

Supplemental Survey Report

Manufacturers Report Fewer Job Openings; Minimum Wage Hike Disproportionately Affecting Smaller Firms' Workforces

Supplemental questions in the February 2020 *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. All eight questions had been asked in surveys conducted in February 2019 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 7.1 percent among manufacturers—down from 7.9 percent a year ago—and 7.5 percent among service firms (the same as in last February's survey).

When asked how long, on average, it had taken to fill job openings over the preceding twelve months (mostly 2019), the median manufacturing respondent said thirty days, while the median service sector

respondent indicated forty-five days—both unchanged from the last few years' surveys. When asked how these intervals compared with their experience in 2018, 38 percent of manufacturers reported that the duration of job vacancies had increased, while 9 percent said it had decreased—a considerably narrower margin than in last February's survey. Among service firms, 45 percent of respondents noted a longer duration, while 6 percent reported a shorter duration, both figures little changed from last year's survey. 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 1.6 percent among manufacturers—down notably from last February's survey. Among service sector respondents, the median figure was 2.2 percent, half a percentage point higher than in last year's survey.

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 last year's survey, and also in April 2018.] In the current survey, 61 percent of service sector respondents indicated no effect, while 16 percent reported a significant effect—about the same as in last February's survey. Among manufacturers, 41 percent indicated no effect (up from 36 percent), while 18 percent noted a significant effect.

Businesses were asked what percentage of their workers had been earning less than the current (2020) minimum wage, prior to this latest hike. The average share was 6.5 percent among service firms and 5.1 percent among manufacturers—both proportions up moderately from last February's survey. Finally, businesses were also 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 20 percent among manufacturers (up a bit from last year) and 10 percent among service firms (down slightly). In both groups, smaller establishments tended to report a higher share than larger establishments. ■

Supplemental Survey Report, *continued*

QUESTIONS 1-5

	Empire State Manufacturing Survey				Business Leaders Survey			
	Median (Except Where Indicated)				Median (Except Where Indicated)			
	February 2020	February 2019	February 2018	January 2017	February 2020	February 2019	February 2018	January 2017
QUESTION 1 Roughly how many workers are currently employed at your establishment?	55	55	50	65	55	52	50	62
QUESTION 2 Roughly how many new workers has your establishment hired over the past year?	4	4.5	4	3	5	5	3	5
New hires as a share of workforce*	7.1%	7.9%	7.1%	5.5%	7.5%	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	30	45	45	45	45
Mean (average) response	45.8	50.8	42.8	32.4	54.3	48.3	54.3	52.6
QUESTION 4 How does this number compare with the prior year's number? Percentage of respondents replying:								
More days than in the prior year	38%	59%	50%	38%	45%	43%	42%	35%
Same number of days as in the prior year	53%	39%	46%	54%	48%	51%	54%	59%
Fewer days than in the prior year	9%	2%	4%	8%	6%	6%	5%	5%
QUESTION 5 Roughly how many job openings are there at your establishment at the present time?	1.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0
Job openings as a share of workforce*	1.6%	2.7%	2.6%	1.0%	2.2%	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, 2020, had any effect on your business's decisions about compensation and/or employment?

	Empire State Manufacturing Survey			Business Leaders Survey		
	Percentage of Respondents Reporting			Percentage of Respondents Reporting		
	February 2020	February 2019	April 2018	February 2020	February 2019	April 2018
No effect	40.6	35.8	35.7	60.7	59.5	61.0
Small effect	17.2	27.0	28.7	12.9	13.5	14.7
Moderate effect	24.2	15.3	18.6	10.4	13.5	14.7
Significant effect	18.0	21.9	17.1	16.0	13.5	9.6

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 (2020) minimum wage?

	Empire State Manufacturing Survey			Business Leaders Survey		
	February 2020	February 2019	April 2018	February 2020	February 2019	April 2018
Average percentage	4.9	4.0	5.9	6.5	5.1	6.2
Median percentage	0.0	0.0	0.0	0.0	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		
	February 2020	February 2019	April 2018	February 2020	February 2019	April 2018
Average percentage	20.2	17.6	19.9	9.9	11.0	9.0
Median percentage	2.5	2.0	2.5	0.0	0.0	0.0

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