

Supplemental Survey Report

Businesses Report Increasing Difficulty in Retaining Skilled Workers

In this month's 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 tables on the following pages show results of the survey alongside results from parallel surveys conducted in April 2013 and earlier.

Responses in this month's survey were somewhat similar to those recorded in the April 2013 and earlier surveys. Workers with advanced computer skills continued to be seen as the hardest to find: on a scale of 0 to 100, this task received a difficulty rating of 63 among manufacturers and 50 among service firms in this month's survey—similar to ratings in earlier surveys. (See the table on the next page for a detailed explanation of this measure.) Service firms reported almost as much difficulty in finding candidates with good interpersonal skills. Among manufacturers, finding workers who are punctual and reliable again

received the second highest difficulty rating. A substantial proportion of manufacturing respondents also reported some difficulty in finding workers with basic math skills, but this category was considered much less problematic among service sector respondents. In general, difficulty ratings for most of the skill categories were considerably higher among manufacturing than service sector respondents—particularly for basic skills. This was also the case in earlier surveys.

In a separate question, 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. Close to 30 percent of service firms and 22 percent of manufacturers expected salaries to remain unchanged, while no respondents projected a decrease. Among manufacturers, the average expected pay increase was 2.4 percent, and the median increase was 2.5 percent; among service firms, the average anticipated increase was 2.2 percent, and the median increase was 2.0 percent—all the same as in last April's survey.

Finally, respondents were asked whether it had become easier or more difficult to retain workers—both skilled and other—in recent months, and how they expect their assessment to change over the next twelve months. Slightly more than 30 percent of manufacturers reported that it had grown increasingly difficult to retain skilled workers over the past year, while just 8 percent said that it had become easier. Among service firms, the responses were even more lopsided: 28 percent and 3 percent, respectively. Moreover, these results were more lopsided than those in last April's survey.

Looking ahead to the next twelve months, a sizable 46 percent of service firms and 37 percent of manufacturers said they expected that it would become more difficult to retain skilled workers, while fewer than 5 percent of respondents expected that it would become easier. Firms in both surveys also anticipated that it would become increasingly difficult, on balance, to find less skilled workers, but by a narrower margin. ■

Supplemental Survey Report, *continued*

QUESTION 1

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

	Empire State Manufacturing Survey									
	Percentage of Respondents Reporting:					Difficulty Rating*				
	No Difficulty	←————→				Great Difficulty	April 2014	April 2013		
Basic math skills	14	13	24	40	9	54.3	53.3			
Basic English skills	15	19	35	27	3	46.0	44.9			
Basic computer skills	12	18	40	25	5	48.4	46.1			
Advanced computer skills	10	8	28	30	25	63.2	62.0			
Interpersonal skills	8	11	51	28	2	51.6	50.0			
Punctuality / reliability	9	18	27	36	11	55.6	56.6			

	Business Leaders Survey									
	Percentage of Respondents Reporting:					Difficulty Rating*				
	No Difficulty	←————→				Great Difficulty	April 2014	April 2013		
Basic math skills	39	16	29	14	2	30.8	37.8			
Basic English skills	38	20	24	15	4	31.9	38.1			
Basic computer skills	36	19	24	18	2	32.9	31.2			
Advanced computer skills	19	14	29	23	15	50.2	53.2			
Interpersonal skills	17	17	33	29	4	46.7	43.4			
Punctuality / reliability	22	24	29	22	3	40.1	39.9			

*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).

Supplemental Survey Report, *continued*

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?

	Empire State Manufacturing Survey				Business Leaders Survey			
	April 2014	April 2013	April 2012	August 2011	April 2014	April 2013	April 2012	August 2011
Expected percentage increase								
Average	2.4	2.4	2.3	2.4	2.2	2.2	2.7	1.5
Median	2.5	2.5	2.6	2.8	2.0	2.0	2.8	1.0
Percentage of respondents expecting								
Decrease	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0
No change	22.1	19.8	17.5	21.1	28.9	26.5	17.4	39.1
Increase	77.9	79.1	82.5	78.9	71.1	73.5	82.6	60.9
2 percent or less	17.9	20.9	26.3	18.9	26.6	33.7	23.9	21.7
More than 2 and up to 4 percent	52.6	55.8	55.0	52.2	36.7	33.7	54.3	34.8
More than 4 percent	7.4	2.3	1.3	7.8	7.8	6.0	4.3	4.3

Supplemental Survey Report, *continued*

QUESTION 3A

In recent months, would you say it's gotten easier or more difficult for your firm to retain your existing skilled, as well as unskilled, workers?

	Empire State Manufacturing Survey			Business Leaders Survey		
	Skilled Workers			Skilled Workers		
	April 2014	April 2013	April 2012	April 2014	April 2013	April 2012
Percentage of Respondents Reporting:						
Increasingly difficult to retain	30.5	23.8	22.2	28.3	22.9	24.4
No change	61.1	67.9	72.8	68.5	68.7	68.9
Increasingly easy to retain	8.4	8.3	4.9	3.1	8.4	6.7
	Unskilled Workers			Unskilled Workers		
	April 2014	April 2013	April 2012	April 2014	April 2013	April 2012
Percentage of Respondents Reporting:						
Increasingly difficult to retain	12.4	17.1	14.1	7.0	5.7	5.0
No change	84.3	73.2	80.8	86.1	84.3	77.5
Increasingly easy to retain	3.4	9.8	5.1	7.0	10.0	17.5

QUESTION 3B

Over the next twelve months, do you expect it to get easier or more difficult for your firm to retain your existing skilled, as well as unskilled, workers?

	Empire State Manufacturing Survey			Business Leaders Survey		
	Skilled Workers			Skilled Workers		
	April 2014	April 2013	April 2012	April 2014	April 2013	April 2012
Percentage of Respondents Reporting:						
Increasingly difficult to retain	37.2	33.3	35.8	45.7	33.7	32.6
No change	58.5	64.3	61.7	51.2	61.4	65.2
Increasingly easy to retain	4.3	2.4	2.5	3.1	4.8	2.2
	Unskilled Workers			Unskilled Workers		
	April 2014	April 2013	April 2012	April 2014	April 2013	April 2012
Percentage of Respondents Reporting:						
Increasingly difficult to retain	22.1	19.0	13.9	14.7	9.0	12.2
No change	74.4	76.2	81.0	82.8	85.1	78.0
Increasingly easy to retain	3.5	4.8	5.1	2.6	6.0	9.8

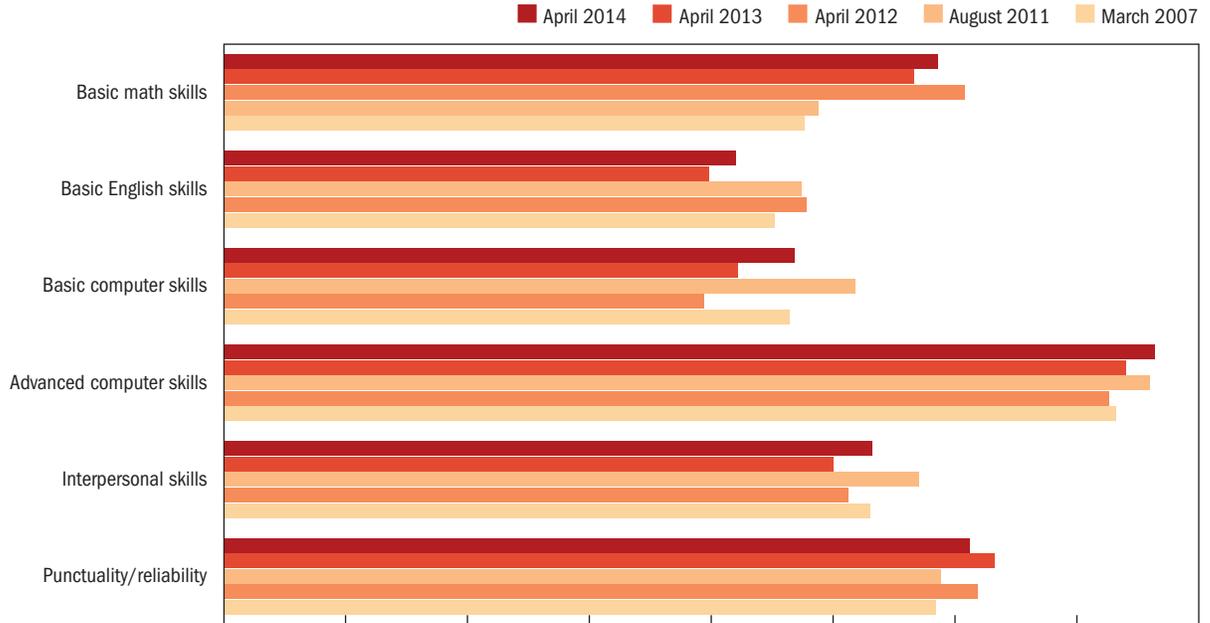
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HISTORICAL OVERVIEW FOR QUESTION 1

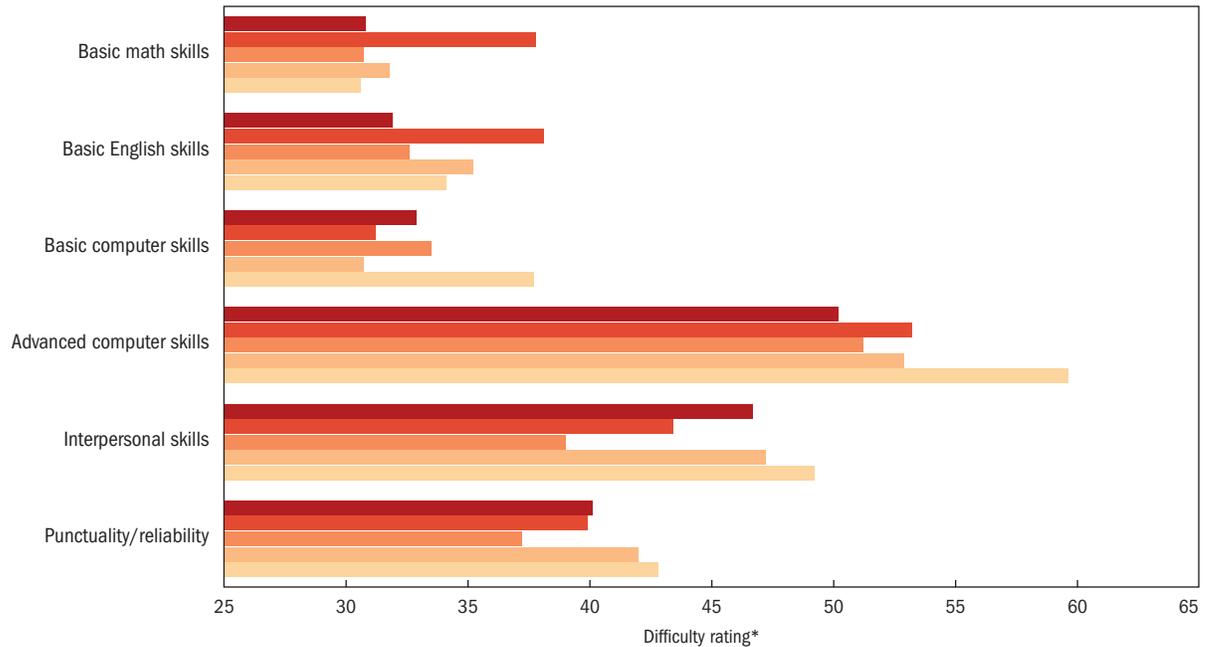
To what extent have you recently had difficulty finding workers who are proficient in each of the following areas?

Difficulty Ratings: April 2014, April 2013, and Earlier Surveys

Empire State Manufacturing Survey



Business Leaders Survey



*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).

Note: When this chart was published on April 16, 2014, the bars in the chart were mislabeled. As of April 28, the chart has been corrected. We regret the error.