

Supplemental Survey Report

Business Revenues Seen Rebounding When Conditions Return to Normal

Supplementary questions in the April 2021 *Business Leaders Survey* and *Empire State Manufacturing Survey* focused on how current revenues compare to revenues in normal, non-pandemic times, how revenues would be expected to change if conditions returned to normal, and what might constrain businesses from meeting a rebound in demand. Firms were also asked about changes in wages for both existing workers and new hires; these latter questions had been asked previously—in late 2019 and early 2018, respectively.

In the current survey, almost half of service sector respondents indicated that their revenues in March fell short of typical March levels, while 27 percent said revenues were above normal; on average, revenues were reported

to be about 9 percent below normal. Among manufacturers, however, more businesses (39 percent) reported that revenues were higher than in a typical March than reported below-normal levels (33 percent). The average manufacturing respondent reported revenues to be 2.5 percent above normal.

Businesses were also asked how they expected their revenues to change if conditions were to return to normal in the next few months. In both surveys, of those businesses seeing below-normal revenues in March, nearly 90 percent indicated that they would expect revenues to increase. Even among those firms with revenues at or above typical levels in March, a majority said they would expect revenues to increase further if conditions were to return to normal. When asked

what factors might constrain firms' own ability to meet a hypothetical rebound in demand, the most widely cited constraint among service firms was the ability to adequately staff their business, followed by residual COVID-related restrictions. Among manufacturers, however, the most widely cited constraints, by far, were input prices and availability of inputs, followed distantly by the ability to adequately staff.

Finally, businesses were asked about how salaries—for both existing workers and new hires—have changed, on average, over the past twelve months. Among service firms, the average change was a rise of 1.6 percent for existing workers and 2.4 percent for new hires. Among manufacturers, the averages were considerably higher: increases of 4.0 percent and 5.2 percent, respectively. ■

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QUESTION 1

How did your revenue in March compare with a typical March (March 2019, for example)?

	Business Leaders Survey	Empire State Manufacturing Survey
	Percentage of Respondents	
Higher than a typical March	27.4	38.9
By more than 40 percent	5.8	6.9
By 20-40 percent	7.1	10.4
By 10-20 percent	11.2	15.3
By under 10 percent	4.6	6.3
About the same as a typical March	24.5	27.8
Lower than a typical March	48.1	33.3
By under 10 percent	6.2	4.9
By 10-20 percent	12.5	10.4
By 20-40 percent	15.0	8.3
By more than 40 percent	13.7	9.7
Average percentage change	-9.1	2.5

QUESTION 2

If conditions were to return to normal in the next few months, would you expect your business' revenues to change?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents					
	All Respondents	Those Seeing Better Than Typical March	Those Seeing Worse Than Typical March	All Respondents	Those Seeing Better Than Typical March	Those Seeing Worse Than Typical March
Increase from current levels	74.6	55.4	89.4	63.6	49.1	89.6
Stay the same	22.1	36.9	8.9	32.9	45.5	10.4
Decrease from current levels	3.3	7.7	1.8	3.5	5.5	0.0

Supplemental Survey Report, *continued*

QUESTION 3

If conditions were to return to normal in the next few months and demand were to return to at or above pre-pandemic levels, to what extent would each of the following pose a constraint on your ability to meet this demand?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents					
	No Constraint	Minor Constraint	Major Constraint	No Constraint	Minor Constraint	Major Constraint
Ability to adequately staff your business	30	33	37	25	38	38
Rising wages	32	47	21	23	50	28
Rising prices of inputs	41	43	16	10	33	58
Availability of inputs	57	31	12	25	25	50
Adequate physical space	89	7	5	75	20	5
Access to capital	72	14	14	65	23	13
Residual COVID-related restrictions	18	49	32	35	58	8
Normal business regulations (e.g., inspections, building permits)	58	31	10	51	44	5

QUESTION 4

Suppose that a typical worker at your establishment is working in the same job as twelve months ago. On average, has this worker's wage/salary (not including benefits) changed over the past twelve months?

	Business Leaders Survey			Empire State Manufacturing Survey		
	April 2021	November 2019	November 2018	April 2021	November 2019	November 2018
Median percentage change	2.0	3.0	3.0	3.0	3.0	3.0
Average percentage change	1.6	3.5	4.2	4.0	4.2	4.0
Percentage of respondents reporting						
Decrease	7.6	1.2	0.6	0.7	0.0	0.0
No change	39.1	19.8	20.8	25.7	13.4	22.4
Increase	53.4	79.0	78.6	73.6	86.6	77.6
2 percent or less	6.8	9.9	11.7	5.6	9.7	8.2
More than 2 and up to 4 percent	21.6	38.9	37.0	32.6	49.3	42.5
More than 4 percent	24.6	30.2	29.9	35.4	27.6	26.9

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QUESTION 5

How about for new hires? How have your salaries for new hires changed over the past twelve months?

	Business Leaders Survey		Empire State Manufacturing Survey	
	April 2021	February 2018	April 2021	February 2018
Median percentage change	0.0	3.2	5.0	3.9
Average percentage change	2.4	2.0	5.2	3.0
Percentage of respondents reporting				
Decrease	3.0	0.0	0.7	0.0
No change	53.3	45.0	33.6	36.4
Increase	43.8	55.0	65.7	63.6
2 percent or less	2.6	5.7	0.7	10.0
More than 2 and up to 4 percent	7.4	12.1	8.5	17.1
More than 4 percent	33.0	37.1	56.3	36.4