

Empire State Manufacturing Survey: Supplemental Report

February 2010

For release February 16, 2010

Most Manufacturers Expect to Expand Workforce in 2010

Supplementary questions in the February 2010 *Empire State Manufacturing Survey* focused on recent and expected changes in firms' workforce size and other employment measures. Parallel questions had been asked in the January 2009 and April 2008 surveys.

In the current survey, roughly 64 percent of respondents indicated that they expected their workforce to increase in the year ahead, while just 10 percent predicted declines in the number of full-time workers and 15 percent anticipated declines in their workforce overall. This finding contrasts with last year's survey results, in which respondents expecting increases in the total workforce had outnumbered those expecting declines by just 45 percent to 40 percent. Consistent with the 2008 and 2009 survey findings, the 2010 results were generally more negative for the larger firms in the sample—those with 200 or more employees—than for smaller firms. As a group, respondents to the current survey anticipated a modest 1.6 percent decline in workforce size, on average, but when the larger firms were excluded from the sample, the result was a 5.4 percent *increase*.

In general, when queried about the probability of various employment outcomes, respondents were considerably more optimistic than last year. The chance that their firm's employment level would drop 5 percent or more was perceived to be 18 percent, on average, down from 34 percent in last January's survey; conversely, the chance that employment would increase by at least 5 percent jumped from 28 percent in the 2009 survey to 40 percent in this month's survey. The average respondent reported a 43 percent chance that employment levels would remain at or near (within 5 percent of) current levels—up from a chance of 38 percent in last January's survey.

When asked how many workers—as a percentage of the firm's workforce—had quit or retired in the past twelve months, the average respondent gave a figure of roughly 4 percent, down from 6 percent in last year's survey. Respondents, on average, expected that over the next twelve months, almost 4 percent of workers would quit or retire, about the same percentage as in the 2009 survey. In contrast, the average number of layoffs reported for the past year surged from 5 percent of workers in the 2009 survey to nearly 12 percent in the current survey; however, the number of projected layoffs for the year ahead edged down from 5 percent to 4 percent.

Finally, the current workweek (hours worked per week) was reported to be 40.5 hours, on average, which is only slightly shorter than the average workweek of 41.0 hours reported in last year's survey. Looking ahead to the next twelve months, the average respondent reported a chance of nearly 40 percent that its workweek would increase by at least an hour, and a 47 percent chance that the workweek would remain little changed (within an hour of current levels). The probability of a decline in the workweek of more than an hour was pegged at just below 14 percent, on average.

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Most Manufacturers Expect to Expand Workforce in 2010 (Continued)

1) For each category, please indicate the number of employees you have currently and your best estimate of how many employees you will have twelve months from now:

| | Average Number of Employees | | | | |
|-------------------|-----------------------------|----------|-------------------|---------------------|-------------------|
| | February 2010 Survey | | | January 2009 Survey | April 2008 Survey |
| | Current | Expected | Percentage Change | Percentage Change | Percentage Change |
| Full-time workers | 225.8 | 222.2 | -1.6 | -1.6 | -1.2 |
| Part-time workers | 5.2 | 5.3 | 2.7 | -4.1 | -10.2 |
| Contract workers | 12.3 | 11.9 | -3.4 | -23.2 | 8.8 |
| Temp workers | 11.7 | 11.1 | -4.5 | n.a. | n.a. |
| Total workers | 243.3 | 239.4 | -1.6 | 0.0 | 0.5 |

| | February 2010 Survey | | January 2009 Survey | |
|---------------|-------------------------------------|----------|-------------------------------------|----------|
| | Percentage of Firms Expecting . . . | | Percentage of Firms Expecting . . . | |
| | Increases | Declines | Increases | Declines |
| Full-time | 63.4 | 9.9 | 48.8 | 33.7 |
| Total workers | 63.9 | 15.3 | 45.3 | 39.5 |

2) What would you say is the percentage chance that, over the next twelve months, your total number of employees will:

| | Percentage Change | | |
|---|-------------------|--------------|------------|
| | February 2010 | January 2009 | April 2008 |
| Increase 10 percent or more | 16.4 | 12.6 | 12.3 |
| Increase between 5 and 10 percent | 23.2 | 15.5 | 17.3 |
| Stay within 5 percent of where they are now | 42.6 | 37.6 | 48.6 |
| Decrease between 5 and 10 percent | 11.1 | 20.8 | 14.1 |
| Decrease 10 percent or more | 6.7 | 13.5 | 7.7 |

3) Please indicate how many (if any) workers have retired, quit, and been laid off over the past twelve months, and what you expect for the next twelve months.

| | As a Percentage of Workforce | | | |
|-------------|------------------------------|--------------------|---------------------|--------------------|
| | February 2010 Survey | | January 2009 Survey | |
| | Past Twelve Months | Next Twelve Months | Past Twelve Months | Next Twelve Months |
| Retirements | 1.2 | 1.0 | 1.3 | 1.1 |
| Quits | 2.6 | 2.5 | 4.9 | 3.1 |
| Layoffs | 11.7 | 4.3 | 4.7 | 4.7 |

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Most Manufacturers Expect to Expand Workforce in 2010 *(Continued)*

4) What is your best estimate of the average workweek at your establishment now and twelve months from now—that is, the average number of hours worked by employees (including part-time employees)?

| | February 2010 Survey | January 2009 Survey | April 2008 Survey |
|--------------------------|-------------------------|------------------------|----------------------|
| Average workweek (hours) | | | |
| Current | 40.5 | 41.0 | 41.8 |
| Expected | n.a. | 39.9 | 40.9 |

5) What would you say is the percentage chance that, over the next twelve months, the average number of hours worked per week (by all employees) will:*

| | Percentage Chance |
|---------------------------------------|-------------------|
| Increase 3 hours or more | 16.3 |
| Increase between 1 and 3 hours | 22.8 |
| Stay within 1 hour of where it is now | 47.3 |
| Decrease between 1 and 3 hours | 9.6 |
| Decrease 3 hours or more | 4.0 |

*This question was asked for the first time in this survey.