

## Supplemental Report:

# Firms Cite Increased Difficulty Finding Workers with Math and Computer Skills

In a series of supplementary questions to the April 2012 *Empire State Manufacturing Survey*, respondents were asked how much difficulty, if any, they were experiencing in finding workers proficient in select skill categories. They were also asked about anticipated increases in wages and salaries over the next twelve months, and about recent and expected changes in the level of difficulty they faced in retaining both skilled and unskilled workers. The table below reports results of the survey alongside results from parallel surveys conducted in August 2011 and March 2007.

Responses in this month's survey were not substantially different from those recorded either last August or in March 2007. As in the earlier surveys, workers with advanced computer skills were seen as the hardest to find: On a scale of 0 to 100, this task received a difficulty rating of 63 in this month's survey—up slightly from the 2011 and 2007 surveys. (See the first table for a detailed explanation

of this measure.) Finding workers with basic math skills received the second highest difficulty rating; in fact, the rating for this task jumped from just below 50 in the two earlier surveys to 55 in the current survey. In general, difficulty ratings for most of the skill categories were a bit higher than in the August 2011 survey. Moreover, the ratings were at least as high as those in the March 2007 survey—an interesting result given that New York State's unemployment rate was more than 4 percentage points lower in early 2007 than in early 2012.

In a separate question, also posed last August but not in 2007, manufacturers were asked how much they expected a typical worker's wage or salary to increase (or decrease) over the next twelve months—not including benefits and not including any promotion or change in hours worked. The vast majority of respondents, 83 percent, predicted at least some increase in pay, while the remaining 17 percent expected no change in wages; none of the respondents

anticipated a decline. The average expected pay increase was reported to be 2.3 percent, while the median was 2.6 percent; both figures were marginally lower than the corresponding figures in last August's survey.

Finally, in a set of questions not posed previously, respondents were asked whether it had become easier or more difficult to retain (both skilled and other) workers in recent months, and how they expected their assessment to change over the next twelve months. While most firms reported no recent change, the percentage of respondents reporting that it had grown more difficult was considerably higher than the percentage reporting the reverse—especially for skilled workers. Moreover, looking ahead to the next twelve months, a sizable 36 percent of respondents expected that it would get harder to retain skilled workers, while just 3 percent thought that it would get easier. ■

## Supplemental Report, *continued*

### QUESTION 1

To what extent have you recently had difficulty finding workers who are proficient in each of the following areas?

	Percentage of Respondents Reporting:					Difficulty Rating*		
	No Difficulty	←————→			Great Difficulty	April 2012	August 2011	March 2007
Basic math skills	8	14	38	30	10	55.4	49.4	48.8
Basic English skills	14	14	41	27	5	48.7	48.9	47.6
Basic computer skills	9	16	43	25	6	50.9	44.7	48.2
Advanced computer skills	5	10	35	27	23	63.0	61.3	61.6
Interpersonal skills	5	14	47	30	4	53.5	50.6	51.5
Punctuality / reliability	5	18	44	20	13	54.4	55.9	54.2

\* This composite measure facilitates comparisons across the three surveys as well as the six skill categories. The measure gives the following weights to the columns shown: 0 percent, 25 percent, 50 percent, 75 percent, 100 percent. It can range from 0 (when all respondents indicate no difficulty) to 100 (when all respondents indicate great difficulty).

### QUESTION 2

By about what percentage, on average, do you expect a typical worker's wage/salary—not including benefits—to change over the next twelve months?

	April 2012	August 2011
Average expected percentage increase	2.3	2.4
Median expected percentage increase	2.6	2.8
Percentage of respondents expecting		
Decrease	0.0	0.0
No change	17.5	21.1
Increase	82.5	78.9
2 percent or less	26.3	18.9
More than 2 and up to 4 percent	55.0	52.2
More than 4 percent	1.3	7.8

### QUESTION 3

In recent months, has it become easier or more difficult for your firm to retain its existing skilled, as well as unskilled, workers? How about over the next twelve months?

Percentage of Respondents Indicating . . .	In Recent Months		In the Next Twelve Months	
	Skilled Workers	Unskilled Workers	Skilled Workers	Unskilled Workers
Increasingly difficult to retain	22.2	14.1	35.8	13.9
No change	72.8	80.8	61.7	81.0
Increasingly easy to retain	4.9	5.1	2.5	5.1