

Supplemental Report:

Majority of Manufacturers Expect to Expand Workforce in 2011

Supplementary questions in the January 2011 *Empire State Manufacturing Survey* focused on expected changes in the size of firms' workforces and on the reasons for those changes. Somewhat similar questions had been asked in the February 2010 survey.

In the current survey, 52 percent of respondents indicated that they expected their workforce to increase in the year ahead, while just 15 percent predicted declines in the total number of workers. In last February's survey, an even larger majority, 64 percent, predicted increases. The 2011 results were slightly more positive for larger establishments (150 or more employees) than for smaller establishments.

When those respondents intending to increase employment were asked to identify the key factors underlying their plans, the vast majority (77 percent) ranked high

expected sales growth as the most important factor. An overworked current staff was seen as the second most important factor, followed by the need for skills not possessed by current staff.

When all respondents were asked about factors restraining hiring plans, low expected sales growth was deemed to be most important, followed by an inability to find workers with required skills. Twenty-seven percent of respondents reported that there were no sources of restraint. The questions about the factors underlying firms' plans had not been asked in previous surveys. ■

Continued

Supplemental Report, *continued*

QUESTION 1

Please indicate the number of employees you have currently.

Total Number of Employees	Percentage of Respondents
Under 100	58.2
100 to 150	17.6
150 to 200	7.7
200 to 500	11.0
500 or more	5.5
Average Number of Employees, by Category	
Total employees	361.2
Full-time employees	326.8
Part-time employees	5.0
Contract employees	29.4

QUESTION 2

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

	Percentage of Respondents	
	January 2011	February 2010
Increase	52.2	63.9
Remain unchanged	32.6	20.8
Decrease	15.2	15.3

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		
	1	2	3
Expected growth of sales is high	77.1	8.3	6.3
Current staff are overworked	8.3	29.2	8.3
Need skills not possessed by current staff	4.2	18.8	18.8
Labor costs have fallen	0.0	0.0	2.1
Decreased economic or financial uncertainty	4.2	12.5	14.6
Firm's financial position has improved	4.2	6.3	14.6
Other factors (please specify)	0.0	2.1	0.0

QUESTION 4

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: 27.4

	Percentage of Respondents Ranking the Factor as		
	1	2	3
Expected growth of sales is low	30.5	3.2	0.0
Current staff are underutilized/working reduced hours	6.3	10.5	3.2
Cannot find workers with required skills	10.5	8.4	8.4
Labor costs are high	0.0	5.3	12.6
Uncertainty about the cost of health insurance	5.3	17.9	5.3
Uncertainty about other regulations or government policies	5.3	8.4	11.6
Firm's financial position has deteriorated	2.1	2.1	6.3
Other factors (please specify)	4.2	0.0	0.0