

Supplemental Survey Report

Firms Anticipate Steady to Lower Borrowing Needs, See Little Change in Credit Availability

Supplementary questions in the October 2016 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on recent and expected changes in firms' borrowing needs and credit availability. Parallel questions had been asked in July 2014 and in earlier surveys.

As in earlier surveys, a majority of respondents in both surveys reported no change in borrowing needs—both over the past year and over the past three months. When asked about their borrowing needs over the next twelve months, more manufacturing respondents said they expect them to recede than to increase.

Respondents were asked about changes in credit availability. A large majority in both surveys reported no change—both over the past year and over the past three months. Looking ahead to expected changes in credit availability over the next year, again, the vast majority of respondents in both surveys indicated that they anticipate little change, on balance. However, of those expecting a change, nearly twice as many respondents in both surveys anticipated tightening as anticipated easing in credit availability.

Respondents were also asked if they had applied for credit in the past twelve months; roughly 40 percent of both manufacturing and service

sector respondents said they had. Of those who had sought credit, the vast majority—74 percent of manufacturers and 62 percent of service firms—said they had been offered full funding and had accepted it. Roughly 15 percent in both surveys said they had been offered partial funding and had accepted it. The remainder did not end up getting funding, either because they were denied it or because the terms or amount of funding were considered unsatisfactory. The 60 percent of respondents who had not applied for credit were asked why they had not sought credit; almost all of them said it was because their current financing needs had been met. ■

Supplemental Survey Report, *continued*

QUESTION 1

How do your current borrowing needs compare with those three months earlier? Twelve months earlier? How do you expect them to change over the next twelve months?

	October 2016 Survey			July 2014 Survey		
	Percentage of Respondents			Percentage of Respondents		
	Lower Now	Same	Higher Now	Lower Now	Same	Higher Now
Empire State Manufacturing Survey						
Now compared with 3 months earlier	20.2	64.4	15.4	16.1	65.5	18.4
Now compared with 12 months earlier	25.5	51.9	22.6	25.3	52.9	21.8
Over the next 12 months	23.8	63.4	12.9	18.5	60.5	21.0
Business Leaders Survey						
Now compared with 3 months earlier	13.7	71.2	15.1	9.6	68.8	21.6
Now compared with 12 months earlier	15.2	65.9	18.8	14.5	61.3	24.2
Over the next 12 months	20.3	58.6	21.1	10.0	60.8	29.2

QUESTION 2

How has credit availability changed over the past three months? Past twelve months? How do you expect it to change over the next twelve months?

	October 2016 Survey			July 2014 Survey		
	Percentage of Respondents			Percentage of Respondents		
	Lower Now	Same	Higher Now	Lower Now	Same	Higher Now
Empire State Manufacturing Survey						
Over the past 3 months	9.4	83.0	7.5	7.0	84.9	8.1
Over the past 12 months	10.5	81.9	7.6	8.1	83.7	8.1
Over the next 12 months	8.6	75.2	16.2	7.3	80.5	12.2
Business Leaders Survey						
Now compared with 3 months earlier	9.3	77.1	13.6	11.8	81.9	6.3
Now compared with 12 months earlier	12.9	72.1	15.0	12.0	75.2	12.8
Over the next 12 months	10.9	69.3	19.7	20.2	61.3	18.5

Supplemental Survey Report, *continued*

QUESTION 3

Has your business applied for credit in the past twelve months? If not, why not? If so, how did it turn out?

	Empire State Manufacturing Survey	Business Leaders Survey
	Percentage of Respondents	
No	58.7	61.9
<i>As a percentage of those responding No</i>		
Because our financing needs are currently met	86.9	90.7
Because we did not expect to be able to obtain credit	6.6	4.7
Yes	41.3	38.1
<i>As a percentage of those responding Yes</i>		
Were offered full funding and accepted it	74.4	62.3
Were offered full funding but declined it because the terms were unfavorable	2.3	7.5
Were offered partial funding and accepted it	14.0	15.1
Were offered partial funding but declined it because the terms were unfavorable	2.3	5.7
Were offered full/partial funding but declined it because we no longer needed it	0.0	1.9
Were not offered any funding	7.0	1.9