

Empire State Manufacturing Survey: Supplemental Report

January 2009

For release January 15, 2009

Manufacturers Expect Moderate Workforce Declines in 2009

Supplementary questions in the January 2009 *Empire State Manufacturing Survey* focused on recent and expected changes in firms' workforces and other employment measures. Parallel questions were asked in the April 2008 survey.

On average, respondents anticipated a 2.4 percent reduction in their firms' workforces in the upcoming year, in contrast with last April's survey, when respondents had anticipated a slight increase. In addition, a larger proportion of firms—40 percent, up from 29 percent in the 2008 survey—anticipated declines in the total number of workers; increases were expected by 45 percent of those surveyed this year, about the same percentage as last year.

In line with the 2008 survey findings, the 2009 results were generally more negative for the larger firms in the sample. Slightly more than one in five firms in the current survey had 200 or more employees in New York State; of those firms, 47 percent expected declines while 32 percent predicted increases. Among smaller firms, however, just 37 percent anticipated declines while half anticipated increases.

Overall, when asked about the probability of various employment outcomes, respondents were somewhat more pessimistic than they were last year. The chance that their firm's employment level would drop 5 percent or more was perceived to be 34 percent on average, up from 22 percent last April; the chance that the level would decline 10 percent or more jumped from 8 percent last year to nearly 14 percent on average in the current survey. The average respondent reported only a 38 percent chance that employment levels would remain at or near (within 5 percent of) current levels—down from roughly 50 percent in last April's survey.

When asked how many workers—as a percentage of the firm's workforce—had quit or retired in the past twelve months, the average respondent gave a figure of roughly 6 percent, down from 9 percent in last year's survey. Respondents, on average, expected that over the next twelve months, 4 percent of workers would quit or retire, down from 8 percent last April. In contrast, the average number of layoffs—both past and expected—climbed from 2 percent of workers in the 2008 survey to nearly 5 percent in the current survey. Finally, the average workweek was expected to be moderately shorter (39.9 hours) in twelve months than it is now (41.0 hours).

1) For each category, please indicate the average number of employees you have currently (or as of the end of December) and your best estimate of how many employees you will have twelve months from now:

	January 2009 Survey			April 2008 Survey	
	Number of Employees			Number of Employees	
	Current	Expected	Percentage Change	Percentage Change	
Full-time workers	197.0	193.9	-1.6	-1.2	
Part-time workers	2.7	2.6	-4.1	-10.2	
Contract workers	11.7	9.0	-23.2	8.8	
Total workers	207.2	202.2	-2.4	0.5	
	Percentage of Firms Expecting		Percentage of Firms Expecting		
	Increases	Declines	Increases	Declines	
Full-time	48.8	33.7	45.6	26.7	
Total workers	45.3	39.5	44.6	29.3	

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2) What would you say is the percentage chance that, over the next twelve months, your total number of employees will:

	January 2009 Survey Percentage Chance	April 2008 Survey Percentage Chance
Increase by 10 percent or more	12.6	12.3
Increase by between 5 and 10 percent	15.5	17.3
Stay within 5 percent of where it is now	37.6	48.6
Decrease by between 5 and 10 percent	20.8	14.1
Decrease by 10 percent or more	13.5	7.7

3) Please indicate how many (if any) workers have retired, quit, or been laid off over the past twelve months, and what you expect for the next twelve months.

	January 2009 Survey		April 2008 Survey	
	As Percentage of Workforce		As Percentage of Workforce	
	Past 12 Months	Next 12 Months	Past 12 Months	Next 12 Months
Retirements	1.3	1.1	1.1	1.3
Quits	4.9	3.1	7.9	6.6
Layoffs	4.7	4.7	2.0	2.1

4) What is your best estimate of the average workweek at your establishment now and twelve months from now—that is, the average number of hours worked by employees (including part-time employees)?

	January 2009 Survey		April 2008 Survey	
	Current	Expected	Current	Expected
Average workweek (hours)	41.0	39.9	41.8	40.9