

Supplemental Survey Report

Sales Expectations and Hiring Plans Scaled Back Somewhat for Remainder of 2015

In a series of supplementary questions to the July 2015 *Empire State Manufacturing Survey* and *Business Leaders Survey*, businesses were asked how much their sales, employment levels, and capital spending had changed between the first half of 2014 and the first half of 2015 and how they expected these measures to develop over the full year. Manufacturers were also asked about their 2015 revenues (sales), hiring, and capital spending, relative to what they were expecting at the beginning of the year.

In this month's survey, the median respondent in both the manufacturing and service-sector surveys reported that sales in the first half of this year were up 3 percent from comparable 2014 levels. In assessing sales prospects for full-year 2015, businesses tended to anticipate further improvement: the median firm in both surveys projected annual sales to

be 4 percent higher in 2015 than in 2014. In last June's survey, the median increase projected for 2014 was also 4 percent among respondents in both surveys.

When asked about changes in staffing levels, the median respondent in this month's manufacturing survey indicated no change, while the median respondent in the service-sector survey reported a modest 0.3 percent rise. For full-year 2015, the median projection was for no change in both survey groups. Capital spending for the first few months of 2014 was also reported as unchanged from a year earlier—for both manufacturing and service firms. However, when asked about capital spending for the full year, the median manufacturing respondent projected a 5 percent hike, while the median service-sector respondent anticipated a 2 percent hike.

Survey respondents were also asked if they had recently modified their sales/revenue expectations for the second half of 2015. Responses were somewhat negative, on balance: 47 percent of manufacturers reported that they had scaled back expectations, while 29 percent said that they had revised expectations upward. Similarly, among service firms, 36 percent reported upward revisions, while 23 percent indicated downward revisions.

Lastly, businesses were asked about their hiring and capital spending for 2015, relative to what they had been planning at the beginning of the year. Actual hiring has been slightly less than planned, on balance, among both manufacturing and service-sector respondents. Capital spending has been less than planned among service-sector firms, but as planned, on balance, among manufacturing firms. ■

Supplemental Survey Report, *continued*

QUESTION 1

Please estimate the percentage change in your firm's sales, number of employees, and capital spending from 2014 to 2015—both for the first half of the year and what you expect for the full year:

	July 2015		June 2014	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Median Percentage Change from 2014 to 2015		Median Percentage Change from 2013 to 2014	
Total Sales				
First half of year	3.0	3.0	1.5	3.0
Full year	4.0	4.0	4.0	4.0
Number of Employees				
First half of year	0.0	0.3	0.0	0.0
Full year	0.0	0.0	0.0	1.0
Capital Spending				
First half of year	0.0	0.0	0.0	0.0
Full year	5.0	2.0	0.0	3.0

QUESTION 2

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

	July 2015		June 2014	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Percentage of Respondents		Percentage of Respondents	
Reduced substantially	9.8	2.3	5.5	2.4
Reduced somewhat	37.0	33.6	25.3	29.8
No change	23.9	41.4	44.0	46.0
Increased somewhat	26.1	21.9	19.8	20.2
Increased substantially	3.3	0.8	5.5	1.6

Supplemental Survey Report, *continued*

QUESTION 3

Relative to what you planned at the beginning of 2015, how are your actual hiring and capital spending proceeding for the full calendar year 2015?

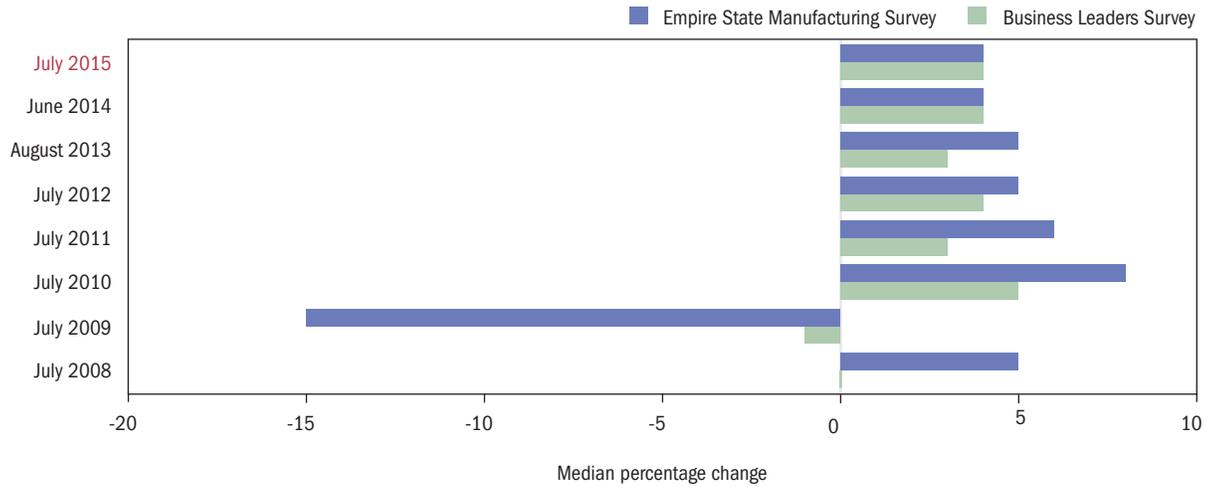
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	July 2015			
	Actual Hiring		Actual Capital Spending	
	Percentage of Respondents		Percentage of Respondents	
Much less than planned	5.5	4.0	7.8	7.9
Somewhat less than planned	20.9	20.0	11.1	17.3
About as planned	53.8	59.2	62.2	60.6
Somewhat more than planned	17.6	16.0	15.6	11.8
Much more than planned	2.2	0.8	3.3	2.4

Supplemental Survey Report, *continued*

HISTORICAL OVERVIEW FOR QUESTION 1A

Please estimate the percentage change in your firm's *sales* from last year to this year.

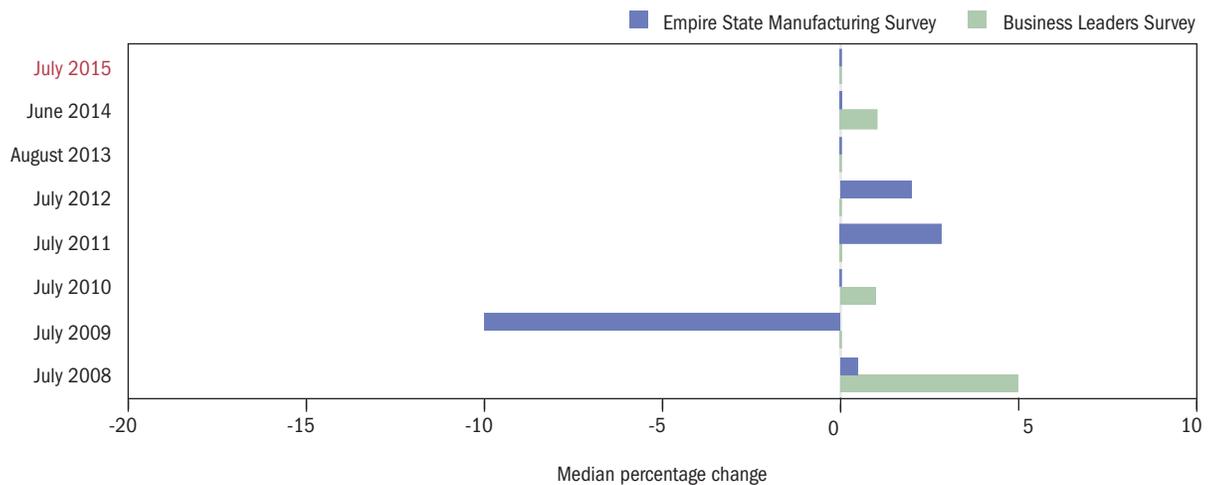
Survey Conducted in:



HISTORICAL OVERVIEW FOR QUESTION 1B

Please estimate the percentage change in your firm's *employment level* from last year to this year.

Survey Conducted in:



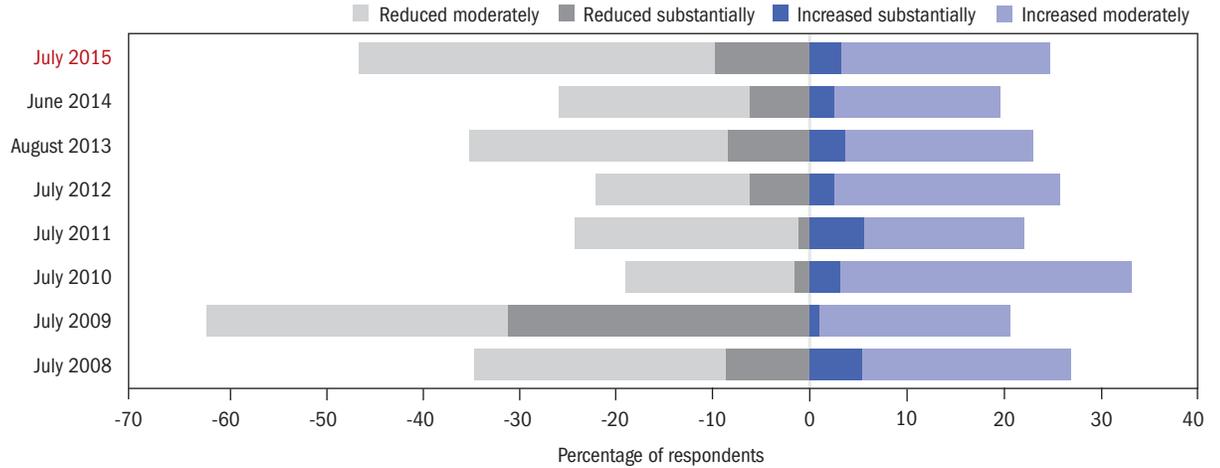
Note: Manufacturers reported no change in their employment level in July 2015, June 2014, August 2013, and July 2010; service-sector firms reported no change in their employment level in July 2015, August 2013, July 2012, July 2011, and July 2009.

Supplemental Survey Report, *continued*

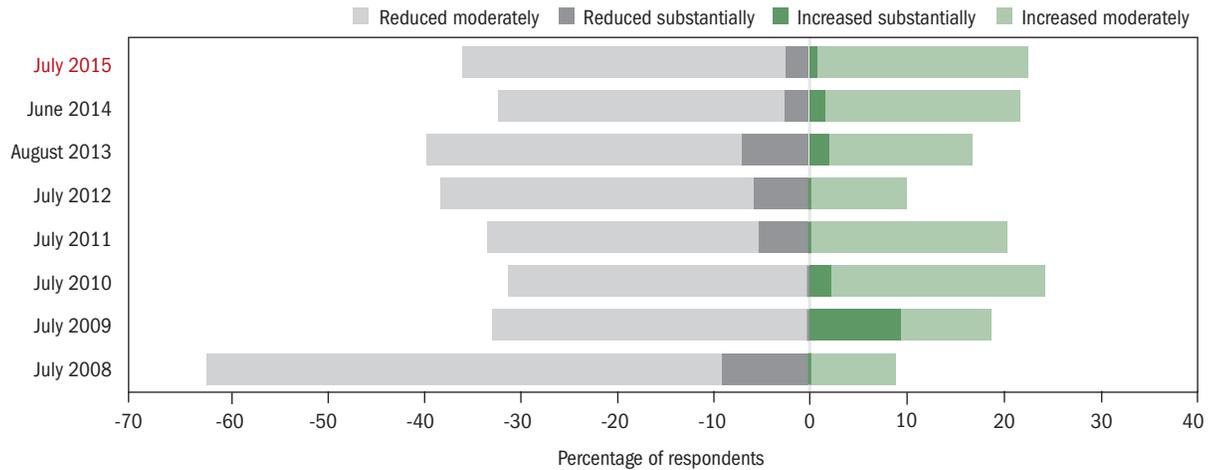
HISTORICAL OVERVIEW FOR QUESTION 2

To what extent have you modified your sales expectations in recent months?

Empire State Manufacturing Survey



Business Leaders Survey



Note: In July 2012 and earlier surveys, manufacturers were asked about “production plans,” as opposed to sales/revenue expectations.