

# Supplemental Survey Report

## Service Firms See Particularly Widespread Fallout from Coronavirus

Supplemental questions in the March 2020 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on observed effects, thus far, of the novel coronavirus on various aspects of business. The survey was in the field from March 2 to March 10.

In response to the first question (see table below), businesses were asked what effects, if any, the outbreak has had on the availability of materials/inputs (in other words, have they experienced supply chain disruptions). On this issue, 41 percent of service firms and 48 percent of manufacturers reported at least some adverse effects. However, a slightly larger share of service sector respondents reported significant effects

than did manufacturing respondents: 8 percent versus 7 percent.

When asked about the outbreak's effect on prices paid for materials or inputs, 31 percent of service firms and 21 percent of manufacturers noted an upward effect, while fewer than 10 percent of firms in both surveys indicated a downward effect. The vast majority of businesses in both surveys reported no effect on their selling prices.

When asked about effects on sales to foreign customers, 21 percent of service firms and 25 percent of manufacturers reported a negative effect, though it should be noted that—based on a survey conducted last August—more

than 50 percent of service sector respondents and nearly 30 percent of manufacturers do not have direct revenues from foreign customers. With regard to sales to domestic customers, nearly 40 percent of service firms and nearly 30 percent of manufacturers reported adverse effects. A handful of firms—7 percent of service firms and 11 percent of manufacturers—reported at least some upward effect on sales.

Finally, when asked about the overall effects on their bottom line (profits), 53 percent of service firms and 41 percent of manufacturers reported downward effects, with 11 percent and 8 percent, respectively, reporting significant downward effects. ■

## Supplemental Survey Report, *continued*

**QUESTION 1**

What effect do you see the recent outbreak of the coronavirus having on each of these components of your business thus far in 2020?

	Percentage of Respondents Reporting				
	Significant Downward Effect	Slight Downward Effect	No Effect	Slight Upward Effect	Significant Upward Effect
<b>Empire State Manufacturing Survey</b>					
Availability of materials/inputs	6.6	41.6	51.1	0.7	0.0
Prices you pay for materials/inputs	0.7	6.6	71.3	18.4	2.9
Your selling prices	0.7	2.9	89.8	6.6	0.0
Your sales to foreign customers	6.0	19.4	72.4	2.2	0.0
Your sales to domestic customers	5.9	22.2	60.7	8.9	2.2
<b>Overall net effect on your bottom line</b>	<b>8.3</b>	<b>33.1</b>	<b>52.6</b>	<b>4.5</b>	<b>1.5</b>
<i>Total Responses</i>	137				
<b>Business Leaders Survey</b>					
Availability of materials/inputs	8.3	32.7	56.6	2.4	0.0
Prices you pay for materials/inputs	1.0	6.9	60.8	27.5	3.9
Your selling prices	0.5	14.8	77.3	7.4	0.0
Your sales to foreign customers	9.3	11.3	78.4	1.0	0.0
Your sales to domestic customers	5.4	33.8	53.4	6.9	0.5
<b>Overall net effect on your bottom line</b>	<b>10.8</b>	<b>41.7</b>	<b>42.6</b>	<b>4.9</b>	<b>0.0</b>
<i>Total Responses</i>	205				