

Supplemental Survey Report

Businesses Report Widespread Layoffs and Furloughs but Most Seen as Temporary

Supplemental questions in the May 2020 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused again on effects that the coronavirus pandemic has had on various aspects of business. Some of the questions are similar to those asked in the March and April supplemental surveys. This latest survey was in the field from May 4 to May 10.

In response to the first question (see table below), the average service sector business reported that 24 percent of its pre-pandemic employees are currently on layoff or furlough. Among manufacturers, the corresponding figure was 17 percent. These figures are based on weighting the ratios across all firms, regardless of size. However, because layoffs and furloughs tended to be proportionately steeper among smaller firms than larger firms, the actual shares of employees laid off

across all firms (in other words, giving larger employers proportionately higher weights) were smaller: 16 percent and 15 percent, respectively. Within the service sector survey, the most widespread layoffs were in the leisure & hospitality and retail sectors.

Among both service and manufacturing respondents, the vast majority of people on layoff or furlough would be called back if conditions returned to normal in the next three months. Already, of those workers laid off or furloughed, manufacturers have attempted to call more than a third back. Meanwhile, service firms have attempted to call back 9 percent. In addition, a number of respondents said that they have started to hire new workers.

Businesses were also asked to give their best guess as to how many more months

the effects of the coronavirus pandemic would last: the median response, in both surveys, was six months. Respondents were also asked to give their worst-case and best-case scenarios on how long the effects would last, and the median expectations on those were twelve months and three months, respectively, among both manufacturers and service firms.

Finally, businesses were asked if they had applied for a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan and, if so, what the status of that application was. More than 75 percent of service firms and more than 80 percent of manufacturers said they had applied. Of those who had applied, 80 percent of service firms and nearly 90 percent of manufacturers said they were approved for full funding. Most of the rest said they were still waiting to hear back. ■

Supplemental Survey Report, *continued*

QUESTION 1

How would you characterize the number of workers for each of the following (excluding contract/temporary workers)?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Average Number of Employees	Percentage Share of February Employees*	Average Percentage Share across Firms**	Average Number of Employees	Percentage Share of February Employees*	Average Percentage Share across Firms**
Number of employees in February	331	100.0	100.0	129	100.0	100.0
Number of employees now on layoff or furlough	54	16.4	23.7	20	15.1	17.1
Number of employees who left voluntarily	5	1.6	3.5	4	3.2	4.5

* This figure is the sum of all workers across firms, represented as a share of all pre-pandemic workers; it implicitly weights the results by firm size.

** This figure is the average of the proportions across firms, giving equal weight to all firms regardless of size.

QUESTION 1A

How would you characterize the number of workers for each of the following (excluding contract/temporary workers)?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Average Number of Employees	Percentage Share of Furloughed/Laid-Off Workers*	Average Percentage Share across Firms**	Average Number of Employees	Percentage Share of Furloughed/Laid-Off Workers*	Average Percentage Share across Firms**
Number of employees now on layoff or furlough	54.3	100	100	19.6	100	100
Number of employees we have attempted to recall	4.8	9	25	7.1	36	30
Number of employees we would recall if conditions returned to normal over the next three months	47.7	88	81	14.5	74	82
Number of new workers we have attempted to hire	3.9			2.2		

* This figure is the sum across firms, represented as a share of all furloughed/laid-off workers; it implicitly weights the results by firm size.

** This figure is the average of the proportions across firms, giving equal weight to all firms regardless of size.

Supplemental Survey Report, *continued*

QUESTION 2

How many more months do you think it will be until things are back to normal?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Mean Number of Months	Median Number of Months	Mean Number of Months	Median Number of Months
Most likely scenario	8.1	6.0	6.9	6.0
Worst-case scenario	15.5	12.0	14.0	12.0
Best-case scenario	4.8	3.0	4.1	3.0

QUESTION 3

Have you applied for a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Percentage of Respondents	Percentage of Applicants	Percentage of Respondents	Percentage of Applicants
No, we are too large to qualify	12.4		9.6	
No, we have opted not to	11.1		8.2	
Yes, we have applied	76.4	100.0	82.2	100.0
Yes, and our application was approved with full funding	60.9	79.7	71.9	87.5
Yes, and our application was approved with partial funding	4.4	5.8	2.7	3.3
Yes, but we are still waiting to hear back	11.1	14.5	6.2	7.5
Yes, but we were denied funding	0.0	0.0	1.4	1.7