

Supplemental Report:

Sales Up in 2013; Employment, Capital Spending Steady

In a series of supplementary questions to the August 2013 *Empire State Manufacturing Survey*, manufacturers were asked how much their sales, employment levels, and capital spending had changed between the first half of 2012 and the first half of 2013 and how they expected these measures to evolve over the full year.

Manufacturers were also asked how their 2013 sales (revenue), hiring, and capital spending squared with their expectations at the beginning of the year. Some of these questions had been posed previously in July 2012 and in earlier July surveys; others were previously asked in August 2012 (see table).

In this year's survey, the median respondent reported that in the first half of 2013, sales were up 3 percent from the first half of 2012; in last July's survey, the median respondent had reported a 4½ percent rise. For the full calendar year, however, sales were expected to be up by 5 percent in

2013—the same gain projected in last year's survey. In the current survey, the median respondent reported no change in the number of employees—both year-to-date and for the full year 2013. In the 2012 survey, the median estimated change in employment was roughly 2 percent—both for the first half of the year and for all of 2012. Capital spending for 2013 was also little changed: the median reported change was zero year-to-date, with a 1 percent gain expected for the full year.

In addition, survey respondents were asked if they had recently modified their sales/revenue expectations for the second half of 2013. Responses were slightly negative, on balance, with almost 35 percent of firms indicating that they had scaled back expectations and just 23 percent saying they had revised them upward. This result reflects somewhat more pessimism than in last July's survey: at that time, respondents were asked about

modifications to production plans, and responses were almost evenly balanced between upward and downward revisions.

Manufacturers were also asked to assess their hiring and capital spending for 2013 relative to what they had planned at the beginning of the year. Year-to-date, actual hiring and capital spending fell slightly short of planned levels, on balance. Similarly, hiring plans for the second half of the year were, on balance, revised downward modestly: 26 percent of those surveyed made downward revisions, while just 11 percent revised their hiring plans upward. Modifications to capital spending plans were more symmetric, with 25 percent intending to increase spending and 17 percent scaling back such plans. Still, a majority of those surveyed indicated that plans had not changed. ■

Supplemental Report, *continued*

QUESTION 1

Please estimate the percentage change in your firm's sales, number of employees, and capital spending from 2012 to 2013—both for the first half of the year and what you expect for the full year:

	Median Percentage Change from Prior Year				
	August 2013	July 2012	July 2011	July 2010	July 2009
Total sales					
First half of year	3.0	4.5	5.0	7.0	-15.0
Full year	5.0	5.0	6.0	8.0	-15.0
Number of employees					
First half of year	0.0	2.0	3.0	0.0	-10.0
Full year	0.0	2.0	2.8	0.0	-10.0
Capital spending					
First half of year	0.0	—	—	—	—
Full year	1.0	—	—	—	—

QUESTION 2

In the past several months, to what extent have you modified your sales/revenue expectations for the second half of the year?*

	Percentage of Respondents				
	August 2013	July 2012	July 2011	July 2010	July 2009
Reduced substantially	8.5	6.2	1.1	1.6	31.3
Reduced somewhat	26.8	16.0	23.3	17.5	31.3
No change	41.5	51.9	53.3	47.6	16.7
Increased somewhat	19.5	23.5	16.7	30.2	19.8
Increased substantially	3.7	2.5	5.6	3.2	1.0

* In the July 2012 and earlier July surveys, respondents were asked about modifications to production plans rather than sales/revenue expectations.

Supplemental Report, *continued*

QUESTION 3

Relative to what you were planning at the beginning of this year, how have your actual hiring and capital spending proceeded thus far this year?

	Percentage of Respondents			
	August 2013		August 2012	
	Actual Hiring	Actual Capital Spending	Actual Hiring	Actual Capital Spending
Much less than planned	6.1	6.2	6.0	8.5
Somewhat less than planned	18.3	19.8	22.6	15.9
About as planned	58.5	54.3	48.8	56.1
Somewhat more than planned	15.9	17.3	21.4	15.9
Much more than planned	1.2	2.5	1.2	3.7

QUESTION 4

Relative to what you were planning at the beginning of 2013, how have you modified your hiring and capital spending plans for the remainder of this year?

	Percentage of Respondents			
	August 2013		August 2012	
	Projected Hiring	Projected Capital Spending	Projected Hiring	Projected Capital Spending
Revised lower substantially	9.9	8.6	8.2	9.5
Revised lower somewhat	16.0	16.0	28.2	20.2
About the same	63.0	58.0	44.7	54.8
Revised higher somewhat	8.6	16.0	18.8	14.3
Revised higher substantially	2.5	1.2	0.0	1.2