

Supplemental Report:

Manufacturers Still Face Difficulty Finding Workers with Select Skills

In a series of supplementary questions to the April 2013 *Empire State Manufacturing Survey*, respondents were asked how much difficulty, if any, they were experiencing in finding workers proficient in select skill categories. They were also asked about anticipated increases in wages and salaries over the next twelve months, and about recent and expected changes in the level of difficulty they faced in finding both skilled and unskilled workers. The table below reports results of the survey alongside results from parallel surveys conducted in April 2012 and earlier.

Responses in this month's survey were not substantially different from those recorded either last April or in August 2011. As in the earlier surveys, workers with advanced computer skills were seen as the hardest to find: on a scale of 0 to 100, this task received a difficulty rating of 62 in this month's survey—

almost identical to its rating in earlier surveys. (See the table for a detailed explanation of this measure.) Finding workers who are punctual and reliable received the second highest difficulty rating; this rating climbed slightly from 54 in the survey conducted a year ago to 57 in the current survey. In general, difficulty ratings for most of the skill categories were a bit lower than in the April 2012 survey but about the same as in the August 2011 survey—an interesting comparison given that New York State's labor market has tightened over the past year.

In a separate question, manufacturers were asked how much they expected a typical worker's wage or salary to increase (or decrease) over the next twelve months—including benefits and not including any promotion or change in hours worked. About 79 percent of respondents predicted at least some increase in

pay, while 20 percent expected no change in wages; only 1 percent anticipated a decline. The average expected pay increase was reported to be 2.4 percent, while the median was 2.5 percent—in both cases, almost exactly the same as in last April's survey.

Finally, respondents were asked whether it had become easier or more difficult to retain workers—both skilled and unskilled—in recent months, and how they expected their assessment to change over the next twelve months. While most firms reported no recent change, the percentage of respondents reporting that it had grown more difficult was considerably higher than the percentage reporting the reverse—especially for skilled workers. Moreover, looking ahead to the next twelve months, a sizable 33 percent of respondents expected that it would get more difficult to retain skilled workers, while just 2 percent expected it to get easier. ■

Supplemental Report, *continued*

QUESTION 1

To what extent have you recently had difficulty finding workers who are proficient in each of the following areas?

	Percentage of Respondents Reporting:					Difficulty Rating*		
	No Difficulty	←————→			Great Difficulty	April 2013	April 2012	August 2011
Basic math skills	13	12	33	35	7	53.2	55.4	49.4
Basic English skills	12	24	29	32	4	45.0	48.7	48.9
Basic computer skills	10	23	35	27	6	46.1	50.9	44.7
Advanced computer skills	10	10	29	29	24	61.9	63.0	61.3
Interpersonal skills	7	15	43	31	4	50.0	53.5	50.6
Punctuality / reliability	7	15	33	24	20	56.5	54.4	55.9

* This composite measure facilitates comparisons across the three surveys as well as the six skill categories. The measure gives the following weights to the columns shown: 0 percent, 25 percent, 50 percent, 75 percent, 100 percent. It can range from 0 (when all respondents indicate no difficulty) to 100 (when all respondents indicate great difficulty).

QUESTION 2

By about what percentage, on average, do you expect a typical worker's wage/salary—not including benefits—to change over the next twelve months?

	April 2013	April 2012	August 2011
<i>Expected percentage increase</i>			
Average	2.4	2.3	2.4
Median	2.5	2.6	2.8
<i>Percentage of respondents expecting</i>			
Decrease	1.1	0.0	0.0
No change	19.5	17.5	21.1
Increase	79.3	82.5	78.9
2 percent or less	21.8	26.3	18.9
More than 2 and up to 4 percent	55.2	55.0	52.2
More than 4 percent	2.3	1.3	7.8

QUESTION 3

In recent months, has it become easier or more difficult for your firm to retain its existing skilled, as well as unskilled, workers? How about over the next twelve months?

Percentage of Respondents Indicating...	In Recent Months		In the Next Twelve Months	
	Skilled Workers	Unskilled Workers	Skilled Workers	Unskilled Workers
Increasingly difficult to retain	23.5	16.9	32.9	18.8
No change	68.2	73.5	64.7	76.5
Increasingly easy to retain	8.2	9.6	2.4	4.7