

Supplemental Survey Report

Supply Disruptions Taking a Toll on Many Businesses

Supplementary questions in the October 2021 *Business Leaders Survey* and *Empire State Manufacturing Survey* focused on the degree of difficulty businesses have been having in dealing with supply delays and disruptions. These questions had not been asked previously, in their current form.

The first set of questions focused on how much difficulty businesses have had in obtaining key supplies and to what extent any such issues were impeding business activity. The overwhelming majority of businesses—nearly 80 percent of service sector firms and 94 percent of manufacturers—indicated that they were having such difficulties. Moreover, a third of service firms and 44 percent of manufacturers characterized such difficulties as “substantial.” When asked about the effects of supply disruptions on business, a sizable share

of respondents—30 percent of service firms and 41 percent of manufacturers—said they were “substantially” impeding business activity. In addition, even larger proportions of respondents said that disruptions were impeding business “somewhat.”

The second set of questions focused on whether the availability of supplies has gotten better or worse over the past month and what firms expect in the month ahead. Almost no respondents said they had improved, whereas nearly half of all service firms and nearly two-thirds of manufacturers said they had worsened. Responses about the near-term outlook were only slightly less negative: slightly over a third of service firms and almost half of manufacturers said they expect the availability of supplies to worsen further. Well under 10 percent of respondents in both surveys anticipated improvement.

Finally, businesses were asked what actions they had taken, if any, within the past three months—with respect to output, employment, hours, and prices—in response to supply disruptions. The most widely reported action, in both surveys, was raising selling prices: 41 percent of service firms and 64 percent of manufacturers said they had hiked prices. Moreover, roughly one in ten service firms and more than one in five manufacturers said they had hiked prices substantially. A majority of manufacturers (60 percent) also reported that they had scaled back output; among service firms, a more moderate share, 25 percent, reported reductions in business operations. Only a small fraction of survey panelists in both groups characterized such reductions as substantial. The vast majority of businesses in both surveys said they did not make any reductions to either employment or hours. ■

Supplemental Survey Report, *continued*

QUESTION 1

Have you experienced any difficulty obtaining the supplies you need *over the past month*, and has this impeded your business activity? *[Please do not count relatively incidental supplies that are trivial to running your business.]*

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents					
	Not at All	Somewhat	Substantially	Not at All	Somewhat	Substantially
Have had difficulty obtaining supplies	20.5	46.7	32.8	5.7	50.0	44.3
Supply disruptions have impeded business activity	28.7	41.0	30.3	11.4	47.6	41.0

QUESTION 2

How has the availability of supplies you need changed *over the past month*, and how do you expect availability to change *over the next month*? *[Again, please do not count relatively incidental supplies that are trivial to running your business.]*

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents					
	Worsened	Unchanged	Improved	Worsened	Unchanged	Improved
Over the past month	47.7	49.7	2.6	63.2	36.8	0.0
Over the next month	34.4	59.0	6.7	47.2	48.1	4.7

QUESTION 3

Have you taken any of the following actions *over the past three months* because of supply chain disruptions?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents					
	Not at All	Somewhat	Substantially	Not at All	Somewhat	Substantially
Reduced our output / business operations*	75.4	22.0	2.6	39.6	52.8	7.6
Reduced our number of employees	89.7	8.7	1.5	92.4	7.6	0.0
Reduced our average hours worked per employee	88.7	9.7	1.5	85.7	12.4	1.9
Raised our selling prices	59.2	30.4	10.5	35.9	43.4	20.7

* *Business Leaders (service sector) survey panelists were asked about "business operations." Manufacturing survey panelists were asked about "output."*