



MIXED SIGNALS

Is it really all “vibes”, or are widely adopted measures of economic performance not capturing working class realities? What Empire State Poll Respondents Say

OPINION
PAUL KRUGMAN

Our Economy Isn't 'Goldilocks.' It's Better.

Feb. 1, 2024

Contrary to what you may have heard, this is not a "Goldilocks economy" — get your children's stories right, folks! Goldilocks found a bowl of porridge that was neither too hot nor too cold. We have an economy that is both piping hot (in terms of growth and job creation) and refreshingly cool (in terms of inflation).

BUSINESS

NY Times' Paul Krugman says 'inflation is over' — if you exclude food, gas and rent

By Ariel Zilber

Published Oct. 13, 2023, 1:07 p.m. ET

Comments



Let us pause to appreciate the remarkable U.S. economy

It really doesn't get much better than this, folks.



NOAH SMITH

OCT 05, 2024



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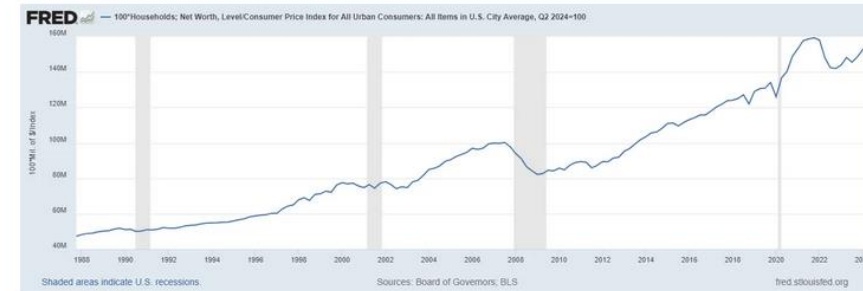
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But that is, necessarily, something we'll worry about later. For now, let's just take a moment to appreciate how amazing the U.S. economy is doing on all fronts. Times this good don't come along very often.

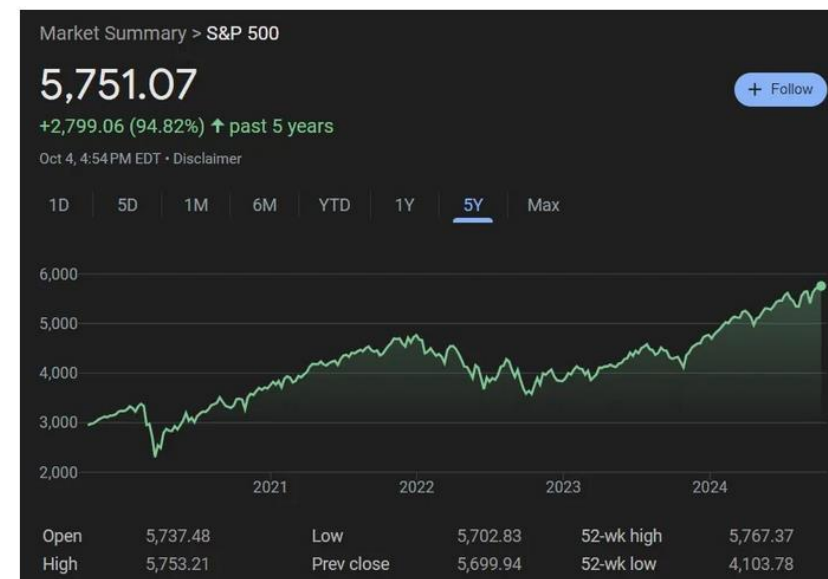
Update: I'm very far from the only person saying this. Mark Zandi, the chief economist of Moody's Analytics, sums it up well:



That having been said, the U.S. economy is certainly generating a lot of wealth. Household net worth, adjusted for inflation, is at or above its pre-pandemic growth trend:



The stock market is doing remarkably well, despite some apocalyptic predictions from [certain quarters](#):



(This number isn't inflation-adjusted, but the returns are so large that inflation doesn't change much.)

IDEAS

How the Recession Doomers Got the U.S. Economy So Wrong

One year ago, experts were certain that America was headed for a recession. But the 2023 economy is historically strong. What happened?

By Derek Thompson

I like this idea. For the past few months, I've been puzzling over a related mystery, which is why ordinary Americans are so convinced that the economy is terrible. In April, just as unemployment hit a 60-year low, a record-high share of the public expressed negative views of the economy. Now, Jeff Bezos famously said that "when the anecdotes and the data disagree, the anecdotes are usually right." But Americans' feelings have been factually disconnected from reality. This summer, nearly half of Americans said we were in a recession, which is just incorrect. In April, Americans said it was the worst time to buy stocks in almost 20 years. But the S&P 500 had surged 14 percent in six months leading up to April, and stocks are up another 11 percent since then.

Discounting the pessimism of tens of millions of Americans would be crass. But something important and weird is going on here. The writer Kyla Scanlon has memorably diagnosed what we're experiencing as a "vibecession," in which people are happily contributing to a growing economy even as they externalize the vague anxiety that everything is about to fall apart. In a similar vein, I wrote an article titled "Everything Is Terrible, but I'm Fine," noting that people in surveys keep saying they are depressed about the state of the national economy but hopeful (and even happy) about the state of their household economy.

"...Americans' feelings have been factually disconnected from reality...the S&P 500 had surged 14 points...and stocks are up...since then."

"...don't trust your feelings...you need to do a lot of homework, much of it involving educating yourself on where the data come from...consider revising your views rather than rejecting the facts."

OPINION

Vibes, Vegetables and Vitriol

Feb. 27, 2024



Maybe my message here sounds like [Obi-Wan Kenobi](#) in reverse: Look, don't trust your feelings. I don't mean that you should ignore the evidence of your own eyes or place total faith in official statistics, which can indeed be misleading in some circumstances. (Don't get me started on [owners' equivalent rent](#).) But don't dismiss the careful work of statistical agencies because you were feeling angry yesterday on the checkout line, or because you don't like the current president. Before declaring that the official data is all wrong, you need to do a lot of homework, much of it involving educating yourself on where the data comes from.

And if your political views require greatly misstating the facts, maybe you should consider revising your views rather than rejecting the facts.

A Win for the Vibecession Story

Guess what? Popular economic narratives aren't reliable



Share

Still experimenting with this newsletter. My original plan was to write most weekdays and take weekends off. But there's so much to write about! So I will sometimes put up relatively brief (?) posts Saturday or Sunday when something in the news doesn't want to wait. And here's one of them.



There are multiple reasons chaos monkeys are in the process of taking over our government, but one of the most important is that despite an economic record envied by much of the world, many Americans believed that we had a bad economy. The past tense there is deliberate; more shortly.

*“There are multiple reasons [the Trump administration is] in the process of taking over our government, but **one of the most important is that despite an economic record envied by much of the world, many Americans believed that we had a bad economy.**”*

IDEAS

What the Upper-Middle-Class Left Doesn't Get About Inflation

Liberal politicians and economists don't seem to recognize the everyday harms of rising costs.

By Michael Powell



- “The modern Democratic Party, and liberalism itself, is to a substantial extent a bastion of college-educated, upper-middle-class professionals, people for whom Biden-era inflation is unpleasant but rarely calamitous. **Poor, working-class, and lower-middle-class people experience a different reality.**
- The **temptation for liberal economists and politicians to deny the pain experienced by many Americans, and to condescend when they might instead try to empathize**, is perhaps understandable in a fraught election year. But working- and middle-class Americans might conclude that they are wiser to trust their feelings and checking accounts than to rely on liberal economists riffing as Jedi masters.”

THE EMPIRE STATE POLL

- An annual survey of labor and employment across New York State conducted by Cornell University's School of Industrial and Labor Relations.
- The data were collected by research firm SSRS between August 14-30, 2024 (n = 2,686 respondents)

In your opinion, what do you think is the single most important issue facing New York State as a whole?

by Combined Labor Market Region, Sorted by Statewide (NYS) Issue Importance

	Issue	▼ NYS	Capital, Mohawk Valley, North Country	Central New York & Southern Tier	Finger Lakes & Western New York	Long Island	Mid- Hudson (Hudson Valley)	New York City
1	Cost of Living	28.8%	35.2%	26.3%	22.1%	37.9%	35.2%	26.5%
2	Foreign Immigration	11.2%	5.5%	10.1%	7.8%	12.3%	18.2%	12.5%
3	Taxes	9.9%	14.5%	14.0%	16.1%	12.6%	11.0%	4.1%
4	Crime	9.3%	7.5%	5.5%	9.3%	4.4%	4.7%	12.8%
5	Housing	7.9%	6.1%	8.6%	4.4%	3.0%	9.1%	10.6%
6	Economic Inequality (Including Poverty)	6.7%	7.3%	7.0%	11.1%	2.6%	1.2%	6.8%
7	Economic Growth / The Economy	5.0%	5.1%	6.8%	3.7%	3.9%	4.2%	5.6%
8	NYS Government (Accountability/Efficiency)	4.2%	4.1%	4.6%	5.5%	6.9%	5.6%	2.6%
9	Public Safety	3.1%	0.9%	1.5%	1.7%	1.5%	0.7%	5.7%
10	Gun Control	2.9%	1.3%	3.4%	4.3%	3.6%	0.9%	3.1%
11	Climate Change	2.6%	2.1%	0.5%	3.6%	5.8%	3.3%	1.9%
12	Drug Abuse	2.5%	3.5%	4.2%	3.0%	2.7%	0.9%	2.1%
13	Education	2.0%	2.2%	0.7%	2.5%	0.2%	1.5%	2.3%
14	Don't Know	1.4%	1.5%	3.0%	1.1%	1.4%	1.6%	1.1%
15	People Leaving NYS	1.1%	2.0%	0.6%	1.0%	0.5%	0.5%	1.2%
16	NYS Budget	1.0%	0.8%	1.4%	1.5%	0.5%	0.7%	0.9%
17	Other	0.4%	0.3%	1.7%	0.8%	0.1%	0.3%	0.0%
18	All of the Above	0.2%	0.0%	0.0%	0.5%	0.0%	0.3%	0.0%
19	Mental Health	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

Universe: All ESP Respondents n=2,686 weighted observations

Table: Buffalo Co-Lab • Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

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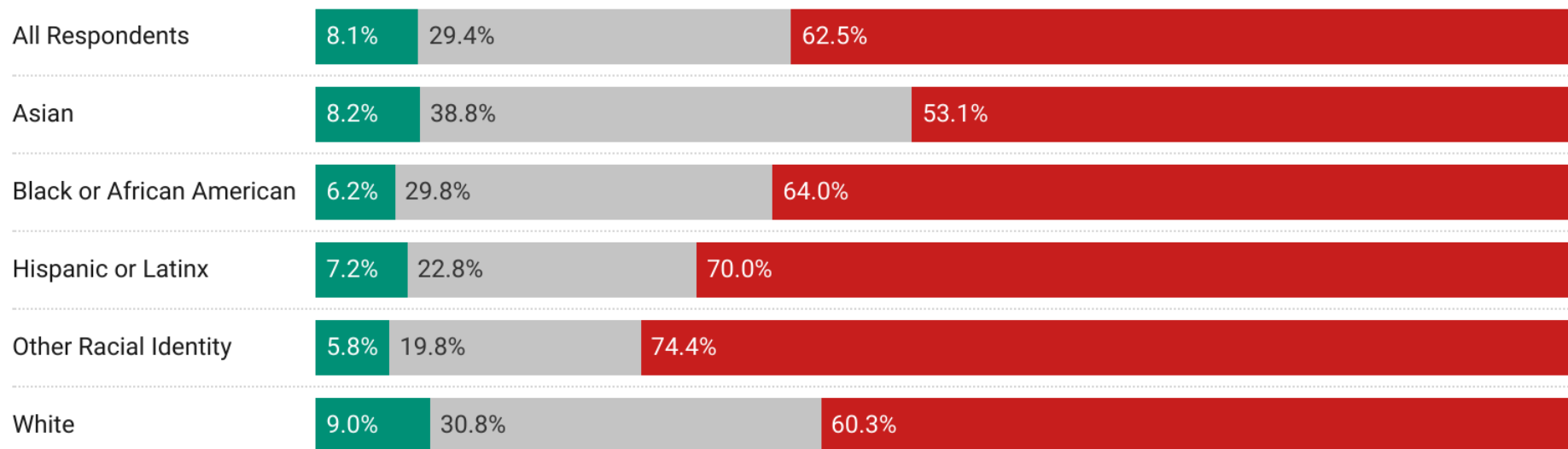
		▼ NYS	Capital, Mohawk Valley, North Country	Central New York & Southern Tier	Finger Lakes & Western New York	Long Island	Mid- Hudson (Hudson Valley)	New York City
1	Cost of Living / Inflation	68.3%	70.8%	73.9%	75.8%	74.7%	69.2%	61.8%
2	Housing (Affordability / Availability)	11.3%	9.7%	9.3%	6.5%	6.8%	9.8%	15.5%
3	Health Care Costs	8.1%	7.1%	7.1%	7.4%	13.3%	8.7%	7.7%
4	Employment	6.0%	3.9%	2.7%	4.5%	1.6%	5.2%	8.9%
5	Don't Know	3.3%	4.2%	2.9%	3.4%	1.1%	4.9%	2.9%
6	Transportation	1.8%	3.2%	4.1%	2.0%	0.6%	1.4%	1.3%
7	Child Care	1.3%	1.1%	0.0%	0.4%	1.9%	0.7%	2.0%

Universe: All ESP respondents[n=2,686 weighted observations]

Table: Buffalo Co-Lab • Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

Thinking about the economy in New York State as a whole, would you say that over the past year the state's economy has gotten better, stayed about the same, or gotten worse?

■ Better ■ About the Same ■ Worse



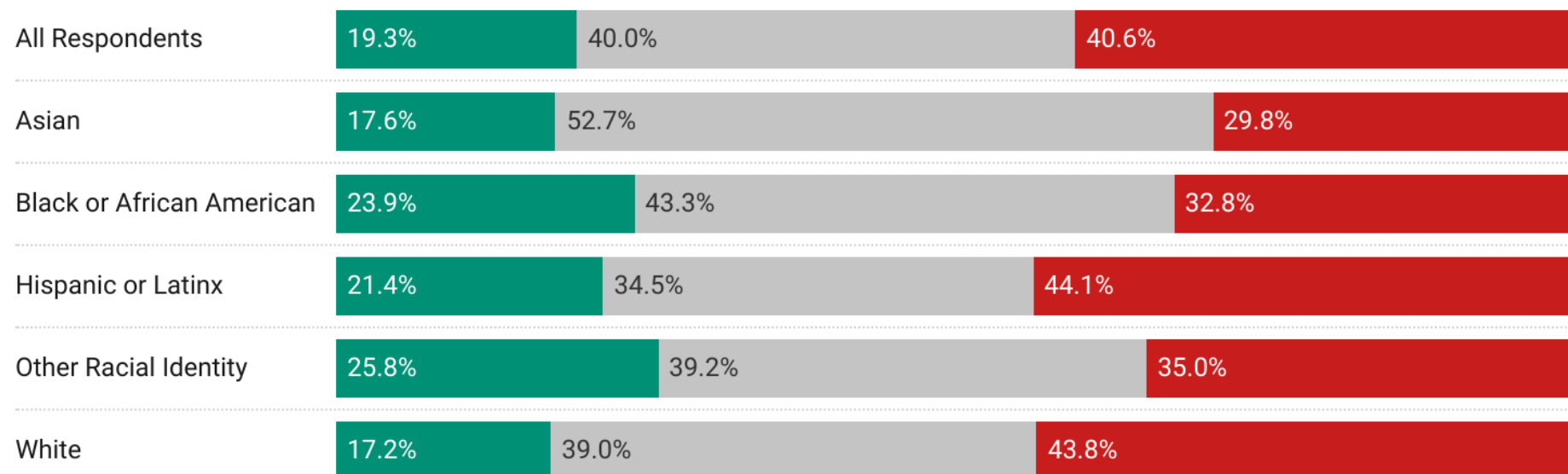
Universe: All ESP respondents [n=2,686 weighted responses]

Subsamples: Asian [n=245]; Black or African American [n=372]; Hispanic or Latinx [n=474]; Other Racial Identity [n=120]; White [n=1,474]

Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

What about the next 12 months? Do you expect the economy in New York State as a whole to get better, stay about the same, or get worse?

■ Better ■ About the Same ■ Worse



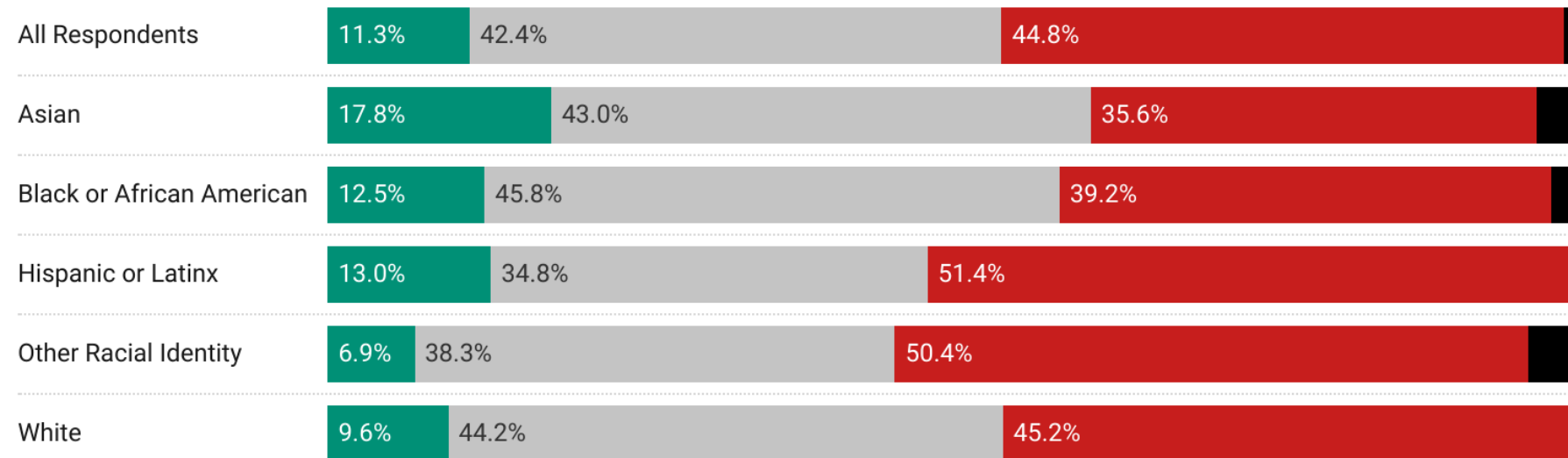
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Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

We are interested in how people are getting along financially these days. Would you say that you (and your household) are better off, worse off, or just about the same financially as you were a year ago?

■ Better ■ About the Same ■ Worse ■ Don't Know



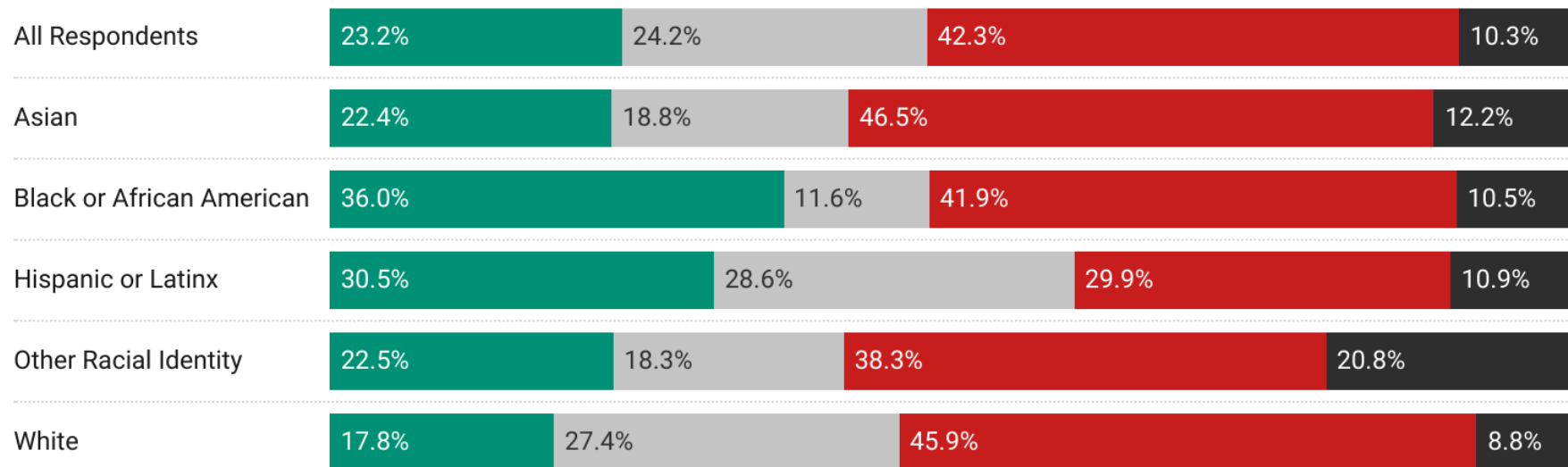
Universe: All ESP respondents with non-missing data [n=2,685 weighted responses]

Subsamples: Asian [n=245]; Black or African American [n=372]; Hispanic or Latinx [n=474]; Other Racial Identity [n=120]; White [n=1,474]

Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

Now looking ahead, do you think that a year from now you (and your household) will be better off financially, worse off, or just about the same as now?

■ Better ■ About the Same ■ Worse ■ Don't Know



Universe: All ESP respondents [n=2,686 weighted responses]

Subsamples: Asian [n=245]; Black or African American [n=372]; Hispanic or Latinx [n=474]; Other Racial Identity [n=120]; White [n=1,474]

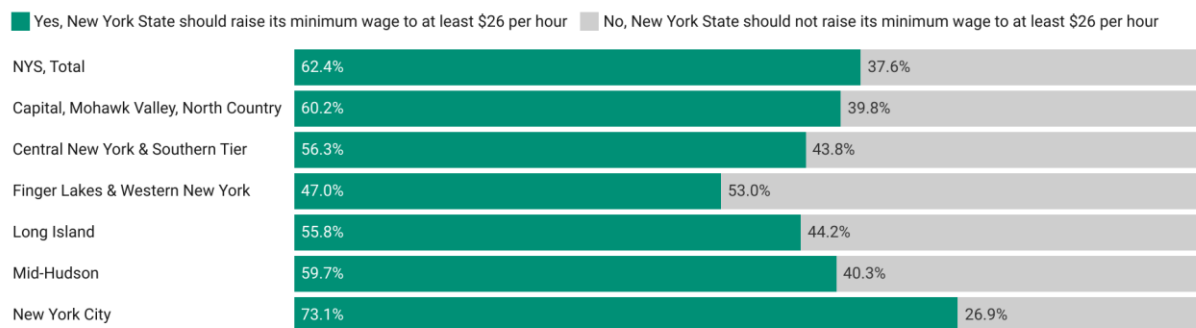
Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

STRONG SUPPORT FOR WORKING CLASS PRIORITIES

The MIT Living Wage Index calculates how much a single adult needs to earn in order to afford a basic quality of life. Currently, MIT says the living wage in New York State is approximately \$26 per hour.

Do you think that New York State should raise its minimum wage to at least \$26 per hour to reflect current costs of living?

By Combined Labor Market Region

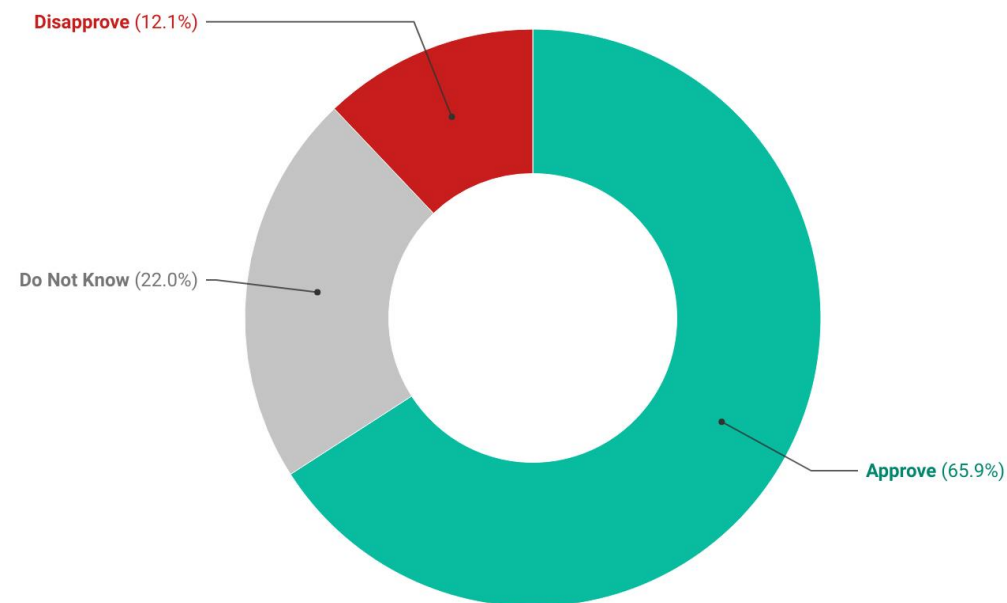


Universe: All ESP respondents with non-missing data [n=2,681]

Subsamples: Capital, Mohawk Valley, North Country [n=354]; Central New York & Southern Tier [n=192]; Finger Lakes & Western New York [n=491]; Long Island[n=217]; Mid-Hudson [n=320]; New York City [n=1,107]

Chart: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

Do you approve or disapprove of labor unions?

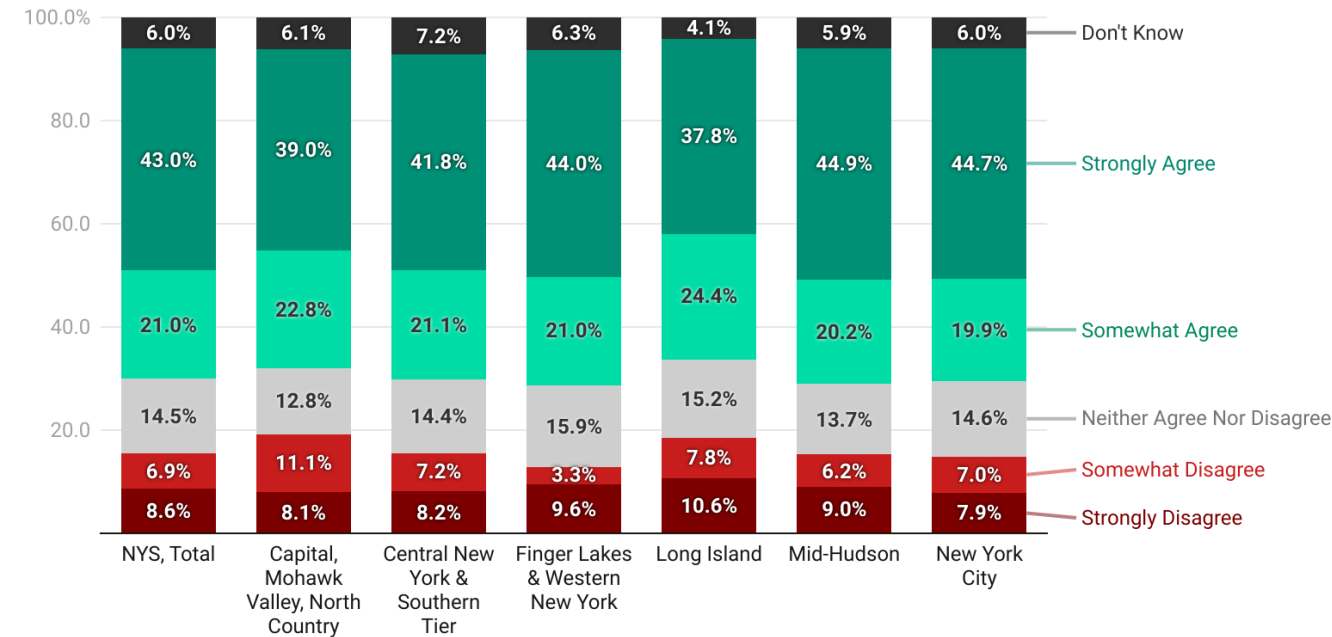


Universe: All 2024 ESP Respondents [n=2,686 weighted observations]

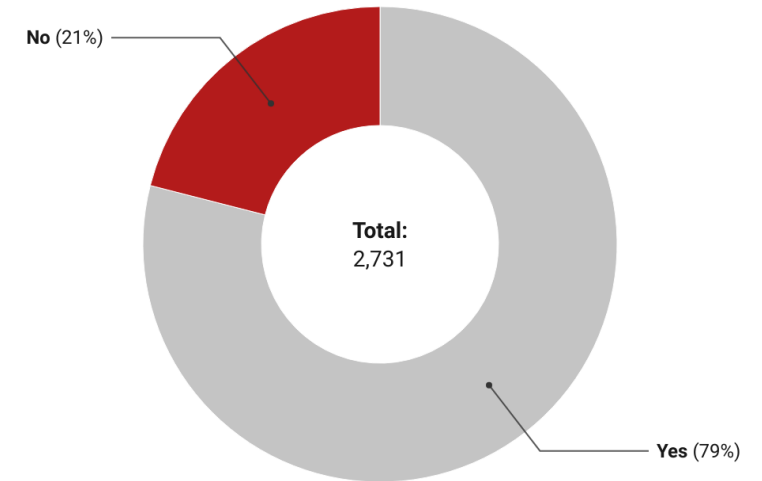
Chart: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

STRONG SUPPORT FOR WORKING CLASS PRIORITIES

I would support the implementation of a four-day work week with no reduction in pay FOR ALL WORKERS IN THE ECONOMY



Would you support public funding for universal child care, making it a free public service, as is K-12 public education?



Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

Universe: All ESP respondents [n=2,686 weighted observations]

Chart: Buffalo Co-Lab • Source: 2024 Cornell University ILR School Empire State Poll • Created with Datawrapper

KEY TAKEAWAYS



- Aggregate macroeconomic indicators are critically important monitors of [near] real time economic performance; however, they are disconnected from the lived experience of workers
- Overreliance on such measures risks at least two fallacies:
 - **The fallacy of misplaced concreteness** → mistaking the indicators (e.g., GDP, stock market, net worth) for the economy
 - **The ecological fallacy** → assuming what is true of aggregate indicators holds for all or most people included in the measurement
- Most NYS workers are struggling to keep up with rising costs of living, and a plurality feel worse off than a year ago
- NYS workers are pessimistic about the state of the economy and their own household finances
- Strong majorities of NYS workers support progressive, working class proposals to raise wages, lower costs, and provide more generous social services
- Economists, data journalists, and, especially, candidates for elected office and their campaigns must engage with workers' policy priorities and feelings, rather than simply "correcting" them or telling them to "do their [own] homework"



MIXED SIGNALS

Is it really all “vibes”, or are widely adopted measures of economic performance not capturing working class realities? What Empire State Poll Respondents Say



Understanding Economic Anxiety & ALICE Population

2025 Update on Financial Hardship Based on the 2025
ALICE Report



The
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Council



Who is ALICE[®] ?

Asset Limited, Income Constrained, Employed



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UNITED FOR
ALICE®



UNITED WAY
New York State

ALICE Faces Impossible Choices



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Business
Council

ALICE Terms

KEY TERMS

- **ALICE:** Asset Limited, Income Constrained, Employed – households with income above the Federal Poverty Level (FPL) but less than the basic cost of living in their county
- **ALICE Household Survival Budget:** Reflects the minimum costs of household necessities (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted for all U.S. counties and various household compositions
- **ALICE Threshold:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties
- **Below ALICE Threshold:** Includes households in poverty and ALICE households combined





UNITED WAY
New York State

The True Extent of Hardship

14%

Households in
Poverty in NYS

33%

ALICE
Households in NYS

47%

Total Households Unable
to Afford Basics in NYS



The
Business
Council

Data Source: United For ALICE (2025). *The State of ALICE in NY*

Key Findings



Data Source: United For ALICE (2025). *The State of ALICE in NYS.*

Between ALICE households and households living in poverty, an estimated 47%* of households in New York were below the ALICE Threshold in 2023. This rate placed New York 49th among all states and the District of Columbia (with 1st representing the lowest rate of hardship).

Between 2010 and 2023, the total number of households in New York increased by 8%, the number of households in poverty increased by 10%, and the number of ALICE households increased by 21%.

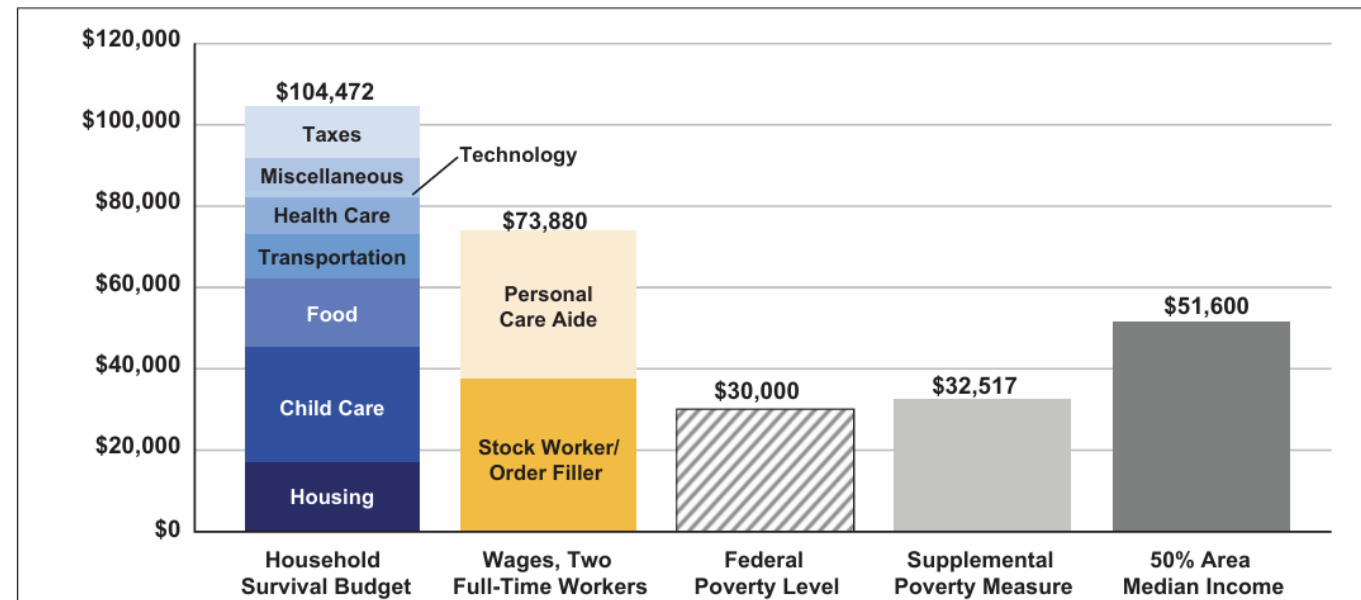
Though the majority of adults in New York were working in 2023 and most households had at least one worker, only 21% of the population age 16 and over had the security of a full-time job with a salary.

With the aging of the Baby Boomer generation, households headed by people age 65 and over were the fastest-growing age group in New York (up 40% between 2010 and 2023). They were also the age group with the most substantial increase in the number of households below the ALICE Threshold (reaching 57% of all 65+ households in 2023).



When Paychecks **Don't Add Up**

Figure 2. Basic Costs Exceeded Wages of Common Jobs and Official Measures of Hardship
Annual Budget, Wages, and Official Measures of Financial Hardship, Family of Four, New York, 2023



Note: [Personal care aides](#) monitor the condition of people with disabilities or chronic illnesses and help them with daily living activities. [Stock Workers/Order fillers](#) receive, store, and issue merchandise, materials, equipment, and other items from stockroom, warehouse, or storage yard, and may operate power equipment to fill orders.

Sources: ALICE Household Survival Budget, 2023; Bureau of Labor Statistics—Occupational Employment Statistics, 2023; U.S. Census Bureau, Supplemental Poverty Measure, 2023; U.S. Department of Housing and Urban Development, [Area Median Income](#) (State Income Limits), 2023.

Data Source: United For ALICE (2025). *The State of ALICE in NY*



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Action Steps

We must work together as a society to provide everyone with a good quality of life, and that involves access to skills in demand, upskilling, good paying jobs etc.

In order to decrease the numbers, we must work with businesses in our communities and statewide on educating and the importance of having salaries that allow for a good quality of life.

Recommend services in your local areas, such as 211 and your local United Way. 211 is there 24/7, 365 days a week in 180 languages.



**The
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Council**

Data Source: United For ALICE (2025). *The State of ALICE in NYS.*



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Survey of Household Economics & Decisionmaking



Jeff Larrimore

Additional SHED contributors:

Anna Tranfaglia, Alicia Lloro, Zofsha Merchant, Ellen Merry, Fatimah Shaalan, Miki Wang, and Mike Zabek

The views in this presentation reflect those of the author and should not be attributed to the Board of Governors of the Federal Reserve System or their staff.

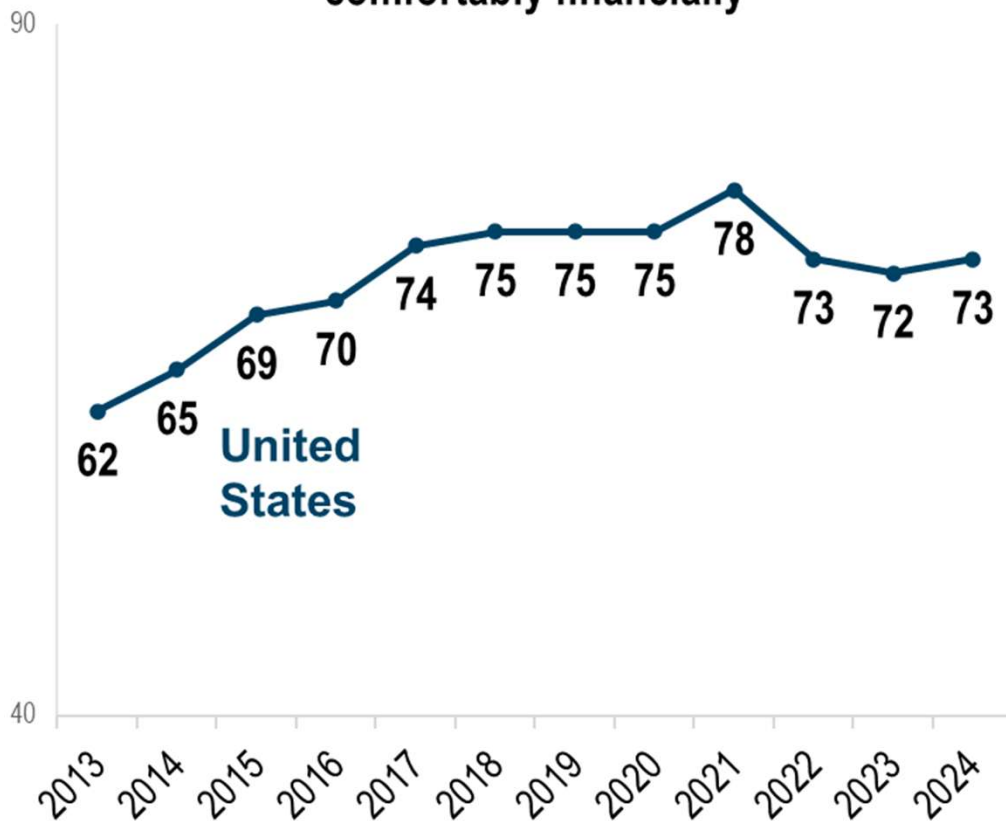
What is the SHED?

- Nationally representative annual survey of US adults
- Surveyed over 12,000 respondents in October 2024
- Focus on financial concerns of low- and moderate-income adults

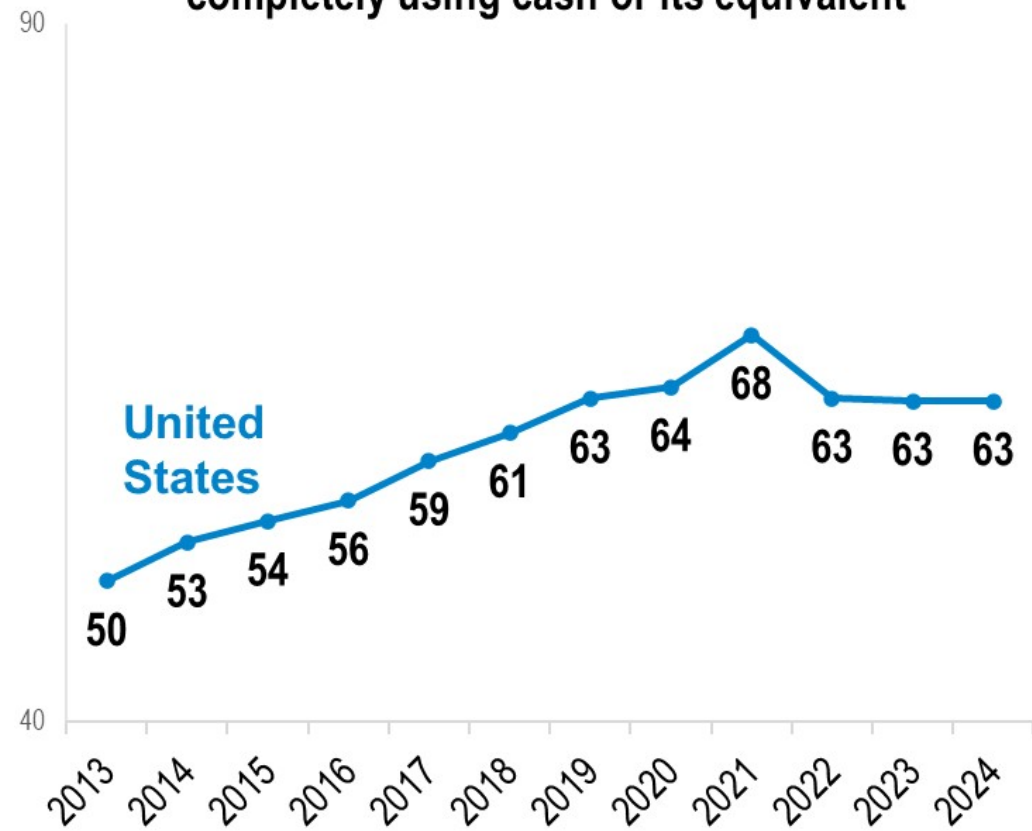
Report and data: *Economic Well-Being of U.S. Households in 2024* and the survey data are available at www.federalreserve.gov/shed

Financial well-being was stable, but remains down from 2021

Doing okay or living comfortably financially



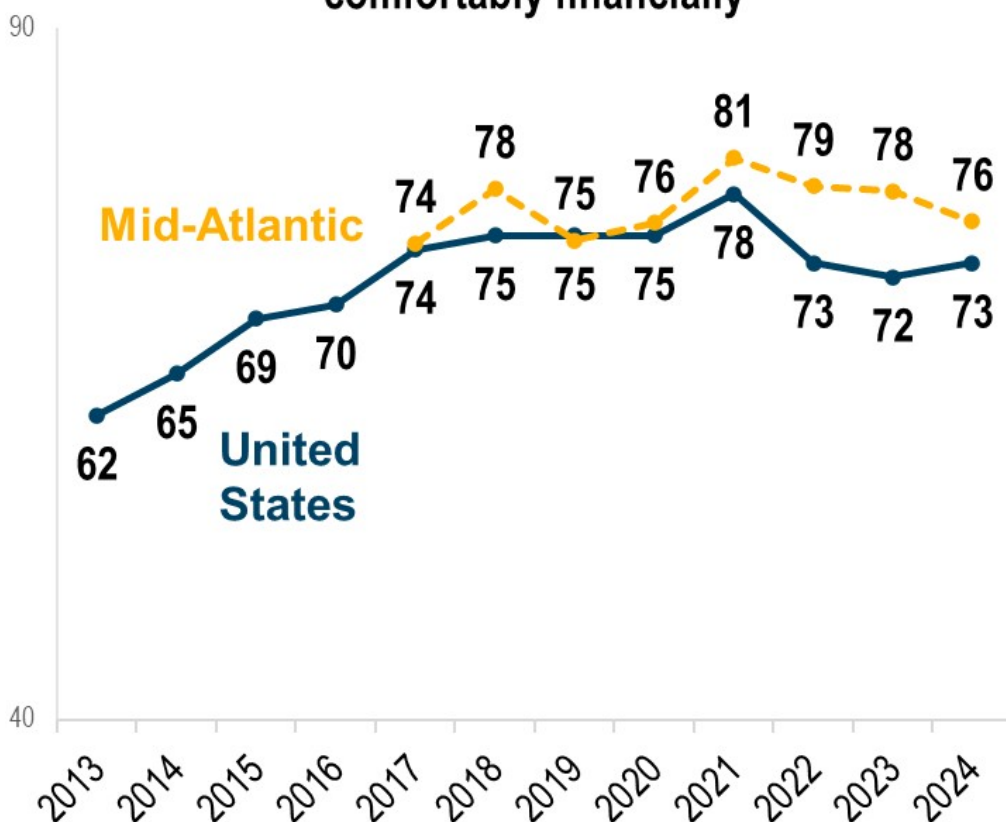
Would cover a small emergency expense completely using cash or its equivalent



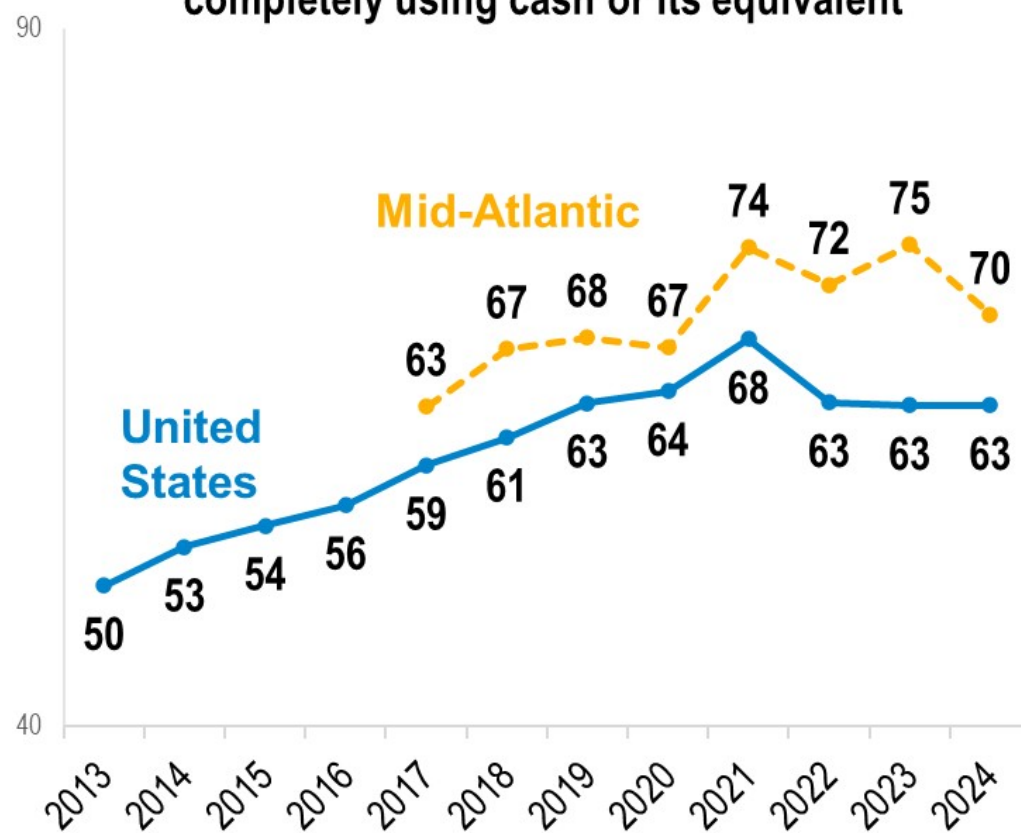
Note: Values are percentages. Among all adults.

Financial well-being was stable, but remains down from 2021

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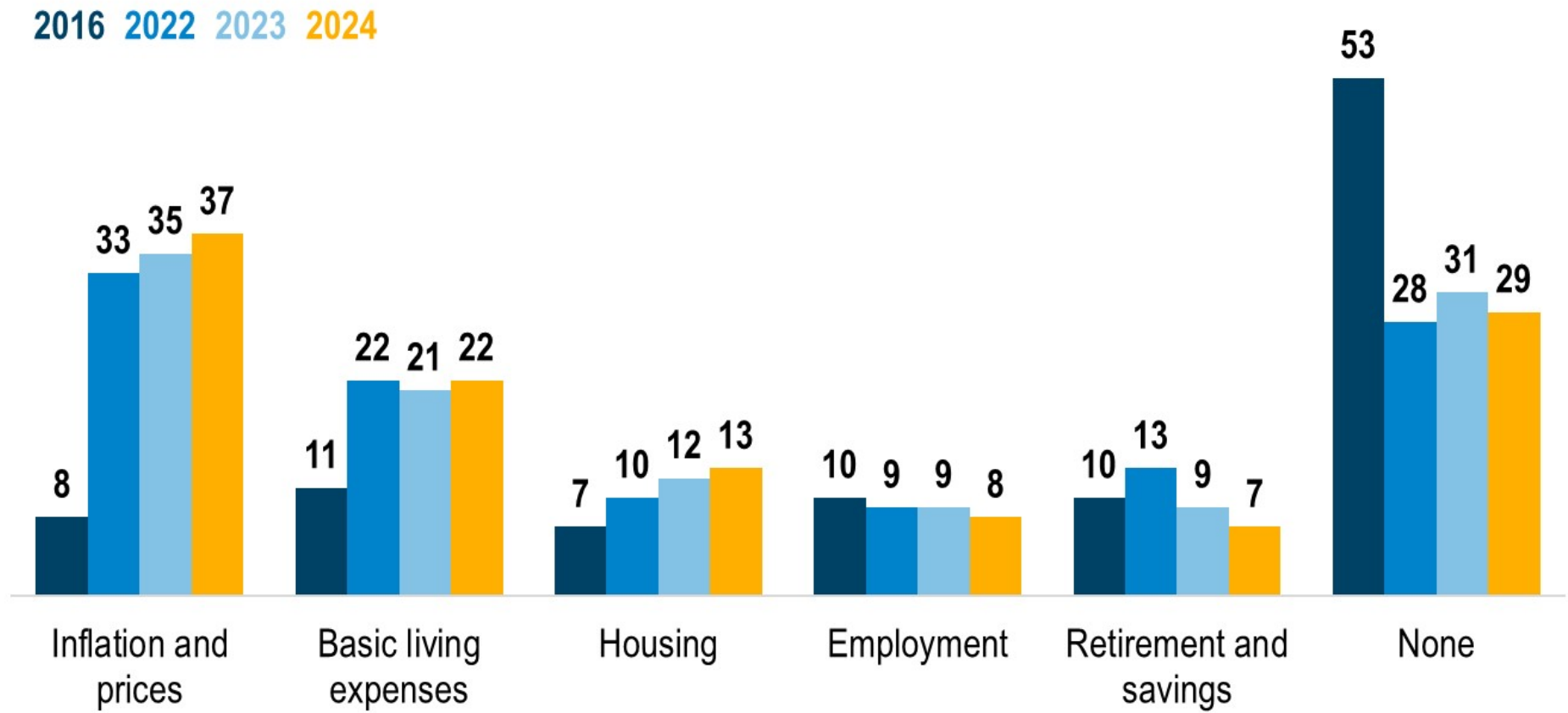
Would cover a small emergency expense completely using cash or its equivalent



Note: Values are percentages. Among all adults.

Inflation, prices, and living expenses were the most commonly cited financial challenges

Main financial challenges mentioned in open-ended question

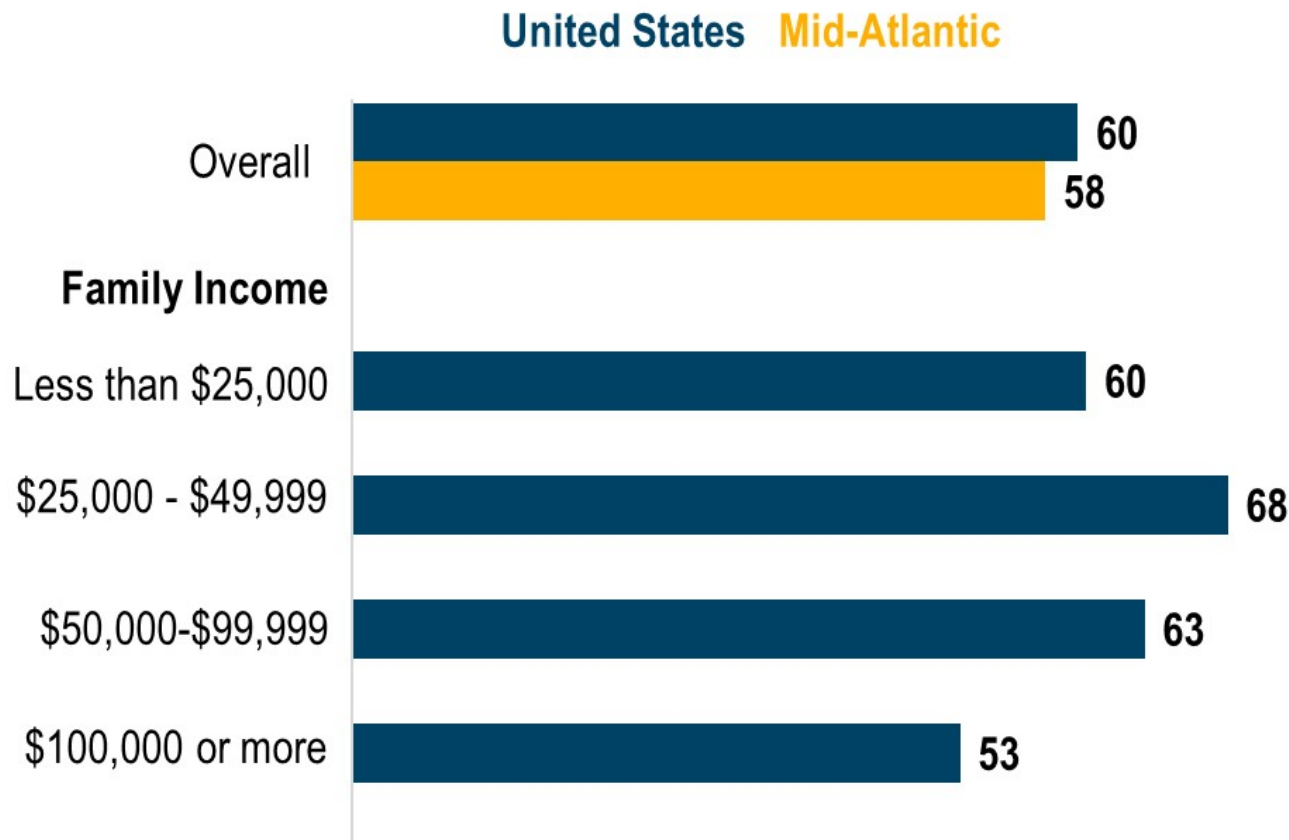


Note: Values are percentages. Among respondents who provided a text response or selected “none.”

FAMILY FINANCES

A majority of adjust said that price changes made their financial situation worse in 2024

Changes in prices paid compared to last year made financial situation worse

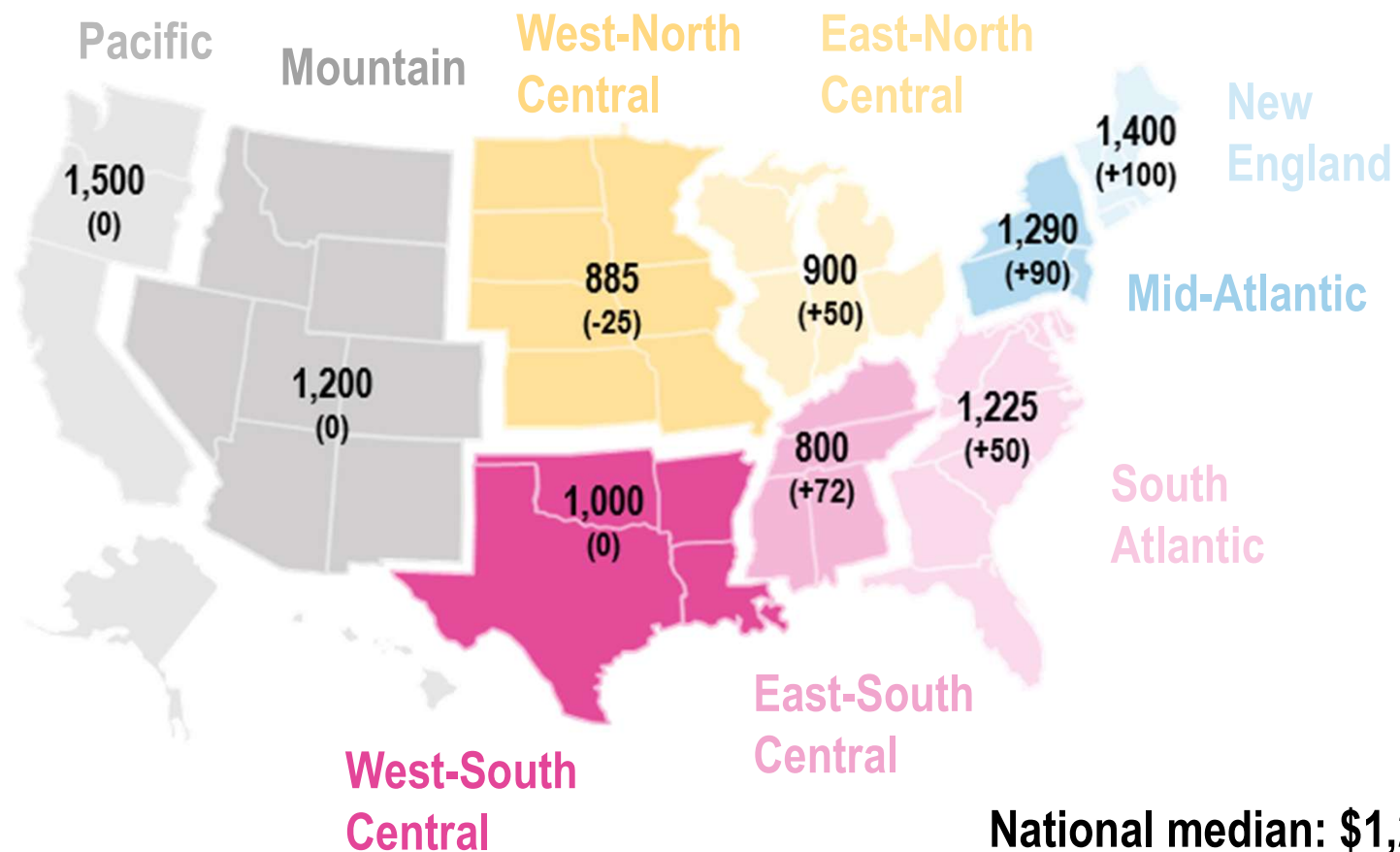


Note: Values are percentages. Among all adults. Share worse off includes those who were somewhat or much worse off.

HOUSING

Median rents in the Mid-Atlantic region are higher than the national average and increasing

Median monthly rent in 2024 by census division
(change from prior year in parentheses)

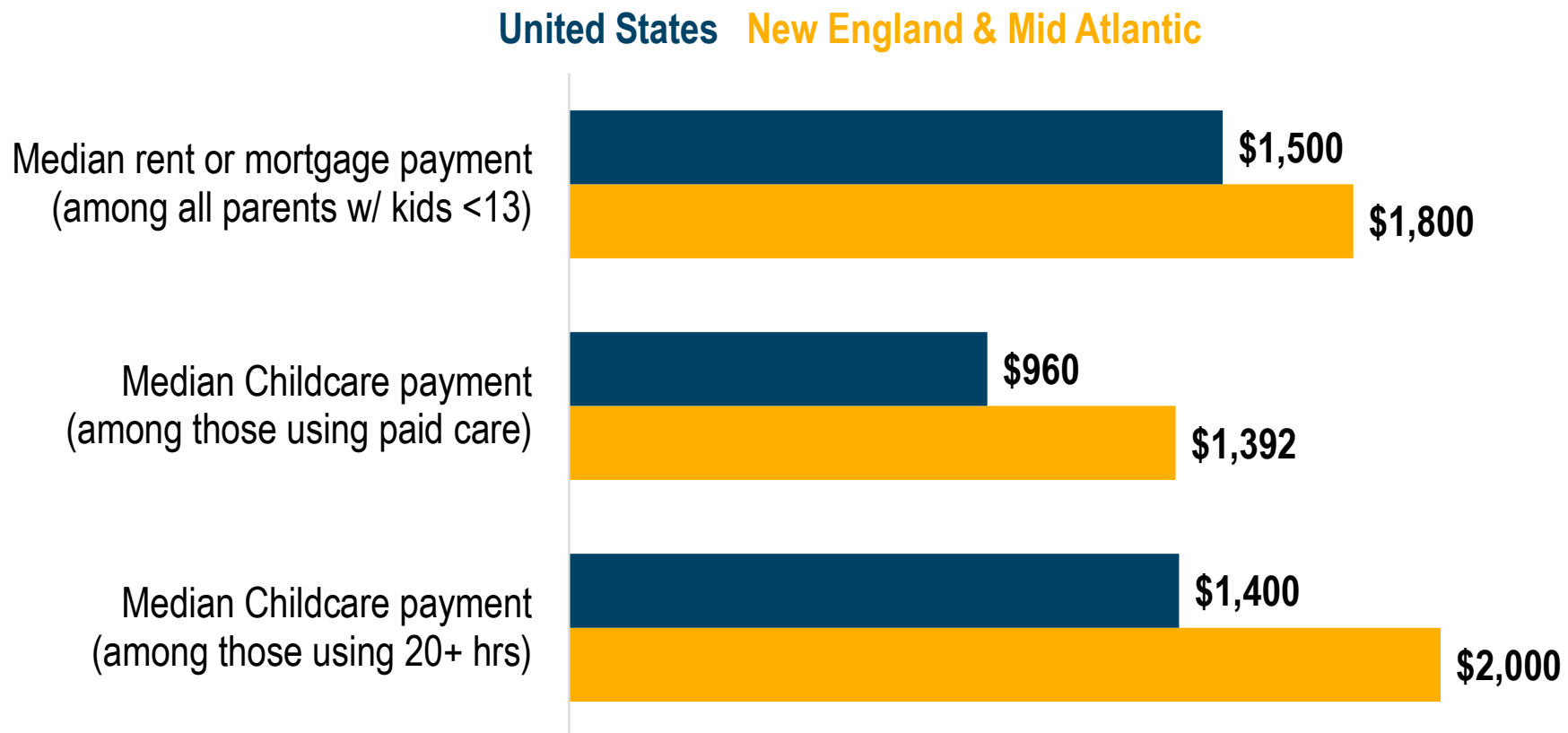


Note: Among renters.

CHILDCARE

Childcare costs for 20+ hours per week are substantial relative to housing payments

Median childcare costs and housing payments (among parents with kids under age 13)

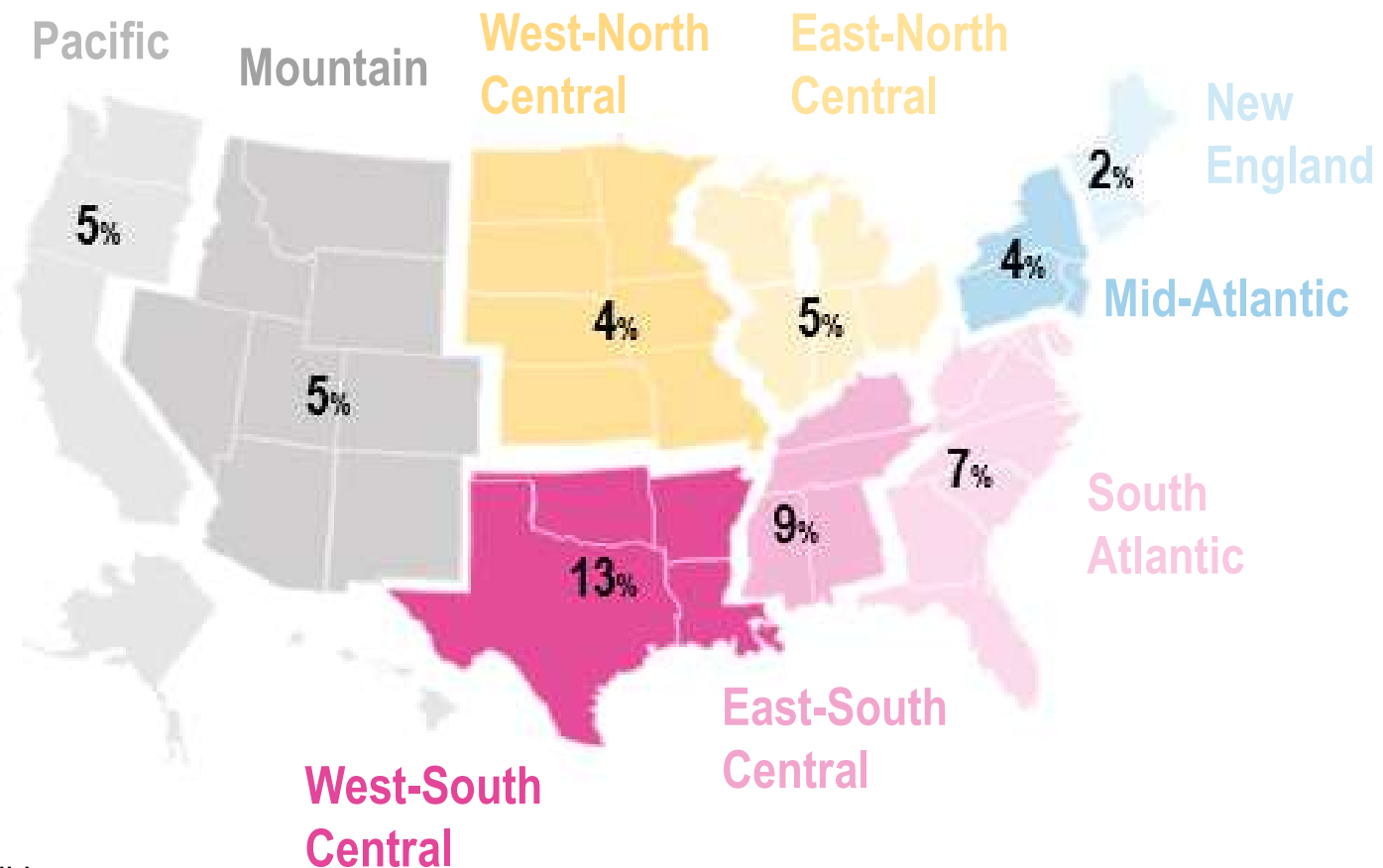


Note: Values are monthly expenses. Among parent of children under age 13. Housing costs are among those who report a positive rent or mortgage payment, and childcare costs are among those who report positive childcare payments.

HOUSING

7 percent of homeowners went without homeowners insurance, though this share differed by geography

No homeowners insurance on primary residence (by census division)



Note: Among all homeowners.

Contextualizing economic data to tell a more complete story

Valerie R. Wilson

Director, Program on Race, Ethnicity, and the Economy

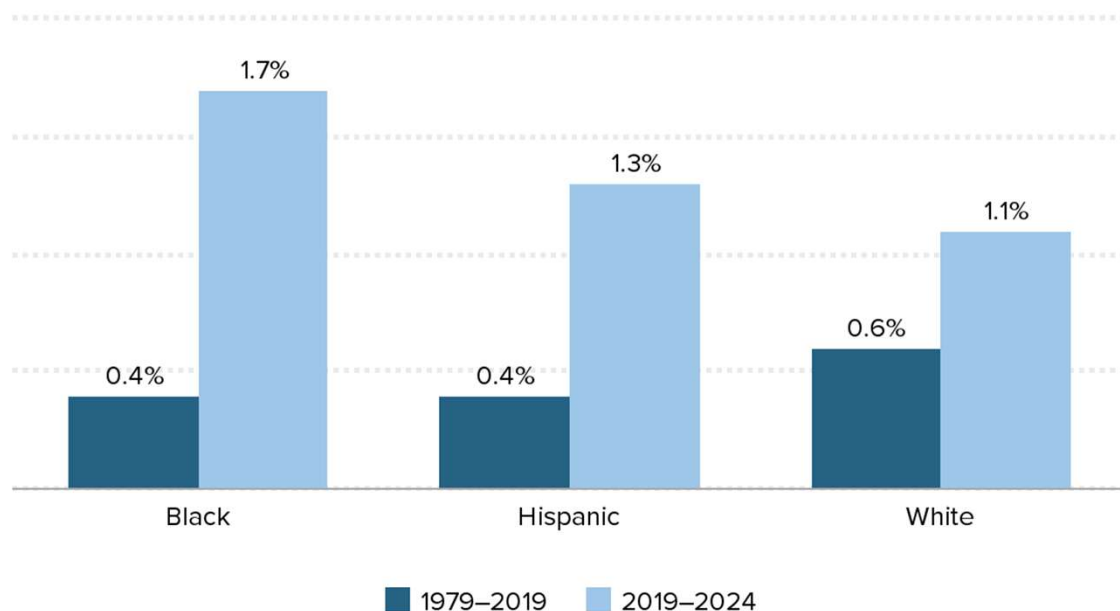
August 20, 2025

Key Takeaways

- US statistical agencies are among the most reputable in the world, known for methodological rigor, independence, and transparency.
- **However, no single economic indicator can tell the full story.**
- Macroeconomic indicators, like the unemployment and inflation rates, are important for evaluating the general health and direction of the economy.
- A broader set of disaggregated economic measures can be used to tell a more complete story.
- Context matters a lot for accurate interpretation and clear messaging.
 - What is being measured?
 - When is it being measured?
 - Where is it being measured?
 - For whom is it being measured?

Black and Hispanic workers experienced faster wage growth in the past five years

Annualized real median wage growth for Black, Hispanic, and white workers, select periods



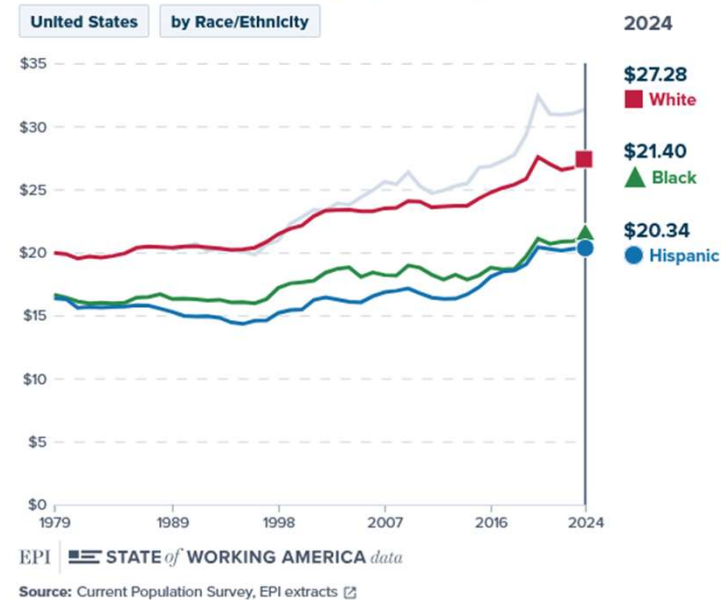
Note: Race/ethnicity categories are mutually exclusive (i.e., white non-Hispanic, Black non-Hispanic, and Hispanic any race).

Source: Authors analysis of EPI's State of Working America [Data Library](#).

Economic Policy Institute

Racial wage gaps persist despite some narrowing in recent years

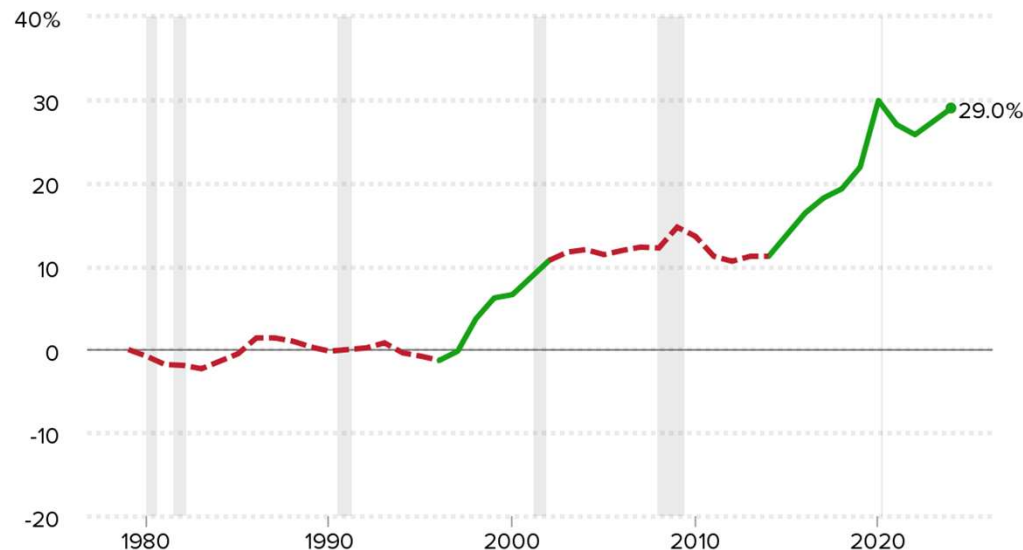
Median real hourly wage (2024\$)



“Wage suppression” characterizes the longer-term wage trend

Real median wages grew 29% since 1979

Cumulative change in real median hourly wages of all workers, 1979–2024



Notes: Shaded areas denote recessions.

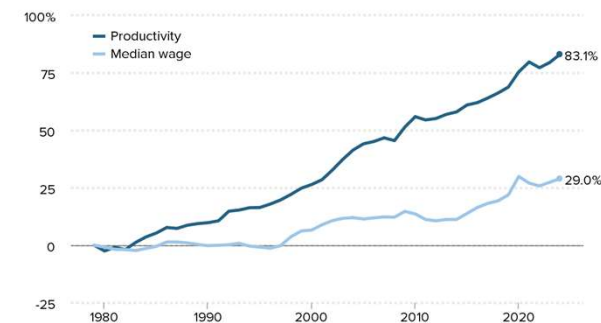
Source: Economic Policy Institute, State of Working America Data Library, "Hourly wage percentiles - Real hourly wage (2024\$)," 2025.

Economic Policy Institute

- Median real wages have been flat for most of the post-1979 period.
- Consistently healthy wage growth only occurred with tight labor markets.
- 29% is far slower than the economy's potential to deliver wage growth.

Median wage growth greater than zero, but still lags potential growth since 1979

Cumulative growth rate of real median wages and productivity

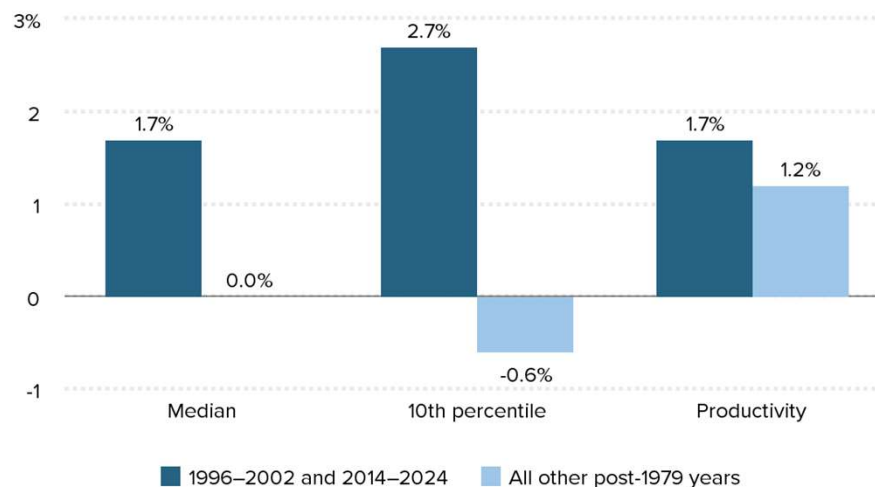


Source: Median wage data from Economic Policy Institute, State of Working America Data Library, "Hourly wage percentiles - Real hourly wage (2024\$)" and "Productivity and pay, real dollars per hour (2024\$)".

Low-wage earners received a larger wage boost during tight labor markets, but lost ground in all other post-1979 years

Median wages kept pace with productivity during high-pressure labor markets, but lagged far behind in other years

Average annual wage and productivity growth for 1996–2002 and 2014–2024 vs. all other years between 1979 and 2024



Source: Economic Policy Institute, State of Working America Data Library, "Hourly wage percentiles - Real hourly wage (2024\$)," and "Productivity and pay, real dollars per hour (2024\$)".

Economic Policy Institute

A single measure can vary significantly based on geography

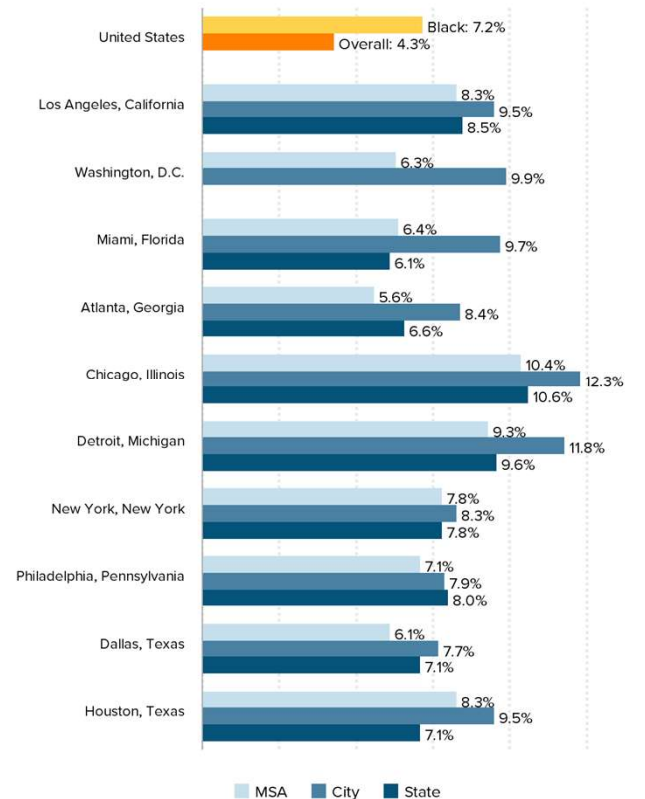
In 2023, the national Black unemployment rate was at a record low.

Among the 10 metro areas with the largest Black populations:

- Metro DC, Miami, Atlanta, Dallas & Philadelphia were below the national average
- Metro Chicago & Detroit were much higher
- In nearly all cases, central city unemployment was higher than the MSA or state

Black unemployment rates in D.C., Miami, Atlanta, Dallas, and Philadelphia were lower than the national average in 2023

Annual Black unemployment rates by Metropolitan Statistical Area (MSA), principal city, and state, 2023



Notes: Data are for single-race individuals and are not mutually exclusive with ethnicity (i.e., Black alone, any ethnicity). Metro area and state refer to those associated with listed city.

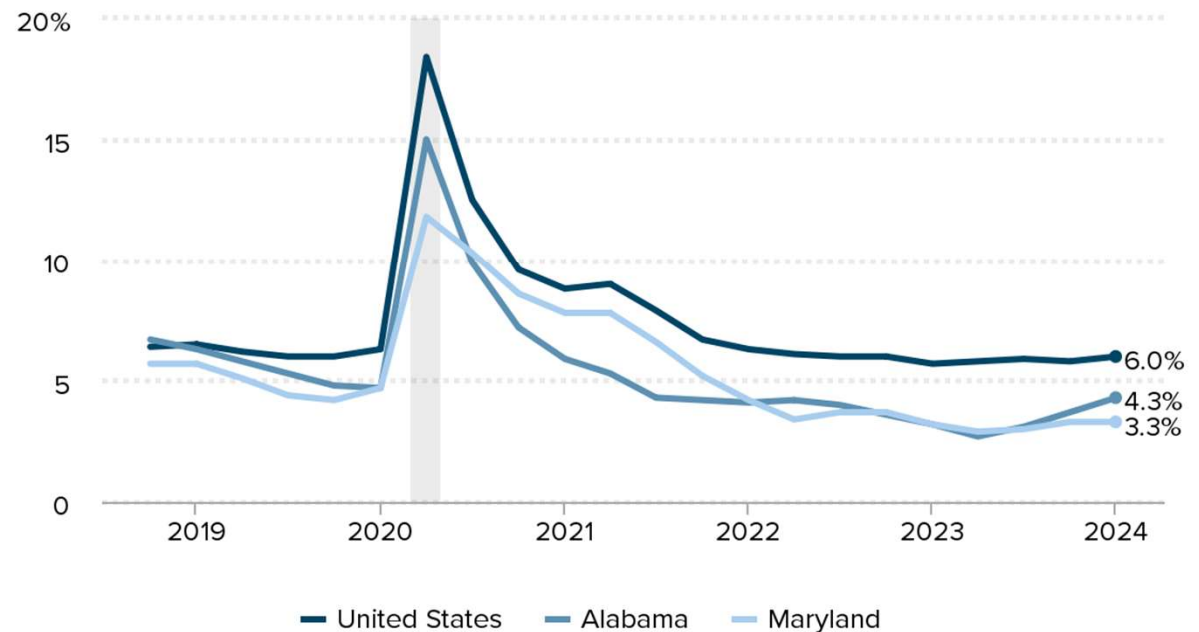
Source: U.S. Census Bureau. 2024. 2023 American Community Survey 1-Year Estimates Detailed Tables S2301: [Employment Status](#). Accessed March 2025

What is being measured?

The **unemployment rate** tells us about the difficulty finding employment among those in the labor force, including the employed and those actively seeking work (*but ignoring people not actively seeking employment*).

Black unemployment rates in Maryland and Alabama have been consistently lower than the national average in recent years

Black quarterly unemployment rates, 2018 Q4–2024 Q1



Source: EPI analysis of Bureau of Labor Statistics Local Area Unemployment Statistics (LAUS) data and Current Population Survey (CPS) data.

What is being measured?

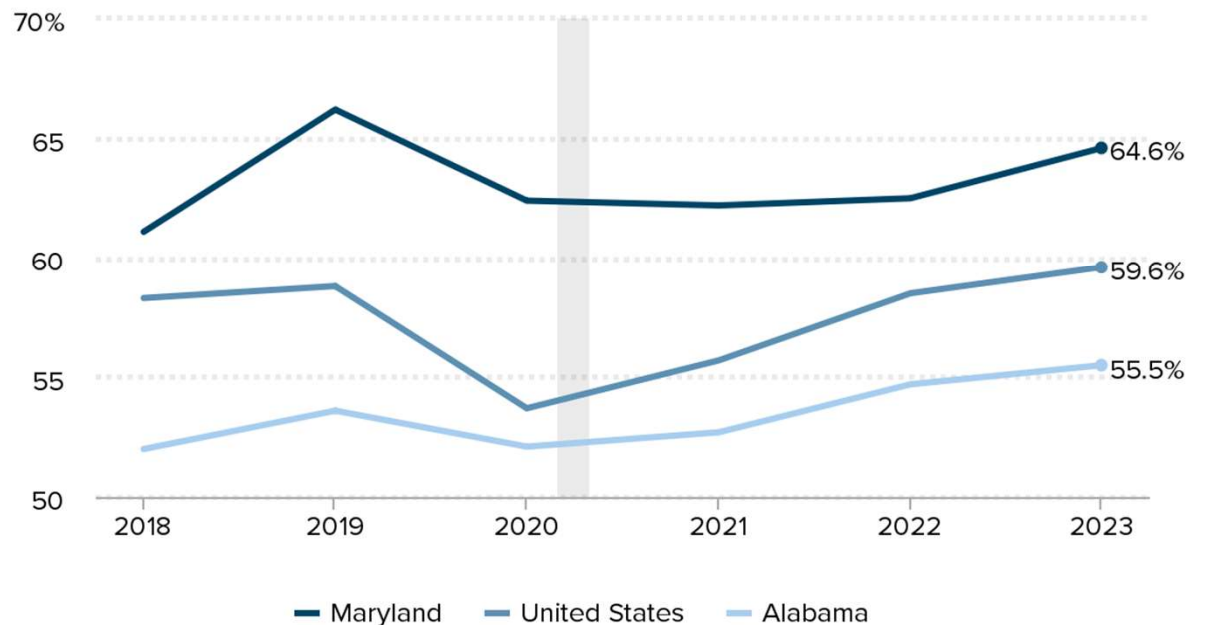
The **employment-to-population (EPOP)** ratio tells us what percentage of working age population has a job.

Factors that may contribute to the difference in EPOPs:

- AL has higher incarceration rate than MD
- AL has no minimum wage vs \$15/hour in MD
- AL lacks pro-worker, family-supportive labor policies like MD's paid sick days and paid family and medical leave laws

Employment-to-population ratios reveal Maryland employs a much larger share of Black residents than Alabama

Black employment-to-population ratios, 2018–2023



Source: EPI analysis of Current Population Survey microdata from the U.S. Census Bureau

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