

# Supplemental Survey Report

## Businesses See Flat Employment and Capital Spending in 2016; Manufacturers Scale Back Sales Expectations for the Second Half

In a series of supplementary questions to the July 2016 *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 2015 and the first half of 2016, as well as for the full respective calendar years. Businesses were also asked how their 2016 revenues (sales), hiring, and capital spending budgets were tracking, relative to what they had been expecting at the beginning of this year. Parallel questions were posed previously in July 2015 and in earlier surveys.

In this year's survey, the median service sector respondent reported that sales in the first half of this year were up 4 percent from comparable 2015 levels and the median projected gain for the full year was 3.5 percent. The

median manufacturing respondent, in contrast, indicated no change for either the first half or the full year. In last July's survey, both manufacturers and service firms projected a 4 percent gain for the full year, based on medians.

In assessing changes in staffing levels from the first half of 2015 to the first half of this year, the median respondent in both surveys indicated no change. Projections for the full year 2016 were also for no change in both survey groups, based on median responses. The median change in capital spending—for both the first half of 2016 and for the full year—was also reported to be unchanged from a year earlier in both surveys.

Survey respondents were also asked if they had recently modified their sales/revenue expectations for the second

half of 2016. Responses were fairly negative, on balance, particularly among manufacturers: more than 60 percent of manufacturers reported that they had scaled back expectations, while 16 percent said they had revised them upward. Among service firms, 41 percent reported downward revisions, while 20 percent revised their expectations upward.

Businesses were also asked about how their hiring and capital spending for 2016 is proceeding, relative to what they had planned at the beginning of the year. Hiring has been slightly less than planned, on balance, among both manufacturing and service sector respondents. Capital spending has been running less than planned among manufacturing respondents, but ahead of plan, on balance, among service sector firms. ■

## Supplemental Survey Report, *continued*

### QUESTION 1

Please estimate the percentage change in your firm's sales, number of employees, and capital spending from 2015 to 2016—both for the first half of the year and what you expect for the full year:

	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	July 2016		July 2015	
	Median Percentage Change from 2015 to 2016		Median Percentage Change from 2014 to 2015	
<b>Total Sales</b>				
First half of year	0.0	4.0	3.0	3.0
Full year	0.0	3.5	4.0	4.0
<b>Number of Employees</b>				
First half of year	0.0	0.0	0.0	0.3
Full year	0.0	0.0	0.0	0.0
<b>Capital Spending</b>				
First half of year	0.0	0.0	0.0	0.0
Full year	0.0	0.0	5.0	2.0

### QUESTION 2

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

	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	July 2016		July 2015	
	Percentage of Respondents		Percentage of Respondents	
Reduced substantially	17.2	7.0	9.8	2.3
Reduced somewhat	43.7	34.3	37.0	33.6
No change	23.0	39.2	23.9	41.4
Increased somewhat	14.9	16.1	26.1	21.9
Increased substantially	1.1	3.5	3.3	0.1

## Supplemental Survey Report, *continued*

**QUESTION 3**

Relative to what you were planning at the beginning of this year, how have your actual hiring and capital spending proceeded thus far this year?

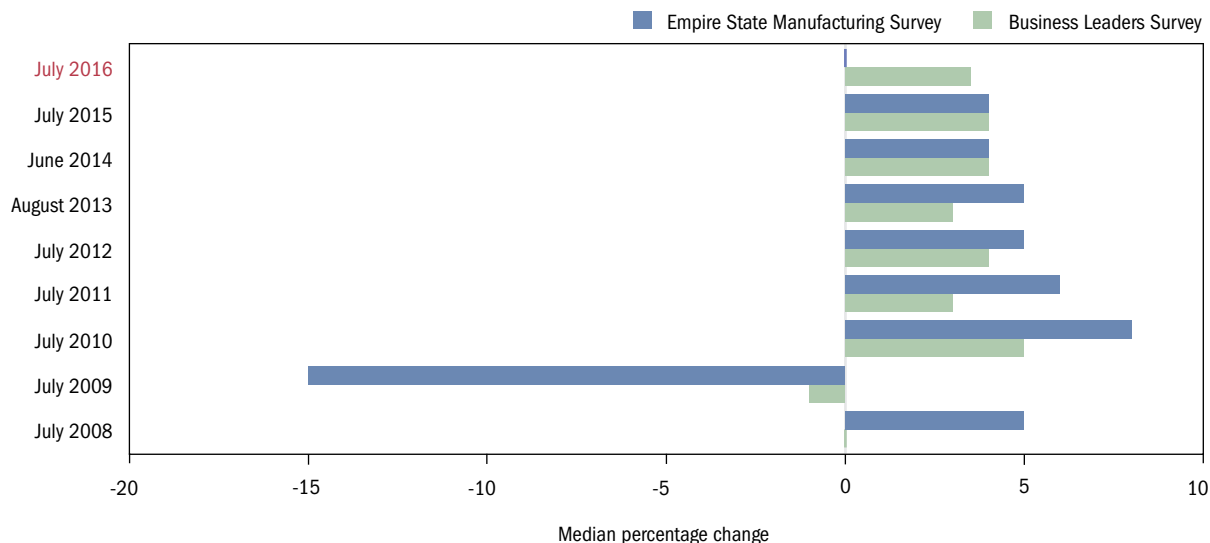
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
July 2016				
	Actual Hiring		Actual Capital Spending	
	Percentage of Respondents		Percentage of Respondents	
Much less than planned	11.5	4.2	11.9	4.3
Somewhat less than planned	26.4	19.7	15.5	11.3
About as planned	52.9	60.6	58.3	63.8
Somewhat more than planned	8.0	13.4	10.7	17.0
Much more than planned	1.1	2.1	3.6	3.5

# 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.

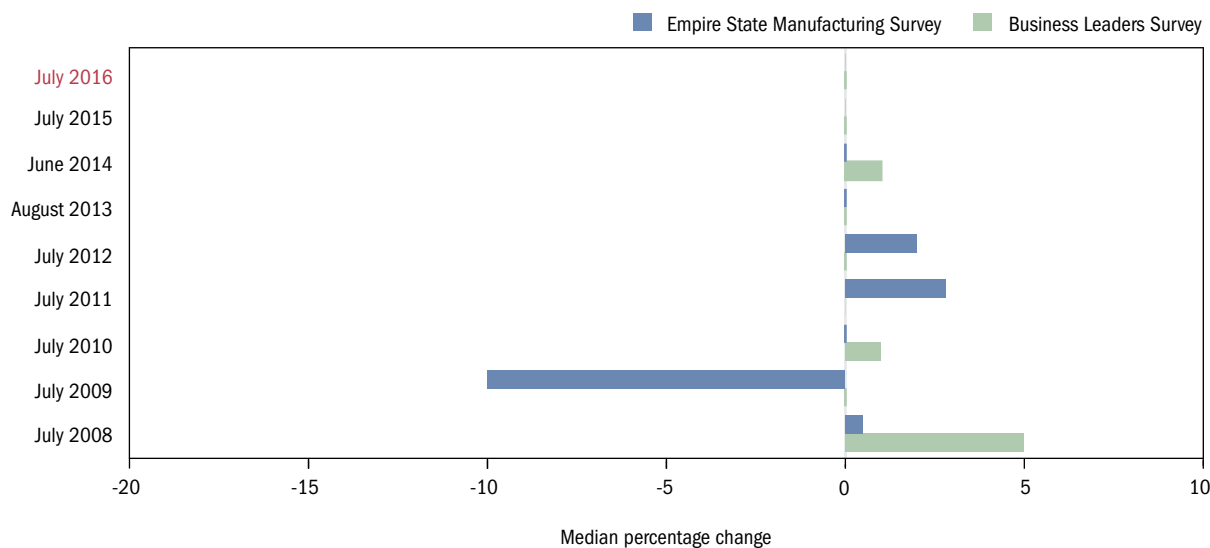
Survey Conducted in:



## 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:



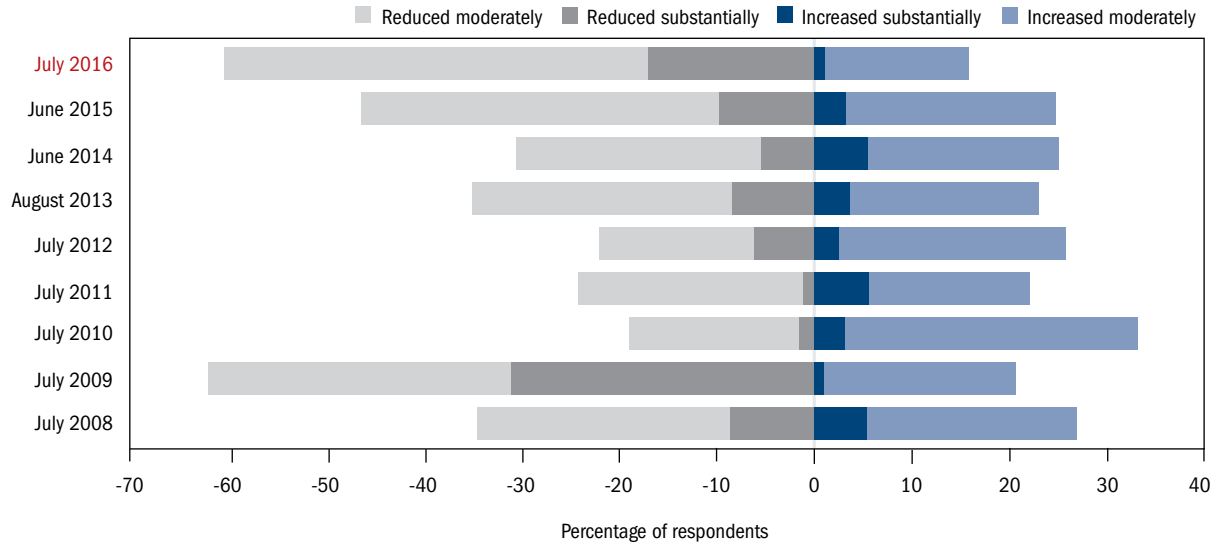
Note: Manufacturers reported no change in their employment level in July 2016, July 2015, June 2014, August 2013, and July 2010; service-sector firms reported no change in their employment level in July 2016, July 2015, August 2013, July 2012, July 2011, and July 2009.

# Supplemental Survey Report, *continued*

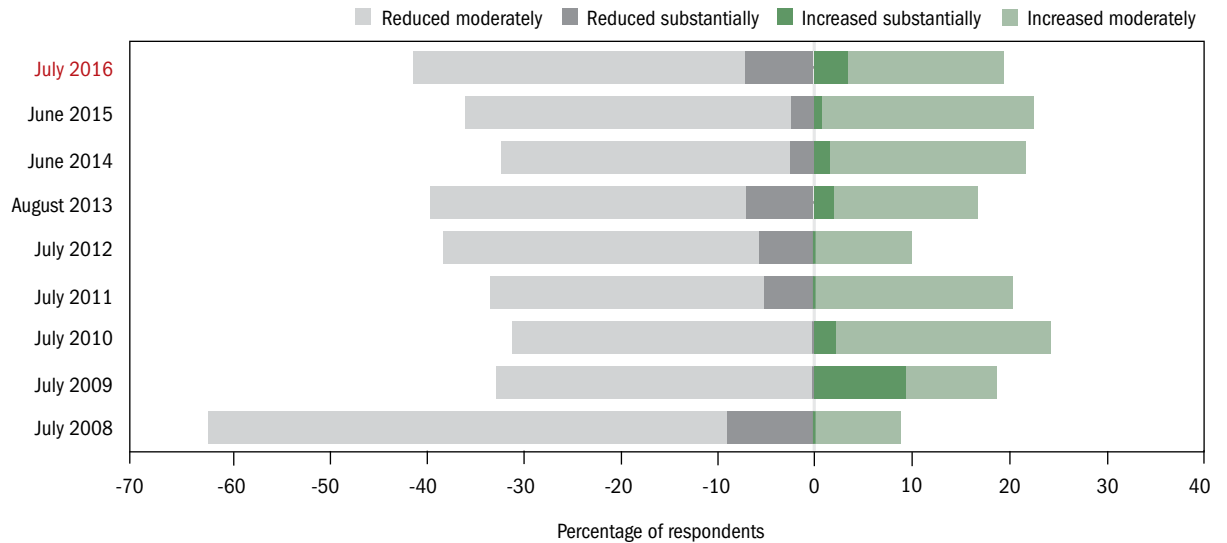
**HISTORICAL OVERVIEW FOR QUESTION 2**

**To what extent have you modified your sales (revenue) 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.