

# Supplemental Survey Report

## Businesses Hampered by Supply Disruptions, Labor Shortages, and Absenteeism

Supplemental questions in the February 2022 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on a number of issues concerning supply disruptions and labor-related issues involving staffing, the degree of absenteeism, and compensation.

First, survey participants were asked a few questions about supply disruptions and delays—how they have changed in the past month and are expected to change in the month ahead; whether their business is being noticeably impeded by such disruptions; and, if so, what is the soonest they could envision such disruptions abating to the point where they are no longer disruptive. Insofar as recent trends go, slightly over half of manufacturers and 35 percent of service firms report that disruptions have worsened in the past month, while well under 10 percent in each group reported improvement. Looking to the month ahead, businesses foresee further worsening in supply chain issues, on balance, though not by quite as wide a margin: among service firms, 20 percent anticipate continued worsening, while 14 percent expect some improvement; among manufacturers, pessimists outnumber optimists by a somewhat wider margin of 35 to 16 percent. Not surprisingly, 65 percent of service firms and 85 percent of manufacturers report that they are currently having trouble obtaining needed supplies. Of those firms having such trouble, the average service sector respondent does not expect these problems to clear up for at least seven months; among manufacturers, the comparable expectation is for a nine-month horizon.

Second, businesses were asked about staffing issues—both the number of unfilled job openings and the degree of absenteeism they are seeing from their current staff. In both the service-sector and manufacturing surveys, the median respondent reported that job openings represented about 5 percent of their firm's total employment. This question has been included in these surveys at the beginning of the year for more than eight years now, and this proportion had never exceeded 3 percent for manufacturers or 2.5 percent for service firms prior to this year.

With the Omicron variant of COVID-19 surging across the region in December and into January, we queried businesses on the degree of absenteeism they were seeing in January; somewhat over half of service firms and more than three in five manufacturers characterized absenteeism as unusually high. When asked specifically what percentage of staff had at least one day of unscheduled absence this January, and what the comparable percentage was in a typical (pre-pandemic) January, the average incidence among both manufacturers and service firms was reported to be roughly 12 percent last month versus about 5 percent in a typical January. When asked what actions, if any, firms seeing high absenteeism were taking to mitigate its effects, a sizable number of service firms—especially in the education & health and leisure & hospitality sectors (not shown in tables)—cut back on the volume of service they provide. Businesses in manufacturing and

distribution, on the other hand, were more inclined to increase the hours of those who were present at work, as well as make more use of outside contractors or temporary workers.

Finally, businesses were queried on effects of the recent minimum wage hike across much of the region. January 1 brought a scheduled increase in the minimum wage for businesses in New Jersey and New York State, except in New York City, where the minimum wage was unchanged at \$15. Respondents with at least some staff in those areas were asked what, if any, effect this had on their decisions about compensation and/or employment. Nearly one in four service firms and more than one in three manufacturers indicated a moderate or significant effect. These firms were also asked how many of their workers were directly affected by the hike—that is, had to receive a wage increase in order to remain compliant with the law. The average proportion was reported to be about 4 percent, for both manufacturers and service firms, which was similar to last February's survey results. These businesses were also asked about indirect effects of the minimum wage hike—that is, for what proportion of their workers the minimum wage hike prompted them to raise wages more than they otherwise would have. The average service firm reported that this was the case for roughly 9 percent its workforce—slightly lower than in last February's survey. For manufacturers, however, this was true for a much larger share of workers: 22 percent, up from 16 percent in last year's survey. ■

## Supplemental Survey Report, *continued*

### QUESTION 1

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?

	Business Leaders Survey			Empire State Manufacturing Survey		
	Percentage of Respondents			Percentage of Respondents		
	February 2022	December 2021	October 2021	February 2022	December 2021	October 2021
Over the past month						
Worsened	35.6	39.9	47.7	50.9	59.5	63.2
Unchanged	59.0	56.0	49.7	41.8	37.9	36.8
Improved	5.3	4.2	2.6	7.3	2.6	0.0
Over the next month						
Worsen	20.3	25.4	34.4	34.5	46.2	47.2
Unchanged	65.8	61.1	59.0	49.1	44.5	48.1
Improved	13.9	13.5	6.7	16.4	9.2	4.7

### QUESTION 2

If you are currently experiencing difficulty obtaining the supplies you need, what is the soonest you expect such difficulties to resolve to the point where they are no longer having a significant impact on your business?

	Business Leaders Survey	Empire State Manufacturing Survey
	Percentage of Respondents (Except Where Indicated)	Percentage of Respondents (Except Where Indicated)
Not having significant impact	34.7	15.5
1-2 months	10.5	7.3
3-4 months	13.2	10.9
5-6 months	17.9	28.2
7-9 months	1.6	1.8
10-12 months	5.3	5.5
More than 12 months	16.8	30.9
<b>Average number of months for those reporting a significant impact</b>	<b>7.2</b>	<b>8.9</b>

## Supplemental Survey Report, *continued*

### QUESTION 3-4

	Business Leaders Survey				Empire State Manufacturing Survey			
	Median (Except Where Indicated)				Median (Except Where Indicated)			
	February 2022	February 2021	February 2020	February 2019	February 2022	February 2021	February 2020	February 2019
<b>QUESTION 3</b> Roughly how many workers are currently employed at your establishment?	48	40	55	52	48	50	55	55
<b>QUESTION 4</b> Roughly how many job openings are there at your establishment at the present time?	3	1	2	2	2	2	1	2
Job openings as a share of workforce*	4.9%	1.3%	2.2%	1.7%	5.2%	2.9%	1.6%	2.7%

\*This represents the median proportion across all respondents answering both questions.

### QUESTION 5

**In a typical January before the pandemic, roughly what percentage of your workforce was usually absent for one or more days, and what percentage was absent for one or more days in January 2022?**

	Business Leaders Survey		Empire State Manufacturing Survey	
	Average Percentage of Workforce		Average Percentage of Workforce	
Absent at least one day in a typical January	4.5		4.7	
Absent at least one day in January 2022	11.9		12.2	

## Supplemental Survey Report, *continued*

### QUESTION 6

Has high absenteeism caused you to take any of the following actions over the past month?

	Business Leaders Survey		Empire State Manufacturing Survey	
	Percentage of Respondents		Percentage of Respondents	
Absenteeism was not unusually high	46.2		37.4	
Absenteeism was unusually high	53.8		62.6	
No actions	24.1		28.0	
Temporarily closed	1.1		0.0	
Made some adjustments*	28.5		34.6	
Cut back output/services	16.1		14.9	
Increased hours of existing staff	13.5		24.3	
Other adjustments	10.2		6.5	

\*Those who responded "Made some adjustments" were asked to check any and all subcategories that apply. Thus, the numbers below this line add up to more than the total category, due to multiple responses.

### QUESTION 7

Has the increase in the minimum wage, effective January 1, had any effect on your business's decisions about compensation and/or employment?

	Business Leaders Survey				Empire State Manufacturing Survey			
	Percentage of Respondents Indicating				Percentage of Respondents Indicating			
	February 2022	February 2021	February 2020	February 2019	February 2022	February 2021	February 2020	February 2019
No effect	61.4	60.7	60.7	59.5	46.3	44.4	40.6	35.8
Small effect	13.2	15.7	12.9	13.5	14.8	29.3	17.2	27.0
Moderate effect	11.1	12.9	10.4	13.5	19.4	16.5	24.2	15.3
Significant effect	12.2	10.7	16.0	13.5	16.7	9.8	18.0	21.9

Note: In the latest survey, only businesses with employees in areas where the minimum wage increased were asked to respond. Prior to 2021, only businesses in New York State were asked to respond to this question.

## Supplemental Survey Report, *continued*

### QUESTION 8

Approximately what percentage of your workforce, prior to this latest minimum wage hike, was earning less than the current (2022) minimum wage?

	Business Leaders Survey				Empire State Manufacturing Survey			
	Percentage of Respondents Indicating				Percentage of Respondents Indicating			
	February 2022	February 2021	February 2020	February 2019	February 2022	February 2021	February 2020	February 2019
Average percentage	4.4	4.9	6.5	5.1	3.8	3.9	4.9	4.0
Median percentage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Note: In the latest survey, only businesses with employees in areas where the minimum wage increased were asked to respond. Prior to 2021, only businesses in New York State were asked to respond to this question.*

### QUESTION 9

For approximately what percentage of your workforce did the latest minimum wage hike cause you to raise wages more than you otherwise would have?

	Business Leaders Survey				Empire State Manufacturing Survey			
	Percentage of Respondents Indicating				Percentage of Respondents Indicating			
	February 2022	February 2021	February 2020	February 2019	February 2022	February 2021	February 2020	February 2019
Average percentage	9.2	11.0	9.9	11.0	22.3	15.6	20.2	17.6
Median percentage	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.0

*Note: In the latest survey, only businesses with employees in areas where the minimum wage increased were asked to respond. Prior to 2021, only businesses in New York State were asked to respond to this question.*