

Supplemental Survey Report

Businesses Report Ongoing Shortfalls in Employment and Revenues

Supplemental questions in the August 2020 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on effects that the coronavirus pandemic has had on various aspects of business. This survey was in the field from August 3 to August 10.

In response to the first question (see table below), service sector businesses, on average, indicated that about half their workforce was working on site; the average manufacturer, in contrast, noted that 84 percent of its workforce was working onsite. Of those not working onsite, the vast majority were reported to be working from home, while a modest proportion were on temporary furlough—either with or without paid benefits.

When asked about staffing levels relative to this time last year, service sector panelists indicated that they were down 15 percent, on average, while manufacturers reported an average decline of less than 4 percent. However, there was wide dispersion in the responses—especially among service firms, with 13 percent of businesses indicating increases in employment and another 13 percent

reporting declines of more than 50 percent. Also, reported staff reductions tended to be a bit steeper, proportionally, among smaller firms than larger firms. Over the course of the next month, staffing levels are expected to rise slightly, on average, at service firms, while manufacturers anticipate a further decline.

When asked about average hours worked by staff relative to a year ago, service sector firms indicated a 4 percent decline, on average, while manufacturers reported a 6 percent average decline—also with a fair amount of dispersion.

Respondents were also asked about their July revenues relative to a year earlier. The median business indicated a 20 percent decline, in both the service sector and manufacturing surveys, while the average declines were 30 percent and 25 percent, respectively.

When firms were asked about various financial issues over the next month, collecting payables from customers and maintaining adequate cash flow tended to be the top concerns in both surveys, followed by incurring excessive debt.

Of the categories listed, making loan and rent payments were generally the areas of least concern, on average.

A sizable majority of firms surveyed—71 percent of service firms and 82 percent of manufacturers—applied for and received SBA Payroll Protection Program (PPP) loans. Among other types of loans, 20 percent of service firms and 17 percent of manufacturers took out Economic Injury Disaster Loans (EIDLs), and just 2 percent of respondents in both surveys received Main Street Lending Facility (MSLF) loans.

Finally, businesses were asked how long they could continue without becoming insolvent if current revenue levels were to persist and if there were no further support from government programs. Roughly one-third of firms in both surveys said they would eventually become insolvent if current revenue levels were to persist and there was no further government support. Of those indicating that they would become insolvent, about half said they could last at least another six months in both surveys, and the average expected time frame for this was about ten months. ■

Supplemental Survey Report, *continued*

QUESTION 1

What percentage of your existing workforce is currently . . .

	Business Leaders Survey	Empire State Manufacturing Survey
	Percentage of Respondents	
Working onsite	49	84
Working from home	42	10
On furlough without paid benefits	4	2
On furlough with paid benefits	4	3
On sick leave	0	0
On paid leave other than sick leave	0	0

QUESTION 2

We would like to know about the level of your workforce and the average number of hours worked by your staff. Please indicate past, present, and projected levels for each of the following:

	Business Leaders Survey		Empire State Manufacturing Survey	
	Average Number of Employees	Average Hours Worked per Week	Average Number of Employees	Average Hours Worked per Week
A year ago	321	39	130	42
Now	271	38	125	39
Expected at end of August	276	37	120	40

QUESTION 3

Roughly how would you say your overall revenue in July compared with your overall revenue a year earlier (in July 2019)?

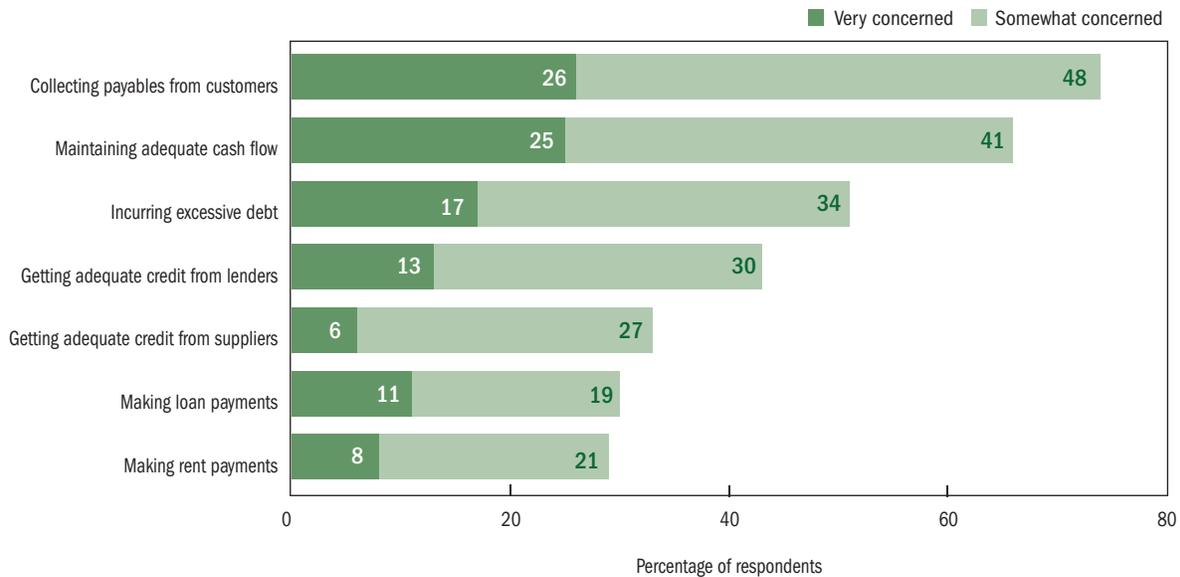
	Business Leaders Survey	Empire State Manufacturing Survey
Average percentage	-30	-25
Median percentage	-20	-20

Supplemental Survey Report, *continued*

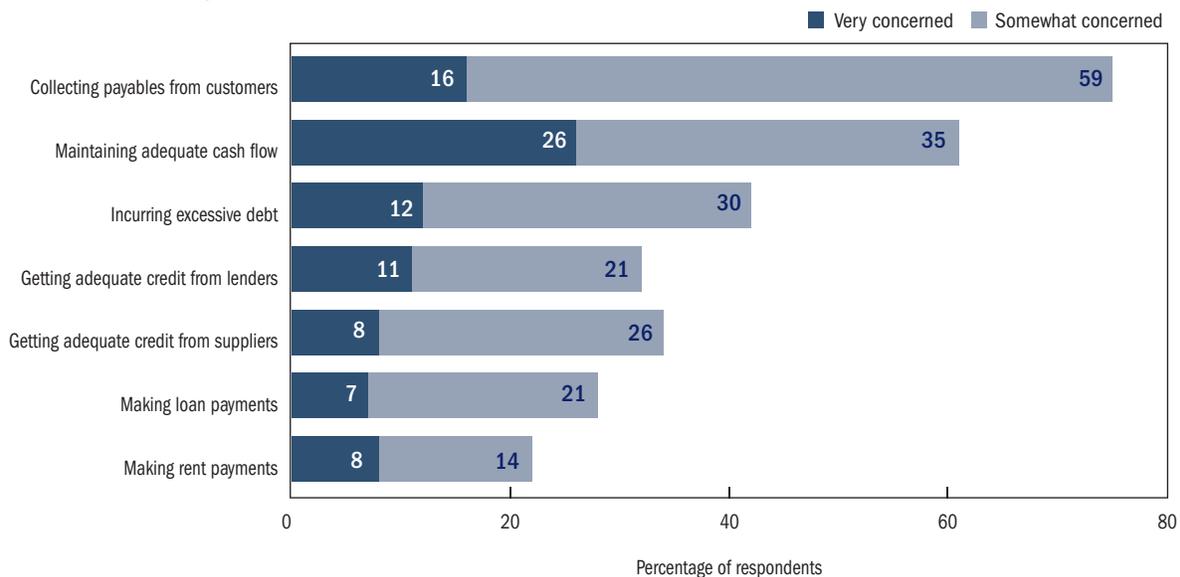
QUESTION 4

How concerned are you about your ability to deal with each of the following over the next month?

Business Leaders Survey



Empire State Manufacturing Survey



Supplemental Survey Report, *continued*

QUESTION 5

Have you taken out any of the following types of loans?

	Business Leaders Survey				Empire State Manufacturing Survey			
	Percentage of Respondents							
	Yes	No, Application Denied	No, Not Eligible	No, Eligible but Did Not Apply	Yes	No, Application Denied	No, Not Eligible	No, Eligible but Did Not Apply
SBA Payroll Protection Program Loan	71	0	17	11	82	0	9	10
Economic Injury Disaster Loan	20	5	41	34	17	1	45	37
Main Street Lending Facility	2	2	54	42	2	0	47	51

QUESTION 6

If current revenue levels were to persist, without any further support from government programs, how much longer do you expect your business could survive?

	Business Leaders Survey	Empire State Manufacturing Survey
	Percentage of Respondents	
Our business would not become insolvent	66	68
Our business would be insolvent in about this many months:	34	32
1-3 months	4	5
4-6 months	12	12
7-12 months	10	11
More than 12 months	8	5
Based on those who report that they would become insolvent:		
Mean number of months	10.5	9.6
Median number of months	8.0	6.0