

## Supplemental Report:

# Firms Anticipate Little Change in Workforce in 2013

Supplementary questions in the January 2013 *Empire State Manufacturing Survey* focused on expected changes in the size of firms' workforces and on the factors underlying the changes. The same questions had been asked in surveys conducted in January 2012 and earlier.

In the current survey, 27 percent of respondents indicated that they expected their workforce to increase over the next twelve months, while 19 percent predicted declines in the total number of workers. This balance is considerably less positive than in last January's survey—when 51 percent had predicted increases and just 9 percent had anticipated decreases—and also less positive than in the 2011 surveys. Expectations in the current survey were fairly similar for larger establishments (150 or more employees) and smaller establishments.

When those firms planning to increase employment were asked to rank the factors behind their decision, they responded in much the same way as their counterparts in last January's survey. High expected sales growth was ranked first ("most important") by more than 70 percent of respondents, compared with 65 percent in the earlier survey. Other factors deemed important in both the current survey and the 2012 survey were an overworked staff, a need for skills not possessed by current staff, and decreased economic or financial uncertainty.

When asked about factors restraining hiring plans, 19 percent of all respondents—a somewhat smaller proportion than in earlier surveys—reported no sources of restraint. Those who did report some source(s) of restraint saw low expected sales growth as the most important, by a somewhat greater

margin than in last January's survey. An inability to find workers with the required skills, an underutilized current staff, and uncertainty about health insurance costs and other government regulations were also cited as important factors restraining hiring.

Finally, firms were asked to identify the recruiting tools they planned to use to increase employment. The most widely cited tools were advertising, word-of-mouth, and referrals from other employees. ■

## Supplemental Report, *continued*

### QUESTION 1

For each category, please indicate the number of employees you have currently.

|             | Percentage of Respondents |                     |                  |
|-------------|---------------------------|---------------------|------------------|
|             | January 2013 Survey       | January 2012 Survey | June 2011 Survey |
| Under 100   | 43.5                      | 52.2                | 51.0             |
| 100 to 150  | 21.7                      | 23.3                | 20.8             |
| 150 to 200  | 10.9                      | 3.3                 | 8.3              |
| 200 to 500  | 16.3                      | 16.7                | 13.5             |
| 500 or more | 7.6                       | 4.4                 | 6.3              |

  

| Employee Category   | Average Percentage of Employees |                     |                  |
|---------------------|---------------------------------|---------------------|------------------|
|                     | January 2013 Survey             | January 2012 Survey | June 2011 Survey |
| Full-time employees | 92.4                            | 96.0                | 89.3             |
| Part-time employees | 4.9                             | 1.9                 | 1.9              |
| Contract employees  | 2.7                             | 2.1                 | 8.7              |

### QUESTION 2

Do you expect that your number of employees will increase, remain unchanged, or decrease over the next twelve months?

|                  | Percentage of Respondents |                     |                  |
|------------------|---------------------------|---------------------|------------------|
|                  | January 2013 Survey       | January 2012 Survey | June 2011 Survey |
| Increase         | 27.2                      | 50.5                | 41.3             |
| Remain unchanged | 54.3                      | 40.7                | 41.3             |
| Decrease         | 18.5                      | 8.8                 | 17.4             |

### QUESTION 3

If you plan to *increase* total employment: What are the three most important factors behind your plans to increase employment? Please rank up to three factors.

|   | Percentage of Respondents Ranking the Factor as |                       |                      |
|---|---|-----------------------|----------------------|
|   | Most Important                                  | Second Most Important | Third Most Important |
| Expected growth of sales is high            | 72.0  | 16.0                  | 8.0                  |
| Reduced employment too much                 | 4.0   | 4.0                   | 0.0                  |
| Current staff are overworked                | 8.0   | 32.0                  | 4.0                  |
| Need skills not possessed by current staff  | 8.0   | 12.0                  | 24.0                 |
| Labor costs have fallen                     | 0.0   | 0.0                   | 0.0                  |
| Decreased economic or financial uncertainty | 0.0   | 12.0                  | 8.0                  |
| Firm's financial position has improved      | 0.0   | 4.0                   | 16.0                 |
| Other factors                               | 8.0   | 4.0                   | 0.0                  |

## Supplemental Report

### QUESTION 4

If you plan to *increase* total employment: What recruiting tools do you anticipate using to increase employment? (Check all that apply.)

|   | Percentage of Respondents |                     |
|---|---------------------------|---------------------|
|   | January 2013 Survey       | January 2012 Survey |
| Raise starting pay                            | 16.0                      | 15.2                |
| Use a recruiting firm                         | 32.0                      | 39.1                |
| Advertise (newspaper, Internet, or elsewhere) | 80.0                      | 69.6                |
| Hold job fairs                                | 4.0                       | 13.0                |
| Word of mouth                                 | 80.0                      | 50.0                |
| Referrals from other employees                | 76.0                      | 71.7                |
| None  | 0.0                       | 0.0                 |
| Other   | 8.0                       | 8.7                 |

### QUESTION 5

What are the three most important factors, if any, restraining your hiring plans? If there are no important factors restraining your hiring plans, please check “no sources of restraint” below. Otherwise, please rank up to three factors

Percentage of respondents indicating no sources of restraint: 19.4

|   | Percentage of Respondents Ranking the Factor as |                       |                      |
|---|---|-----------------------|----------------------|
|   | Most Important                                  | Second Most Important | Third Most Important |
| Expected growth of sales is low                       | 45.3  | 10.7                  | 2.7                  |
| Current staff are underutilized/working reduced hours | 9.3   | 13.3                  | 5.3                  |
| Cannot find workers with required skills              | 13.3  | 6.7                   | 13.3                 |
| Labor costs are high                                  | 2.7   | 10.7                  | 2.7                  |
| Uncertainty about the cost of health insurance        | 5.3   | 17.3                  | 17.3                 |
| Uncertainty about other regulations or govt. policies | 9.3   | 8.0                   | 13.3                 |
| Firm’s financial position has deteriorated            | 2.7   | 0.0                   | 6.7                  |
| Want to keep operating costs low                      | 5.3   | 18.7                  | 10.7                 |
| Other factors   | 4.0   | 1.3                   | 1.3                  |