials and equipment. In addition, one member highlighted the disparate impact that inflation has had on low- and moderate-income households, particularly those who have not experienced positive wage growth during the pandemic.

In spite of these challenges, council members noted that some sectors continue to experience strong demand. Travel is rebounding, with an increased number of international flights being offered. Business-to-business travel has begun to rise as employees return to work. Construction continues to experience strong demand, as well as the retail, telecommunications and manufacturing sectors.

Many businesses have extended their work-from-home plans into the new year. Several council members commented that they plan to return to work, in either a hybrid or full-time capacity, in mid-January. This timeline reflects the continued prevalence of the COVID-19 pandemic and the anticipated

surge of cases following the holiday season. Companies continue to contemplate the efficacy of mandating the vaccine for all employees. Some members cited that employees face external pressure from parents, partners, or friends to remain unvaccinated. The cost and availability of test kits for unvaccinated employees poses a significant challenge for many businesses as they work to protect the health and well-being of their staff.

Council members continue to highlight the importance of supporting traditionally underserved communities. One council member discussed the success of the [Equality of Opportunity Initiative \(EOI\)](#), which seeks to develop sustainable solutions to help close race-based opportunity gaps in key sectors of the economy. Building a more diverse workforce benefits the economy as a whole. Speaking on access to technology and broadband services, another member noted the impact of the Emergency Broadband Benefit Program, through which eligible low-income households have qualified for reduced-cost internet services sponsored by the government. Broadband and wireless providers have seen a large uptake in this benefit. This will turn into a longer-term benefit as part of the Infrastructure Investment and Jobs Act. Affordable housing also continues to be an area of focus, with one member remarking about the surge in demand for single-family mortgage programs. The Homeownership Assistance Fund from the American Recovery Act has provided key assistance to qualified homeowners and renters.

Following the conclusion of the facilitated group discussion, Chair Cameron turned the meeting back to President Harker to provide closing remarks. President Harker thanked members for their impactful insights throughout this challenging year. The council will reconvene in 2022 with a continued focus on the impacts of COVID-19 and the road to economic recovery throughout the Third District.