

## Supplemental Report:

# Manufacturers Still Face Difficulty Finding Workers with Select Skills

In a series of supplementary questions to the August 2011 *Empire State Manufacturing Survey*, firms were asked how much difficulty, if any, they were experiencing in finding workers proficient in select skill categories; they were also asked to estimate the costs of the training needed to bring new hires up to speed. The table below shows the results of the survey alongside the results from a parallel survey conducted in March 2007.

Despite the current slack job market, manufacturers' responses in this month's survey were not substantially different from those recorded in March 2007, when New York State's unemployment rate was below 4½ percent. As in the earlier survey, workers with advanced computer skills were seen as the hardest to find: On a scale of 0 to 100, this task received a difficulty rating of slightly more than 61 in this month's survey—almost identical to the rating it

received in 2007. (See the table for a detailed explanation of the difficulty measure.) Finding workers who are punctual and reliable received the second highest difficulty rating, followed by the task of finding workers with good interpersonal skills; these results, too, mirrored those from the earlier survey.

Respondents were also asked to estimate training and related costs for new hires as a percentage of overall compensation. On average, manufacturers indicated that such costs accounted for 6.5 percent of total compensation in the past year, compared with 5.6 percent in a typical year—percentages that closely tracked those cited in the 2007 survey. The median proportion was reported to be 5.0 percent, for both the past year and a typical year.

Finally, in a question not posed previously, manufacturers were asked how much they expected a typical worker's wage or salary

to increase (or decrease) over the next twelve months—not including benefits and not including any promotion or change in hours worked. The vast majority of respondents, 79 percent, predicted at least some increase in pay, while 21 percent expected wages to remain unchanged; no respondents anticipated a decline. The average expected pay increase was reported to be 2.4 percent, while the median was 2.8 percent. ■

## Supplemental Report, *continued*

### QUESTION 1

To what extent have you recently had difficulty finding workers who are proficient in each of the following areas?

	Percentage of Respondents Reporting:					Difficulty Rating*	
	No Difficulty	←————→			Great Difficulty	August 2011	March 2007
Basic math skills	19	11	28	38	4	49.4	48.8
Basic English skills	19	13	27	36	6	48.9	47.6
Basic computer skills	20	17	29	33	1	44.7	48.2
Advanced computer skills	16	5	21	34	24	61.3	61.6
Interpersonal skills	15	8	46	24	8	50.6	51.5
Punctuality / reliability	17	9	26	30	18	55.9	54.2

\*This composite measure facilitates comparisons between the August 2011 and March 2007 surveys and among the six skill categories. The measure gives the following weights to the five columns shown: 0 percent, 25 percent, 50 percent, 75 percent, 100 percent. It can range from 0 (when all respondents indicate no difficulty) to 100 (when all respondents indicate great difficulty).

### QUESTION 2

If you have incurred additional training or related costs to bring new hires up to speed, roughly what percentage of these workers' compensation in the past year do those costs represent? What percentage do they represent in a typical year?

	August 2011		March 2007	
	Mean	Median	Mean	Median
Percentage of compensation <i>this past year</i>	6.5	5.0	6.4	3.0
Percentage of compensation <i>in a typical year</i>	5.6	5.0	5.3	3.8

### QUESTION 3

By about what percentage, on average, do you expect a typical worker's wage/salary—not including benefits—to change over the next twelve months, assuming that worker remains in the same job and works the same number of hours?

Average expected percentage increase	2.4
Median expected percentage increase	2.8
Percentage of respondents expecting	
Decrease	0.0
No change	21.1
Increase	78.9
Of 2 percent or less	18.9
Of more than 2 percent and up to 4 percent	52.2
Of more than 4 percent	7.8