

# Supplemental Survey Report

## Benefit Costs, Labor Shortages Top the List of Problems

Supplementary questions in the April 2017 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on the extent to which certain business issues posed problems for firms. In addition, respondents were asked if each issue was expected to become more or less of a problem over the next year. These same questions had been posed in surveys conducted in April 2016 and earlier.

As in previous surveys, the cost of employee benefits was cited most frequently as a major problem. The second most problematic issue, among both manufacturers and service firms, was finding qualified workers; government

regulation was also widely viewed as a major problem. Manufacturers ranked taxes slightly higher, but service-sector respondents expressed somewhat less concern about this issue. While most of these results closely paralleled the results from last April's survey, one issue has become somewhat less of a concern among both survey groups: employee wage costs. Weak sales were viewed as much less of a problem than a year ago among manufacturers but not among service sector firms. As was the case last year, as well as in earlier surveys, availability and access to credit, as well as the cost and terms of credit, were considered relatively minor problems.

Businesses were also asked about the extent to which these issues were expected to become more or less of a problem in the year ahead. In general, the issues seen as major problems now were those most widely expected to be even more of a problem in the future—most notably, employee benefit costs. Interestingly, a majority of respondents in both surveys said they expected finding qualified employees and wage costs to become increasingly problematic—a clear indication that businesses foresee the region's labor market tightening further. ■



## Supplemental Survey Report, *continued*

**QUESTION 2**

Now thinking about the next twelve months ... to what extent do you expect each of the following issues to be more or less of a problem a year from now?

Empire State Manufacturing Survey							
Percentage of Respondents Reporting ...							
	Much Less of a Problem in a Year	←————→				Much More of a Problem in a Year	Index*
	1	2	3	4	5		
Employee benefit costs	2.2	4.4	18.2	35.0	40.1	76.6	
Finding qualified workers	3.6	8.8	18.2	38.7	30.7	71.0	
Employee wage costs	2.9	6.6	30.9	31.6	27.9	68.8	
Taxes	5.1	16.2	34.6	27.2	16.9	58.6	
Cost of resources	4.4	7.3	62.0	17.5	8.8	54.7	
Government regulation	6.6	19.0	39.4	20.4	14.6	54.4	
Quality of government services	8.1	11.0	55.1	17.6	8.1	51.7	
Weak sales	8.0	20.4	39.4	25.5	6.6	50.5	
Cost and terms of credit	20.6	17.6	41.9	15.4	4.4	41.4	
Availability and access to credit	23.5	20.6	41.9	11.8	2.2	37.1	

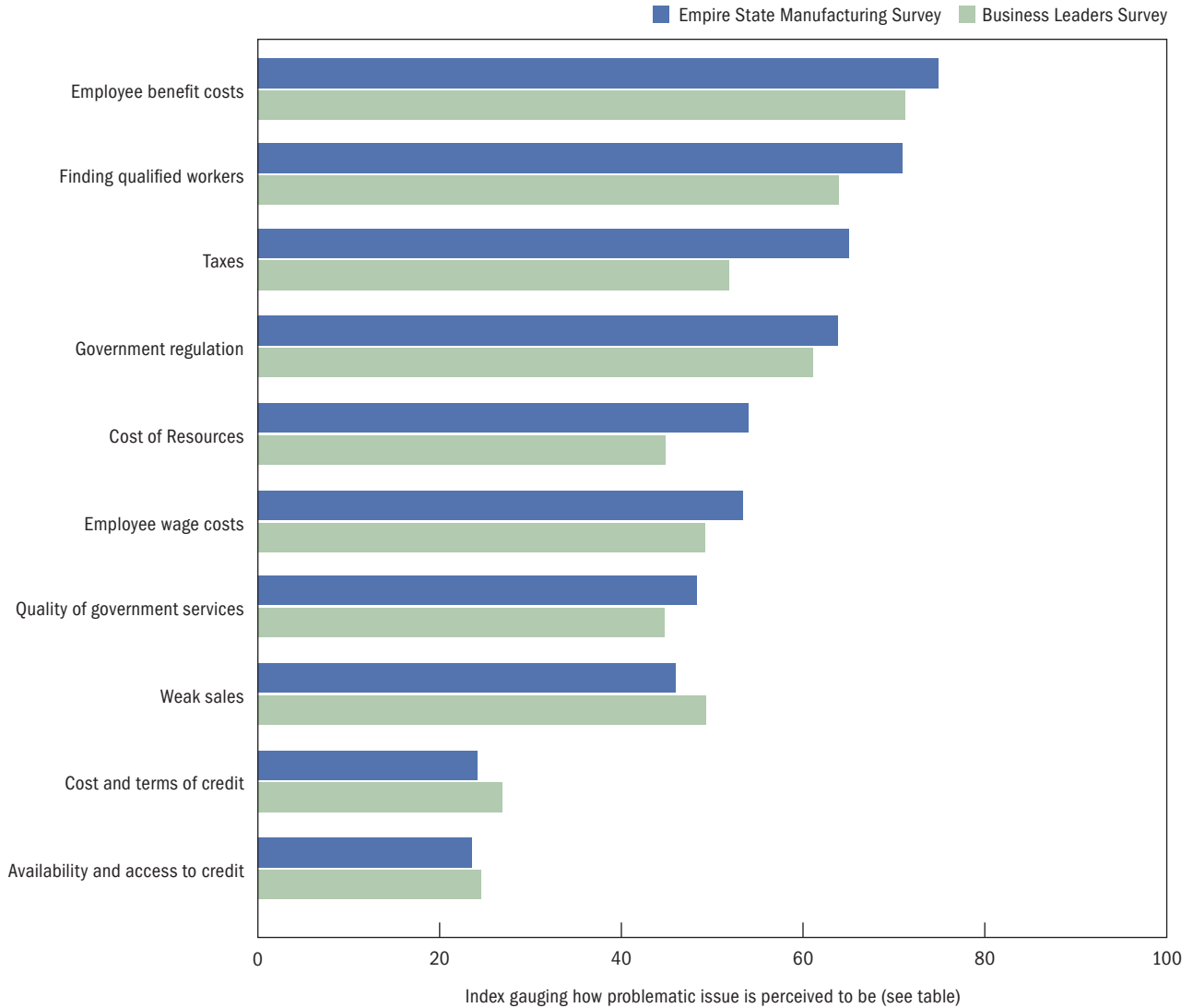
Business Leaders Survey							
Percentage of Respondents Reporting ...							
	Much Less of a Problem in a Year	←————→				Much More of a Problem in a Year	Index*
	1	2	3	4	5		
Employee benefit costs	1.9	4.5	24.8	37.6	31.2	72.9	
Finding qualified workers	4.4	3.8	32.9	37.3	21.5	66.9	
Employee wage costs	4.5	3.8	36.9	35.0	19.7	65.4	
Government regulation	8.9	17.8	37.6	23.6	12.1	53.0	
Taxes	14.1	12.2	39.7	24.4	9.6	50.8	
Quality of government services	11.4	15.8	45.6	16.5	10.8	49.8	
Cost of resources	9.7	9.0	57.4	20.0	3.9	49.8	
Weak sales	10.2	21.7	40.8	21.0	6.4	47.9	
Cost and terms of credit	21.7	18.5	40.8	14.6	4.5	40.4	
Availability and access to credit	24.8	20.4	43.9	7.6	3.2	36.0	

\* The index represents a weighted average of responses, where column 1=0; column 2=25; column 3=50; column 4=75; column 5=100. This measure can range from 0-100, with 50 representing a symmetric response pattern.

# Supplemental Survey Report, *continued*

**QUESTION 1**

To what extent does each of the following issues pose a problem for your firm?



Note: Categories are ranked from most problematic to least problematic, based on the current Empire State Manufacturing Survey.

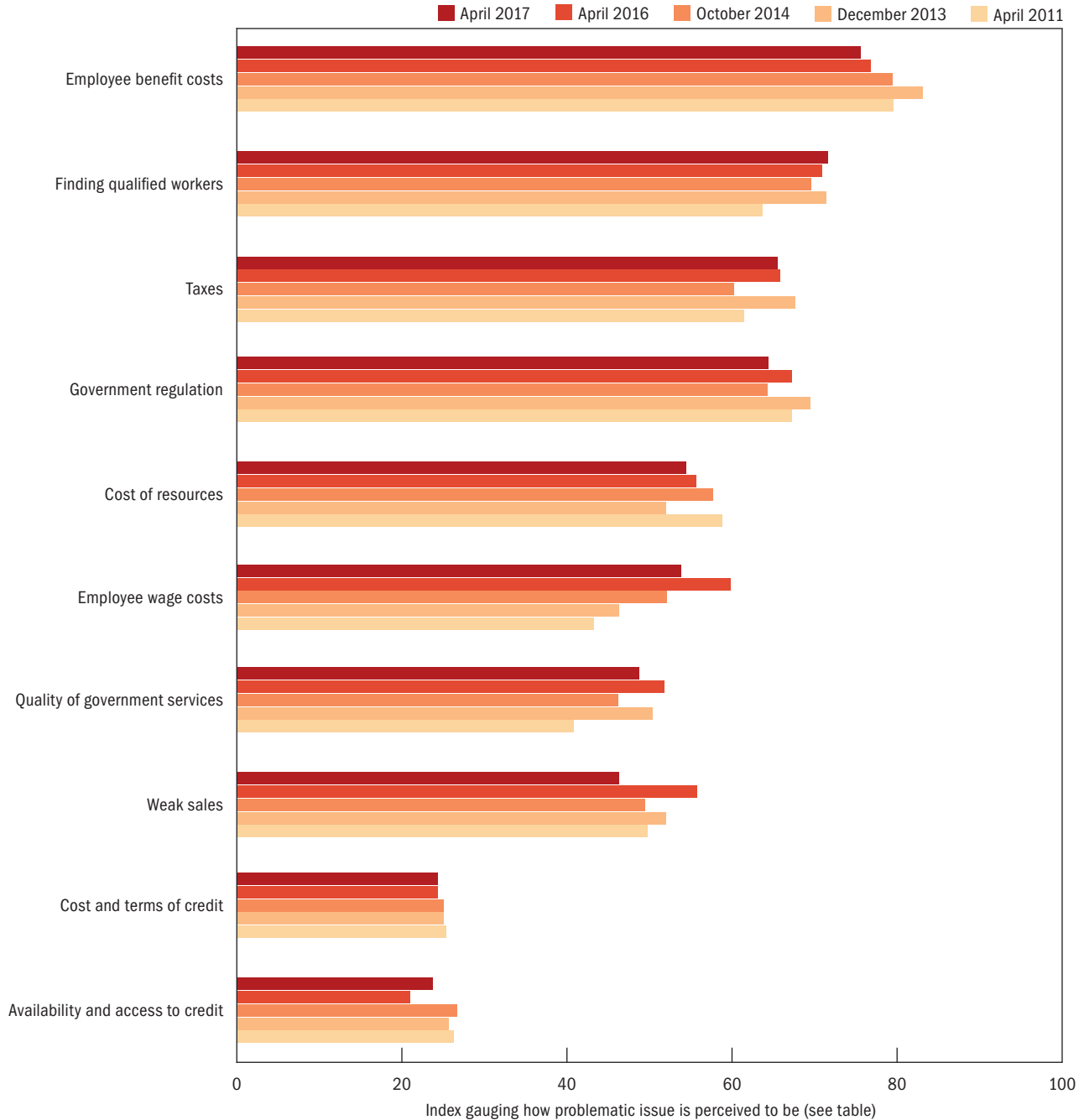
# Supplemental Survey Report, *continued*

## HISTORICAL OVERVIEW FOR QUESTION 1

To what extent does each of the following issues pose a problem for your firm?

Problem Ratings: April 2017, April 2016, and Earlier Surveys

### Empire State Manufacturing Survey



Note: Categories are ranked from most problematic to least problematic, based on the current Empire State Manufacturing Survey.

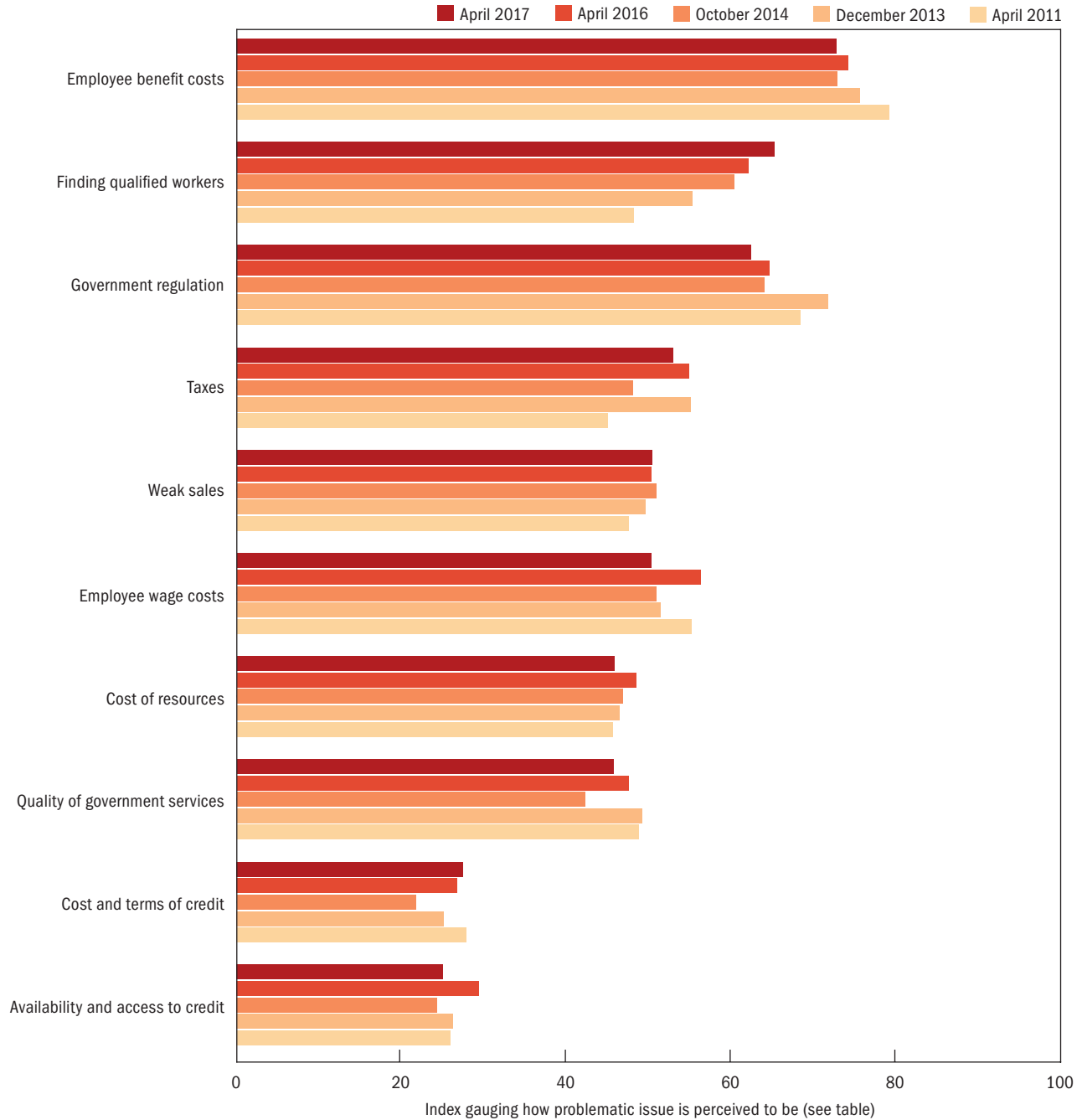
# Supplemental Survey Report, *continued*

## HISTORICAL OVERVIEW FOR QUESTION 1

To what extent does each of the following issues pose a problem for your firm?

Problem Ratings: April 2017, April 2016, and Earlier Surveys

### Business Leaders Survey



Note: Categories are ranked from most problematic to least problematic, based on the current Business Leaders Survey.