

Empire State Manufacturing Survey: Supplemental Report

July 2009

For release July 15, 2009

Steep Declines Reported in Sales, Employment, and Production Plans

In a series of supplementary questions to the July 2009 *Empire State Manufacturing Survey*, manufacturers were asked how much their sales and employment levels had changed between the first half of 2008 and the first half of 2009; they were also asked about the changes they expected in sales and employment for the full calendar year. Similar questions had been posed in the July 2008 survey.

In the July 2009 survey, the median change in total sales reported for the first half of the year was a 15 percent decline; the same median decline was anticipated for the full calendar year. In last July's survey, sales gains of 5 percent had been expected over both time horizons. In the current survey, the median respondent indicated a 10 percent reduction in the number of employees, and the same decline was anticipated for the calendar year overall. In the 2008 survey, employment was indicated to be unchanged for the first half of the year and up marginally for all of 2008.

Survey respondents were also asked if they had recently modified their production plans for the second half of 2009. Close to 63 percent reported scaled-back production plans, while just 21 percent indicated increased plans. This result reflects a much more negative assessment than what was reported in last July's survey, when just 35 percent of firms said that they had cut back production plans.

In a separate series of questions new to this survey, respondents were queried on the effects of the fiscal stimulus measures on their firms. In response to the question of which components of the stimulus program they had taken advantage of, nearly 25 percent of respondents mentioned the accelerated depreciation feature, and close to 10 percent indicated the investment tax credits feature; none of the firms said they had used the small-business loans with deferred payments feature. Seventy-five percent of respondents had not taken advantage of any feature. Finally, less than 10 percent of respondents said that the economic stimulus package has had an effect—either directly or indirectly—on their firms' business revenue, while slightly more than 30 percent anticipated some positive effect (predominantly a minor one) in the second half of the year.

1) Please estimate the percentage change in your firm's sales and employment levels from 2008 to 2009—both for the first half of the year and what you expect for the full year.

	July 2009 Survey	July 2008 Survey
Median percentage change in total sales		
First half of 2008 (2007) to first half of 2009 (2008)	-15.0	5.0
Calendar 2008 (2007) to calendar 2009 (2008)	-15.0	5.0
Median percentage change in number of employees		
First half of 2008 (2007) to first half of 2009 (2008)	-10.0	0.0
Calendar 2008 (2007) to calendar 2009 (2008)	-10.0	0.5

(Continued)

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2) In the past several months, to what extent have you modified your production plans for the second half of the year?

	Percentage of Respondents	
	July 2009 Survey	July 2008 Survey
Reduced substantially	31.3	8.7
Reduced somewhat	31.3	26.1
No change	16.7	38.0
Increased somewhat	19.8	21.7
Increased substantially	1.0	5.4

3) Has your business taken advantage of any financial assistance available through the economic stimulus package in each of the following categories? [Please check all that apply.]

	Percentage of Respondents
Small-business loans with deferred payments	0.0
Accelerated depreciation	21.9
Investment tax credits	7.3
Other	3.1
None	75.0

4) Has the economic stimulus package thus far had a positive effect on your business revenue?

	Percentage of Respondents
No effect	92.7
Minor positive effect	7.3
Major positive effect	0.0

5) Do you expect the economic stimulus package to have a positive effect on your business revenue in the second half of 2009?

	Percentage of Respondents
No effect	68.8
Minor positive effect	28.1
Major positive effect	3.1