

Supplemental Survey Report

Job Openings Taking Longer to Fill; Minimum Wage Hike Affecting Manufacturers More than Service Firms

Supplemental questions in the February 2019 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on staffing and compensation issues, including effects of the recent minimum wage hike in New York. Firms were queried about the extent of their hiring, the degree of difficulty they encountered in filling job openings, and their expectations for wage and salary growth. The first five questions had been asked in surveys conducted in February 2018 and earlier, as shown in the tables below.

Respondents were asked how many workers they had hired in the past twelve months. The median number of new hires as a percentage of firms' total employees was 7.9 percent among manufacturers and 7.5 percent among service firms (in both cases, up from 7.1 percent in last February's survey).

When asked how long, on average, it had taken to fill job openings over the preceding twelve months (mostly 2018), the median manufacturing respondent

said thirty days, while the median service sector respondent indicated forty-five days—both readings unchanged from the last couple years' surveys. When asked how these intervals compared with their experience in 2017, 59 percent of manufacturers and 43 percent of service firms reported that the duration of job vacancies had increased, while only 6 percent of service firms and almost no manufacturers reported a shorter duration. Businesses were also asked how many job openings they had at the time of the survey: the median figure for job openings as a share of the workforce was 2.7 percent among manufacturers—about the same as in last February's survey but up sharply from 1.0 percent in the 2017 survey. Among service sector respondents, the median figure was 1.7 percent (down slightly from 2.0 percent).

Respondents with operations in New York were asked how much of an effect, if any, the recent increase in the state's minimum wage had on their decisions about compensation

and employment. [A parallel question was asked in April 2018, following the previous minimum wage hike.] In the current survey, 60 percent of service sector respondents indicated no effect, while 14 percent reported a significant effect (up from 10 percent in 2018). Among manufacturers, 36 percent indicated no effect—about the same proportion as in early 2018—while 22 percent noted a significant effect (up from 17 percent).

New York State businesses were also asked what percentage of their workers had been earning less than the current (2019) minimum wage, prior to this latest hike. The average share was 5 percent among service firms and 4 percent among manufacturers. Finally, New York businesses were queried on what share of their workforce saw a larger wage raise than they otherwise would have, as a result of the latest minimum wage hike. The average reported share was 18 percent among manufacturers and 11 percent among service firms. ■

Supplemental Survey Report, *continued*

QUESTIONS 1-5	Empire State Manufacturing Survey			Business Leaders Survey		
	Median (Except Where Indicated)			Median (Except Where Indicated)		
	February 2019	February 2018	January 2017	February 2019	February 2018	January 2017
QUESTION 1 Roughly how many workers are currently employed at your establishment?	55	50	65	52	50	62
QUESTION 2 Roughly how many new workers has your establishment hired over the past year?	4.5	4	3	5	3	5
New hires as a share of workforce*	7.9%	7.1%	5.5%	7.5%	7.1%	7.5%
QUESTION 3 Thinking about job vacancies at your establishment over the past year, on average, roughly how many days did it take you to fill a typical position?	30	30	30	45	45	45
QUESTION 4 How does this number compare with the prior year's number? Percentage of respondents replying:						
More days than in the prior year	59%	50%	38%	43%	42%	35%
Same number of days as in the prior year	39%	46%	54%	51%	54%	59%
Fewer days than in the prior year	2%	4%	8%	6%	5%	5%
QUESTION 5 Roughly how many job openings are there at your establishment at the present time?	2.0	2.0	1.0	2.0	2.0	2.0
Job openings as a share of workforce*	2.7%	2.6%	1.0%	1.7%	2.0%	1.5%

* This measure represents the median percentage across all respondents.

Supplemental Survey Report, *continued*

QUESTION 6

Has the increase in the minimum wage, effective January 1, 2019, had any effect on your business's decisions about compensation and/or employment?

	Empire State Manufacturing Survey	Business Leaders Survey
	Percentage of Respondents Reporting	
No effect	35.8	59.5
Small effect	27.0	13.5
Moderate effect	15.3	13.5
Significant effect	21.9	13.5

Note: Only businesses in New York State were asked to respond to this question.

QUESTION 7

Approximately what percentage of your workforce, *prior* to this latest minimum wage hike, was earning less than the current (2019) minimum wage?

	Empire State Manufacturing Survey	Business Leaders Survey
Average percentage	4.0	5.1
Median percentage	0.0	0.0

Note: Only businesses in New York State were asked to respond to this question.

QUESTION 8

For approximately what percentage of your workforce did the latest minimum wage hike cause you to raise wages more than you otherwise would have?

	Empire State Manufacturing Survey	Business Leaders Survey
Average percentage	17.6	11.0
Median percentage	2.0	0.0

Note: Only businesses in New York State were asked to respond to this question.