

# Supplemental Survey Report

## Firms Anticipate a Rise in Borrowing Needs, See Modest Tightening in Credit Availability

Supplementary questions in the October 2017 *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 October 2016 and in earlier surveys.

As in earlier surveys, a large 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 respondents in both surveys said they expected them to rise than recede. This contrasts with last October, when twice as many manufacturers expected such needs to decrease than increase while service firms were evenly split.

Respondents were asked about changes in credit availability. A vast majority of respondents in both surveys (roughly four-fifths) 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, a sizable majority of respondents in both surveys (about two-thirds) indicated that they anticipated little change, on balance. Of those expecting a change, nearly twice as many service sector respondents anticipated tightening as anticipated easing in credit availability; among manufacturers, expectations were more evenly split.

Respondents were also asked if they had applied for credit in the past twelve months. As in last October's survey, roughly 40 percent of both

manufacturing and service sector respondents said they had. Of those who had sought credit, the vast majority—77 percent of manufacturers and 67 percent of service firms—said they were offered full funding and had accepted it. Thirteen percent of service firms and 9 percent of manufacturers said they had received 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 nearly 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. These results were almost identical to those in the 2016 survey. ■

## 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 2017 Survey			October 2016 Survey		
	Percentage of Respondents			Percentage of Respondents		
	Lower	Same	Higher	Lower	Same	Higher
<b>Empire State Manufacturing Survey</b>						
Now compared with 3 months earlier	18.0	68.8	13.3	20.2	64.4	15.4
Now compared with 12 months earlier	21.4	64.3	14.3	25.5	51.9	22.6
Over the next 12 months	18.0	55.7	26.2	23.8	63.4	12.9
<b>Business Leaders Survey</b>						
Now compared with 3 months earlier	14.3	71.4	14.3	13.7	71.2	15.1
Now compared with 12 months earlier	23.5	57.5	19.0	15.2	65.9	18.8
Over the next 12 months	17.8	53.9	28.3	20.3	58.6	21.1

### 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 2017 Survey			October 2016 Survey		
	Percentage of Respondents			Percentage of Respondents		
	Easier	Same	Tighter	Easier	Same	Tighter
<b>Empire State Manufacturing Survey</b>						
Over the past 3 months	8.9	83.1	8.1	9.4	83.0	7.5
Over the past 12 months	13.9	78.7	7.4	10.5	81.9	7.6
Over the next 12 months	14.8	65.6	19.7	8.6	75.2	16.2
<b>Business Leaders Survey</b>						
Over the past 3 months	9.2	79.7	11.1	9.3	77.1	13.6
Over the past 12 months	11.3	76.2	12.6	12.9	72.1	15.0
Over the next 12 months	11.7	68.2	20.1	10.9	69.3	19.7

## 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?

	October 2017 Survey		October 2016 Survey	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Percentage of Respondents		Percentage of Respondents	
<b>No</b>	<b>57.6</b>	<b>58.3</b>	<b>58.7</b>	<b>61.9</b>
<i>As a percentage of those responding No</i>				
Because our financing needs are currently met	83.3	80.7	86.9	90.7
Because we did not expect to be able to obtain credit	4.2	9.1	6.6	4.7
<b>Yes</b>	<b>42.4</b>	<b>41.7</b>	<b>41.3</b>	<b>38.1</b>
<i>As a percentage of those responding Yes</i>				
Were offered full funding and accepted it	77.4	66.7	74.4	62.3
Were offered full funding but declined it because the terms were unfavorable	0.0	3.2	2.3	7.5
Were offered partial funding and accepted it	9.4	12.7	14.0	15.1
Were offered partial funding but declined it because the terms were unfavorable	1.9	1.6	2.3	5.7
Were offered full/partial funding but declined it because we no longer needed it	1.9	1.6	0.0	1.9
Were not offered any funding	3.8	1.6	7.0	1.9