

# Supplemental Survey Report

## More Firms Plan to Expand Their Workforce in 2014

Supplementary questions in the January 2014 *Empire State Manufacturing Survey* and *Business Leaders Survey*—the New York Fed’s twin surveys of regional manufacturers and service firms—focused on expected changes in firms’ workforces and on the factors underlying the changes. The same questions had been asked in surveys conducted in January 2013 and earlier.

In the current surveys, 35 percent of manufacturers and 40 percent of service firms said that they expected their workforce to increase over the next twelve months, whereas just 10 percent and 19 percent, respectively, predicted declines in the total number of workers. These balances are considerably more positive than in last January’s surveys, though not quite as positive as in the January 2012 surveys (see table and chart).

When those firms anticipating increases in employment were asked to rank the factors behind their decision, their responses were not substantially different from responses in last January’s surveys. High expected sales growth was ranked first (“most important”) by 57 percent of the service sector respondents and nearly 90 percent of the manufacturers that expected to ramp up employment. A handful of respondents in both surveys also attributed their need to add workers to an overworked staff and a need for skills not possessed by current staff.

When asked about factors restraining hiring plans, 17 percent of manufacturers and 22 percent of service firms reported no sources of restraint. Those who did report some source(s) of restraint saw low expected sales growth as the most important, though to a somewhat

lesser degree than in last January’s survey. A desire to keep operating costs low was also cited fairly widely—especially among service firms. Among manufacturers, an inability to find workers with the required skills and uncertainty about health insurance costs were also rated as important factors.

Finally, firms were asked to identify the recruiting tools they planned to use to increase employment. The most widely cited tools were advertising, referrals from other employees, and word-of-mouth. Among manufacturers, a much larger proportion of respondents than in earlier surveys said that they planned to use a recruiting firm. ■

## Supplemental Survey Report, *continued*

### QUESTION 1

For each category, please indicate the number of employees you have currently.

	Empire State Manufacturing Survey			Business Leaders Survey		
	Percentage of Respondents			Percentage of Respondents		
	January 2014 Survey	January 2013 Survey	January 2012 Survey	January 2014 Survey	January 2013 Survey	January 2012 Survey
Under 100	45.6	43.5	52.2	33.6	21.3	30.8
100 to 150	15.2	21.7	23.3	12.1	18.7	10.3
150 to 200	11.4	10.9	3.3	8.4	13.3	5.1
200 to 500	17.7	16.3	16.7	24.3	25.3	35.9
500 or more	10.1	7.6	4.4	21.5	21.3	17.9
	Average Percentage of Employees			Average Percentage of Employees		
Employee category						
Full-time employees	94.1	92.4	96.0	75.8	86.0	89.6
Part-time employees	2.1	4.9	1.9	21.8	10.2	7.3
Contract employees	3.8	2.7	2.1	1.8	3.2	3.1

### QUESTION 2

Do you expect that your number of employees will increase, remain unchanged, or decrease over the next twelve months?

	Empire State Manufacturing Survey			Business Leaders Survey		
	Percentage of Respondents			Percentage of Respondents		
	January 2014 Survey	January 2013 Survey	January 2012 Survey	January 2014 Survey	January 2013 Survey	January 2012 Survey
Increase	35.0	27.2	50.5	40.0	27.6	47.5
Remain unchanged	55.0	54.3	40.7	40.9	51.3	47.5
Decrease	10.0	18.5	8.8	19.1	21.1	5.0

## Supplemental Survey Report, *continued*

### QUESTION 3

If you plan to increase total employment: What are the three most important factors behind your plans to increase employment? Please rank up to three factors.

	Empire State Manufacturing Survey			Business Leaders Survey		
	Percentage of Respondents Ranking the Factor as			Percentage of Respondents Ranking the Factor as		
	Most Important	Second Most Important	Third Most Important	Most Important	Second Most Important	Third Most Important
Expected growth of sales is high	89.3	10.7	3.6	56.8	6.8	4.5
Reduced employment too much in recession	0.0	3.6	0.0	4.5	4.5	0.0
Current staff are overworked	0.0	25.0	17.9	9.1	18.2	13.6
Need skills not possessed by current staff	0.0	35.7	25.0	6.8	20.5	11.4
Labor costs have fallen	0.0	0.0	0.0	0.0	2.3	2.3
Decreased economic or financial uncertainty	3.6	14.3	21.4	2.3	4.5	11.4
Firm's financial position has improved	0.0	3.6	14.3	4.5	13.6	11.4
Other factors	7.1	0.0	0.0	13.6	9.1	9.1

### QUESTION 4

What are the three most important factors, if any, restraining your hiring plans? Please rank up to three factors.

	Empire State Manufacturing Survey			Business Leaders Survey		
	Percentage of Respondents Ranking the Factor as			Percentage of Respondents Ranking the Factor as		
	Most Important	Second Most Important	Third Most Important	Most Important	Second Most Important	Third Most Important
Expected growth of sales is low	36.8	7.4	4.4	29.5	15.9	4.5
Current staff are underutilized/ working reduced hours	0.0	7.4	7.4	2.3	2.3	2.3
Cannot find workers with required skills	20.6	10.3	13.2	12.5	10.2	1.1
Labor costs are high	2.9	11.8	8.8	5.7	10.2	11.4
Uncertainty about the cost of health insurance	11.8	20.6	5.9	3.4	8.0	10.2
Uncertainty about other regulations or government policies	4.4	13.2	11.8	6.8	9.1	14.8
Firm's financial position has deteriorated	4.4	0.0	1.5	2.3	4.5	3.4
Want to keep operating costs low	13.2	8.8	23.5	26.1	18.2	17.0
Other factors	0.0	2.9	2.9	6.8	3.4	3.4
	Percentage of Respondents Reporting No Source of Restraint			Percentage of Respondents Reporting No Source of Restraint		
	17.1			22.1		

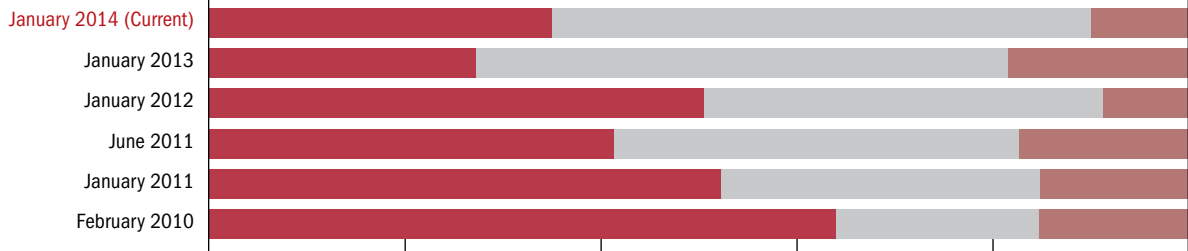
# Supplemental Survey Report, *continued*

**HISTORICAL OVERVIEW FOR QUESTION 2**

**Do you expect that your number of employees will increase, remain unchanged, or decrease over the next twelve months?**

**Empire State Manufacturing Survey**

■ Increase ■ Remain steady ■ Decrease



**Business Leaders Survey**

