
“The Zogby Analytics Difference: we bring four decades of experience in measuring attitudinal behaviors among a wide array of sectors, target audiences and geographic locations all over the world in order to establish meaning and context for your research needs.”

Manufacturing Executives: Attitudes, Operations, Expectations & Opportunities

Operations and Opportunities

Although the data did present negative attitudes from manufacturers regarding the current political, economic, and educational conditions throughout the state, there were some positive responses which can represent a silver lining going forward:

- About half (48%) say their company has invested more in plant and equipment in New York in the past five years than say they have invested less (26%).
- Seven in ten (68%) give a good or fair rating to their company's ability to maintain business operations in New York State.
- The number of manufacturing executives who say their employment levels have increased (30%) is up from 2010 and 2012 levels.
- All three mood indicators: current economic conditions, current state of the manufacturing industry, economic development options available to your company all had slightly higher positive ratings when compared with 2010 and 2012 levels.

Highlights

There is really no appreciable improvement in attitude or outlook since MACNY/Zogby Analytics began this series in 2010.

The general mood indicators remain very low.

- Only one in four feel that the state is headed in the right direction, while three in five feel things are on the wrong track.
- Nine in ten (88%) say current economic conditions are only Fair or Poor.
- Four in five believe that current economic development options are either Fair or Poor.
- Four in five say the current state of manufacturing in New York State is only Fair or Poor.
- 42% believe that the state's political climate has gotten worse in the past few years, around twice as many (23%) who think it has gotten better.
- More (39%) say the economic climate has gotten worse in the past few years, while 22% feel it has gotten better.
- By a factor of five to one, more say that maintaining manufacturing business operation in NYS has gotten worse (53%), while only 10% feel it has gotten better.

The more specific mood indicators are equally bleak.

- Only 16% feel that NYS is a good place to launch or develop a small manufacturing business and only 11% think that the state is a good place for young people to begin and advance a career.
- Even fewer, 9% sense that NYS is a good place for manufacturers from other parts of the country to want to relocate.
- Fewer say that their company's employment levels within New York have increased (30%) than say they have decreased (41%) in the past five years.
- A majority (56%) say their company did not meet its profitability goals in the past year. Two in five (41%) say they did.

Nor are these manufacturing officials particularly sanguine about the future: in the next few years, 35% expect that maintaining manufacturing operations in New York will get worse, while 25% expect it to get better.

Business leaders polled by far identified taxes as the top concern overall in the state (76%). This was followed by the economy and lack of jobs (39%), education and schools (22%), and health care (19%). This sentiment about the state's taxes was expressed in a number of ways in the MACNY/Zogby Analytics poll:

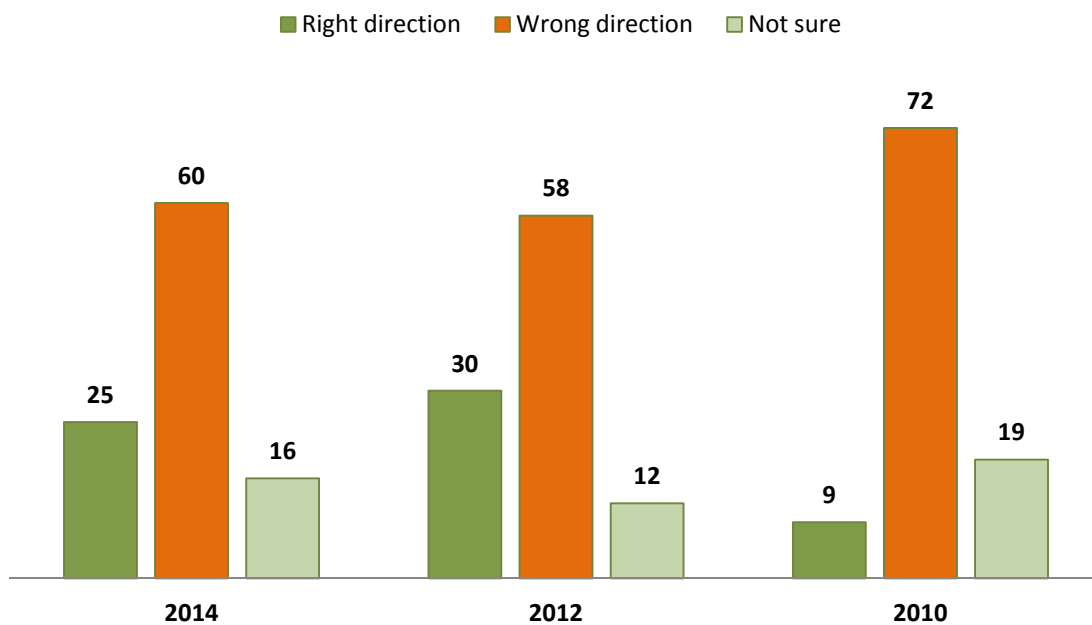
- About half (46%) identified taxes as posing the greatest competitive problems to manufacturers in the state, more so than employee health benefits (37%), worker's compensation (21%), finding skilled employees (16%), and regulations (14%)
- When asked which policies would best help their company's ability to invest in NYS, 69% said reducing property taxes, 66% said reducing corporate taxes, and 61% said reducing personal income taxes. Two in three (64%) cited reducing energy costs and 53% wanted reform of labor regulations.

As mentioned above, education was cited as a major issue statewide. We probed this a bit in the poll. Only 25% feel that high school graduates are prepared sufficiently to be employed at their business, however community colleges fare better in their minds: 48% say community colleges do a good job preparing students for employment at their business, but 46% do not. In general, young people are seen as not measuring up to employment standards for manufacturing; 76% say they do not have the discipline required, 67% feel they lack the technical skills required, 72% believe they do not have the commitment for long term training, and 54% say they do not have the ability to learn a job.

A majority (61%) cites having a difficult time filling technical jobs, 43% have trouble filling middle management jobs, 40% have trouble filling jobs that require an advanced degree in science and engineering, and even 26% say it is tough finding people to fill clerical/administrative jobs.

Analytics Tables and Charts

**2. Generally speaking, do you think the State of New York
is going in the right direction or off on the wrong track?**



3a. Current economic conditions in NYS?

3b. The economic development options available to your company within NYS?

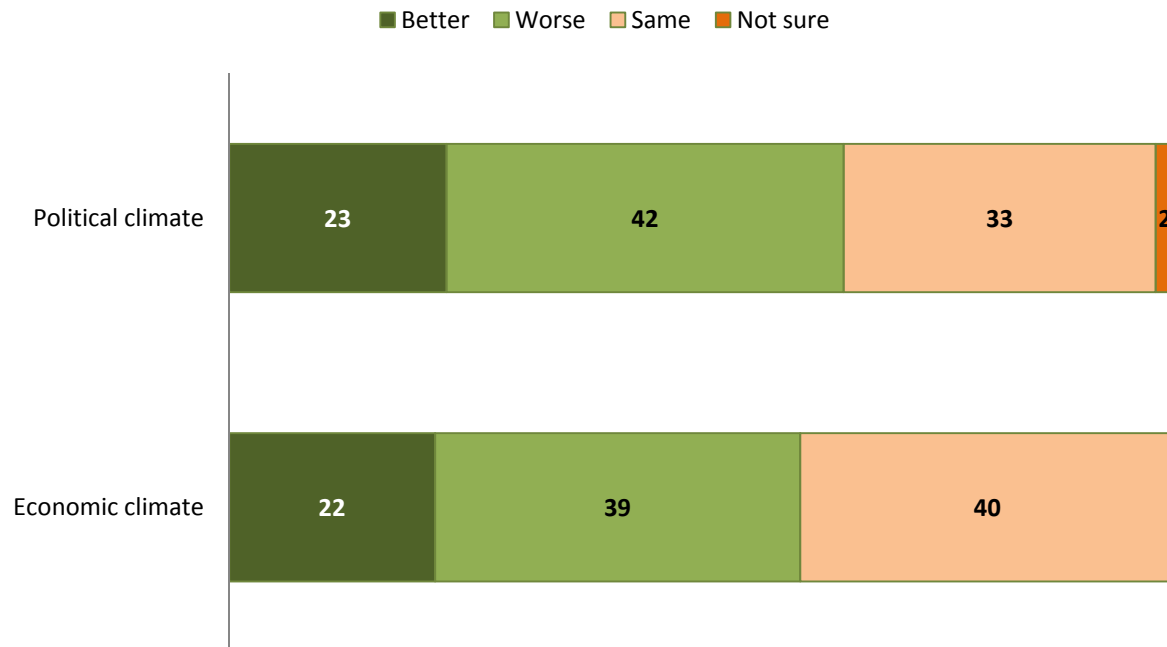
3c. The current state of the manufacturing industry within NYS?

3d. Your company's ability to maintain its business operations within NYS?

. . . in New York State	2014			2012			2010		
	Pos	Neg	Not sure	Pos	Neg	Not sure	Pos	Neg	Not sure
Current economic conditions. . .	12	88	--	4	95	1	5	95	--
Economic development options available to your company. . .	17	79	4	10	84	6	13	78	9
Current state of the manufacturing industry. . .	12	83	4	9	88	3	6	87	7
Your company's ability to maintain its business operations. . .	27	72	1	32	67	1	28	70	2

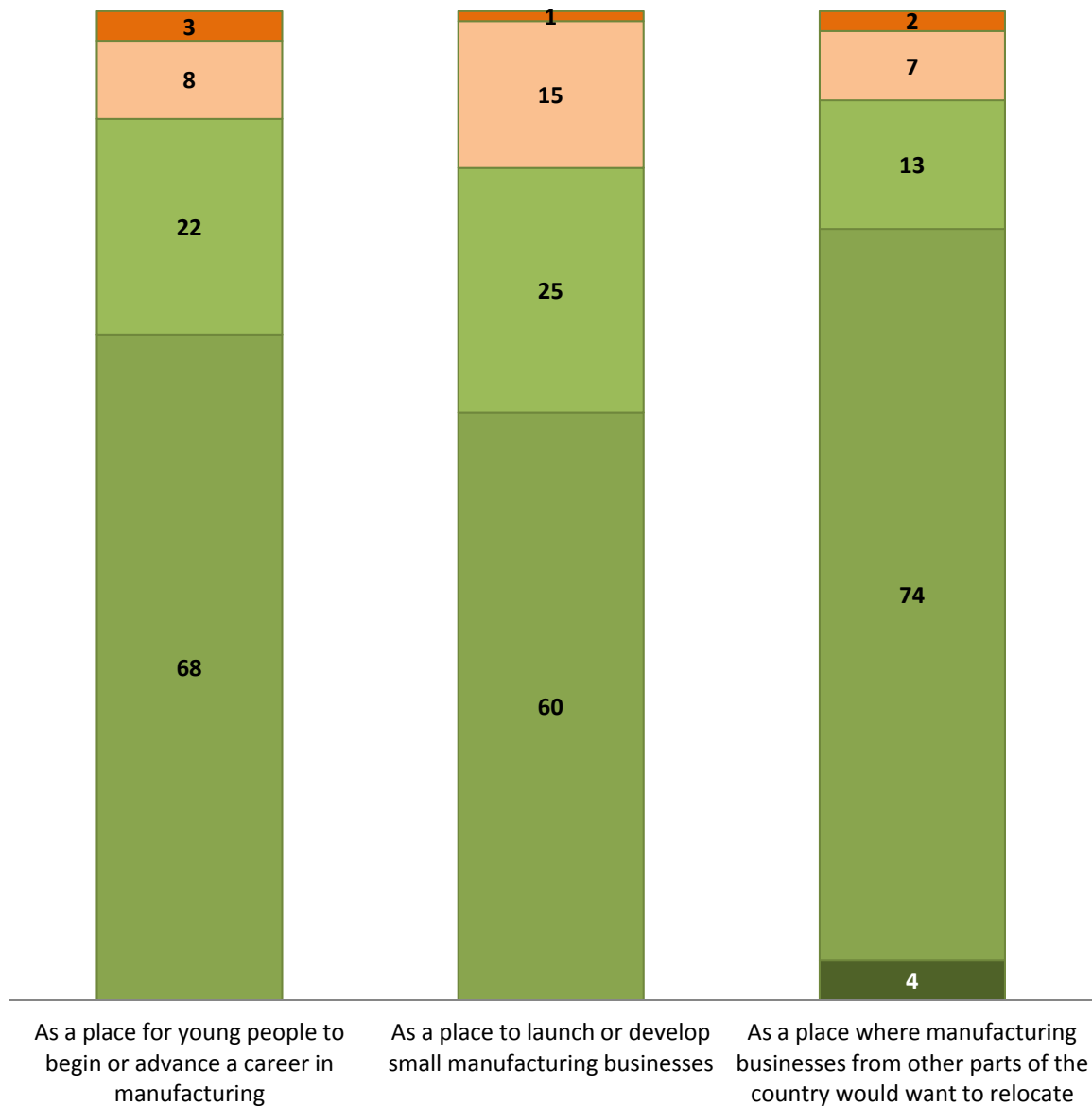
Q4. Top two issues facing the			
State of New York	2014	2012	2010
Taxes	76	77	83
Jobs/economy	39	41	58
Education/schools	22	15	16
Healthcare	19	43	23
Morality/values	10	3	6
Welfare/Housing	5	7	3
Crime/drugs/violence	4	3	3
Environment	3	2	1
Other*	12	2	4
*2014 Other: Regulations (3); Energy costs (2); Insurance costs; Locally taxing agencies; State and local government; None; All			

**Q5-6. In the past three years, would you say the
political/economic climate in NYS has gotten better or
worse?**



7a-7c. Please tell me how you think NYS is perceived concerning each of the following?

■ Not sure ■ Poor ■ Fair ■ Good ■ Excellent



8. What is the first thing that comes to mind when you think of New York's manufacturing sector?

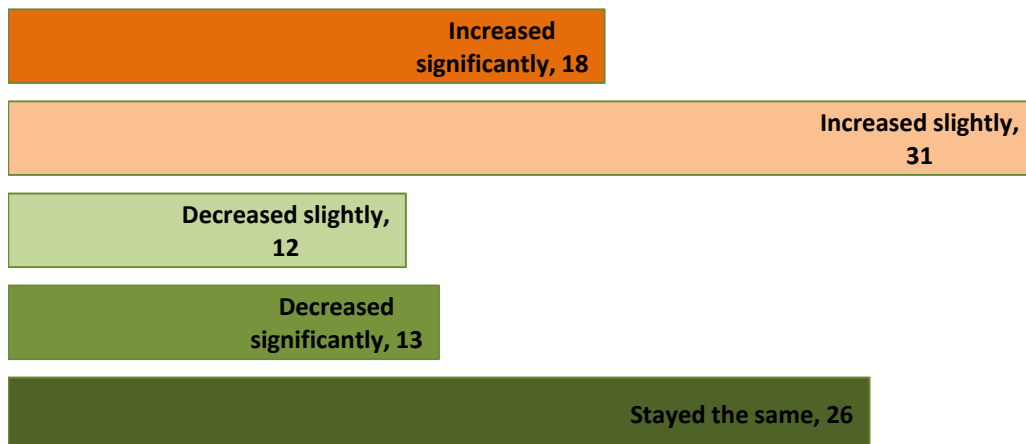
Answer	Number Responding	Answer	Number Responding
Declining	25	Over-regulated	5
Not healthy	11	Nothing	4
High taxes	9	Just surviving	3
Difficult	8	Non-existent	3
Business are moving out of the state	6	Skilled labor	3
Cost/too expensive	5		
One each: Clients; Convenient; Don't know how to operate; Global economy; Good place to develop; Good products; High Tech; High workman's compensation; More options for supporting manufacturing; No private sector; Offering big companies tax freedom, but New Yorkers nothing; Productive; Progressing; Semiconductor; Uncompetitive; Warhogs			

9. What is the best reason to have manufacturing operations in New York State?

Answer	Number Responding	Answer	Number Responding
No reason	24	Growth in other industries	5
To provide jobs/help NY	23	Economy is growing	4
Good workforce	11	Transportation	4
Quality of life/It's where I live	10	Incentives	4
My customers are here	6	Resources	2
One each: Cannot move my equipment; Chip factories; If everyone was busy; Looking for certain types of work; Prompt delivery; Start-Up New York; Varies by location			

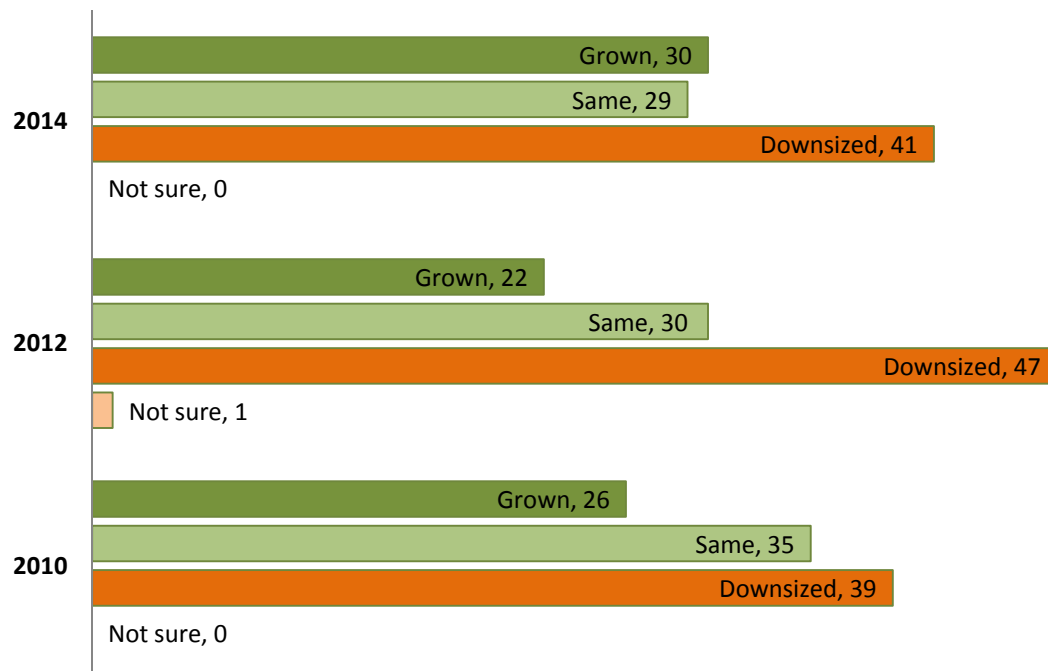
10. What do you think is the number one obstacle to having manufacturing operations in New York State?			
Answer	Number Responding	Answer	Number Responding
Taxes	43	Lack of good workforce	7
Cost of doing business	12	No obstacles	5
Bureaucracy	11	Cost of energy	4
Cost of living	10	No capital	2
Regulations	8	Business climate	2
One each: Getting paid; Healthcare; Lack of space; Socialism; To attract large businesses			

11. Over the past five years, how would you describe your company's investments in plant and equipment?

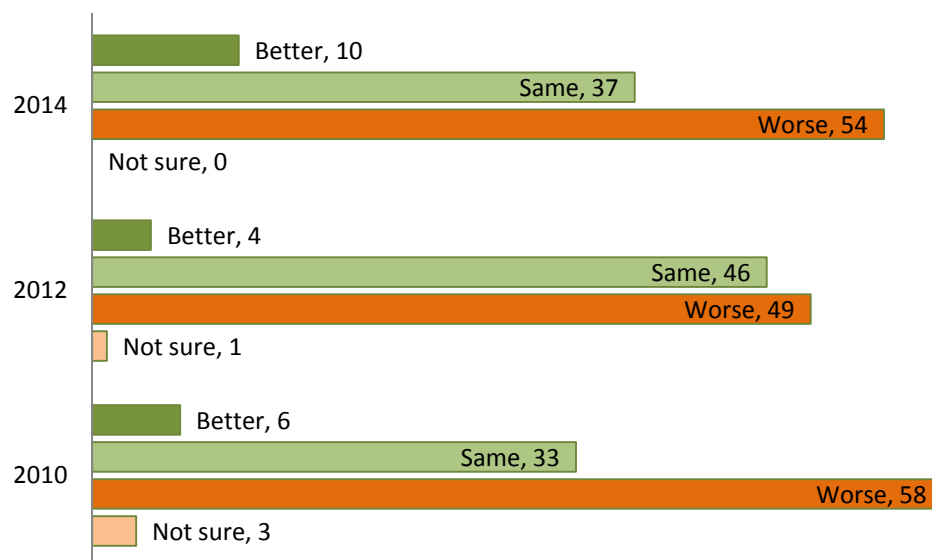


12. What is stopping your company from making greater investments in plant and equipment?			
Answer	Number Responding	Answer	Number Responding
Lack of sales	20	Lack of a customer base	3
The basic economy	17	Lack of skilled labor	3
Taxes	10	Uncertainty	3
Cost of doing business	8	Regulations	2
Not much capital available	7	No help from government	2
Nothing is needed	6	My age	2
One each: Better service to customers; Competition; Disposable income; Electric; Employee training; Fees; Insurance rates dropped; Lack of profit; Made our investment; Making it very difficult – it's dam big; No money – regulations - unfair competition from not for profit; Other			

13. In the past five years, has your company's employment in NYS. . .



14. Would you say maintaining manufacturing business operations within NYS has gotten better or worse within the past five years?



15. How have things gotten better? (One each responding)

Access to capital
Economy has recovered
Lower taxes and find benefits
Nanotechnology and tech plants added global foundries
Regulations lessened
Governor's investment in the IT and advanced facility he plans on putting in Western NY
More activity
Opportunities
Same as before
Construction
Wealthy are willing to spend more

16. How have things gotten worse?	Number responding
Taxes	7
Lack of business	7
The economy	6
Companies leaving NY	5
Regulations	5
Cost of doing business	5
Two each: Taxes and healthcare; Climate; Customer base; Hard to find people to work	
One each: Cost going up/skilled labor; Had laid off -- wages are freeze; Hidden costs; No jobs available; People not spending - worried about finances; Swindling market no money; The aggressiveness of administration agencies; They only give grant to large companies the small ones don't count; Voting people into the white house; We supply to the defense industry which has been cut which has affected us	

17. In the next few years, do you think the ability to maintain manufacturing business operations will get better or worse?

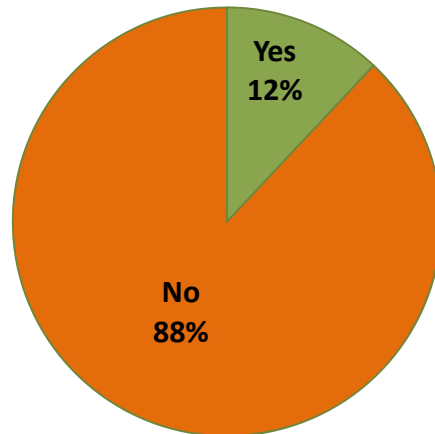
	2014	2012	2010
Much better	3	3	3
Somewhat better	23	33	27
Overall better	25	36	30
Somewhat worse	25	23	28
Much worse	11	10	15
Overall worse	35	33	43
Remain the same	26	23	19
Not sure	13	8	8

Q18. What program or policy changes in New York State would improve your company's ability to invest in New York State?	
	Percent
Lower real property taxes	69
Lower corporate income taxes	66
Lower energy costs	64
Lower personal income taxes	61
Reform NYS labor regulations	53
Reform environmental regulations	43
Reform local permit approval process	34
Tort law reform	33
Not sure	2
Other*	11
*Other: All (3); Aiding business; Corporate taxes; Federal bonus-depreciation-tax laws; Healthcare policies; Loan more money; Training work forces-hands on training	

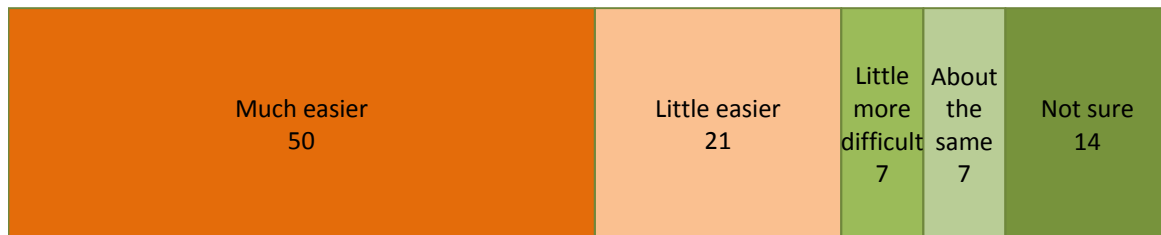
Q19. Which of the following two options, if any, have posed the greatest competitive problems for your company's operations within NYS?	
	Percent
Taxes	47
Cost of employee health benefits	37
Worker's Compensation costs	21
Finding qualified/skilled employees	16
State and/or local government regulations	14
Energy costs/policies	12
The global economy	10
Unemployment insurance costs	8
Availability of capital	7
Supplier network	4
Quality of physical infrastructure	3
Other*	4
Not sure	4
*Other: All (2); Burdens on small business; Paperwork to government and suppliers, etc.	

Q20. Is your company utilizing, or has it utilized, any of the following state or local economic development programs?	
	Percent
Empire Zones Program	23
Industrial Development Agency (IDA)	21
Small Business Administration (SBA) loan	17
NYS Energy Research and Development Authority (NYSERDA) loans or grants	12
Investment Tax Credit Program (ITC)	10
State grants through the Regional Economic Development Council	7
Excelsior Jobs Program tax credits	3
Brownfield Clean-up Program tax credits	2
Local Regional Revolving Loan fund	2
Other*	19
Not sure	37
*Other: No/none (18); Lack of getting loans; Too small-anyone with less than 25 employees doesn't count	

21. Does your company have manufacturing operations in another state?



22. Would you say it is easier or more difficult to maintain your business operations in another state than it is in NYS, or is it about the same?



23. In which other state(s) does your company have business operations. (One each responding)

Arizona

Maine and New Hampshire

Ohio, North Carolina, and Nevada

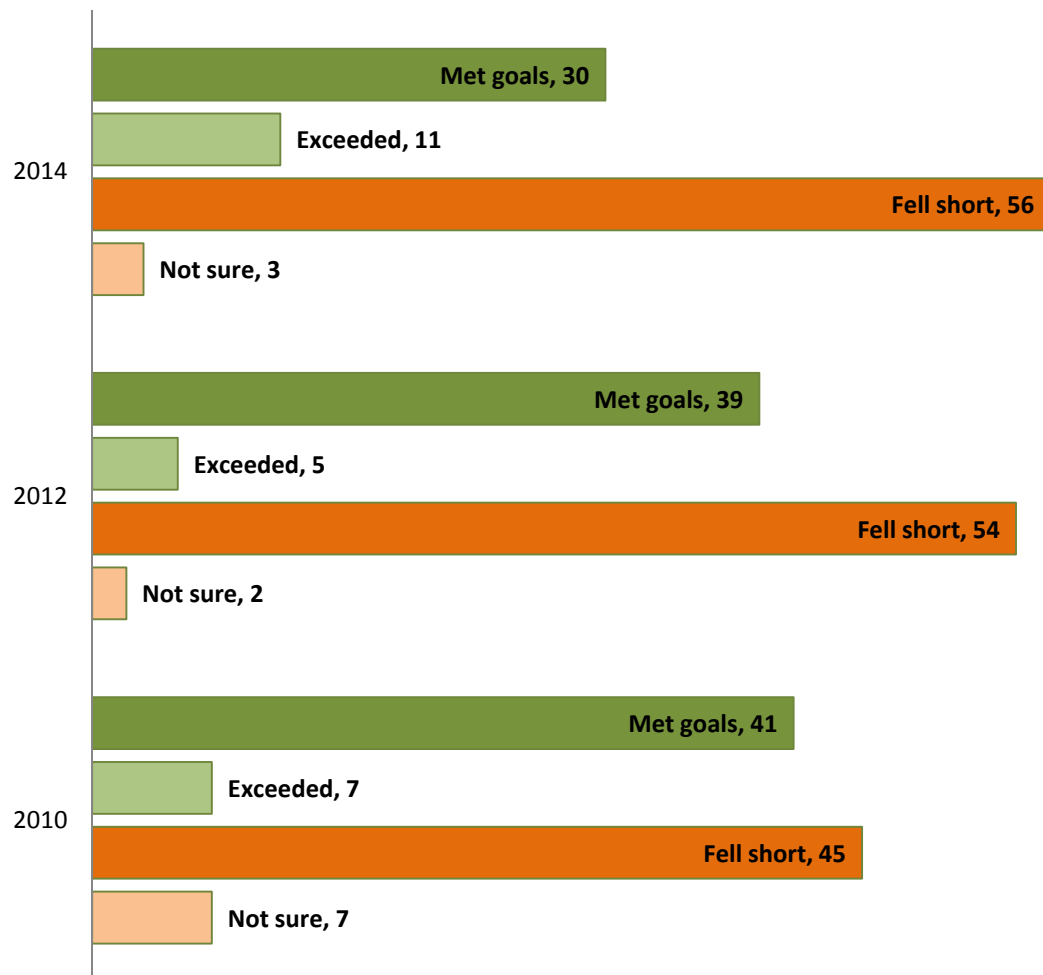
Pennsylvania

Rhode Island

South Carolina and Maine

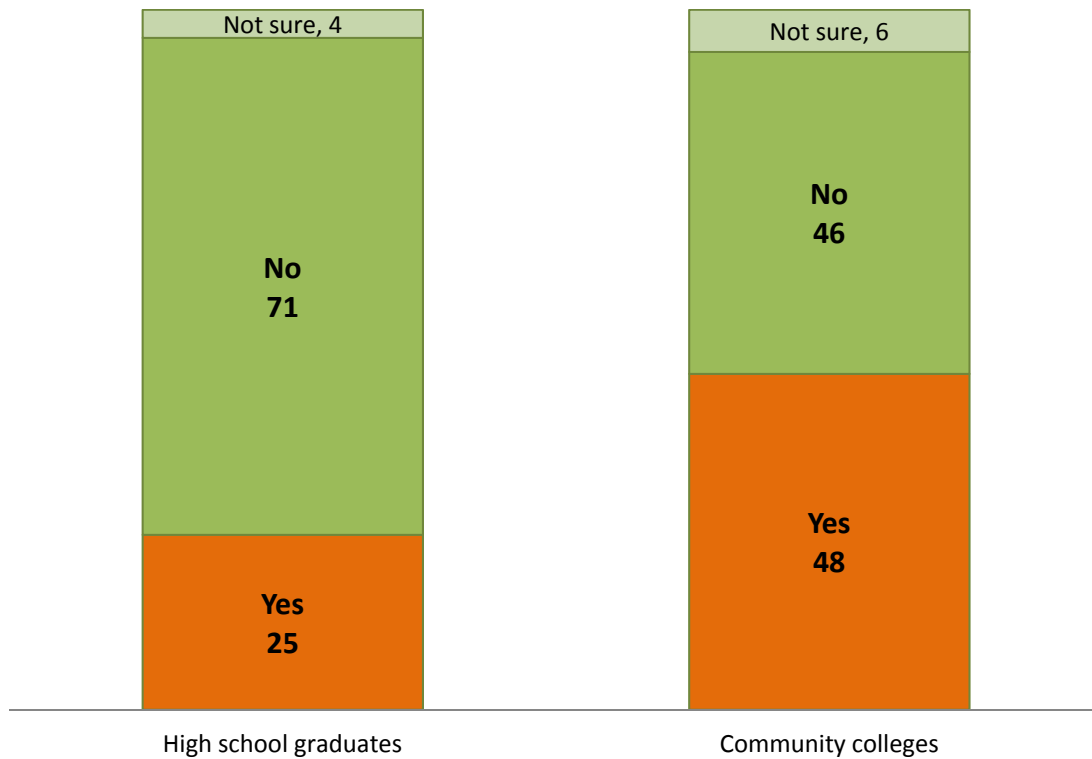
Washington, Oregon, New Hampshire, and Florida

24. Thinking in terms of your company's profitability in the past five years, would you say your company met or exceeded profitability goals?

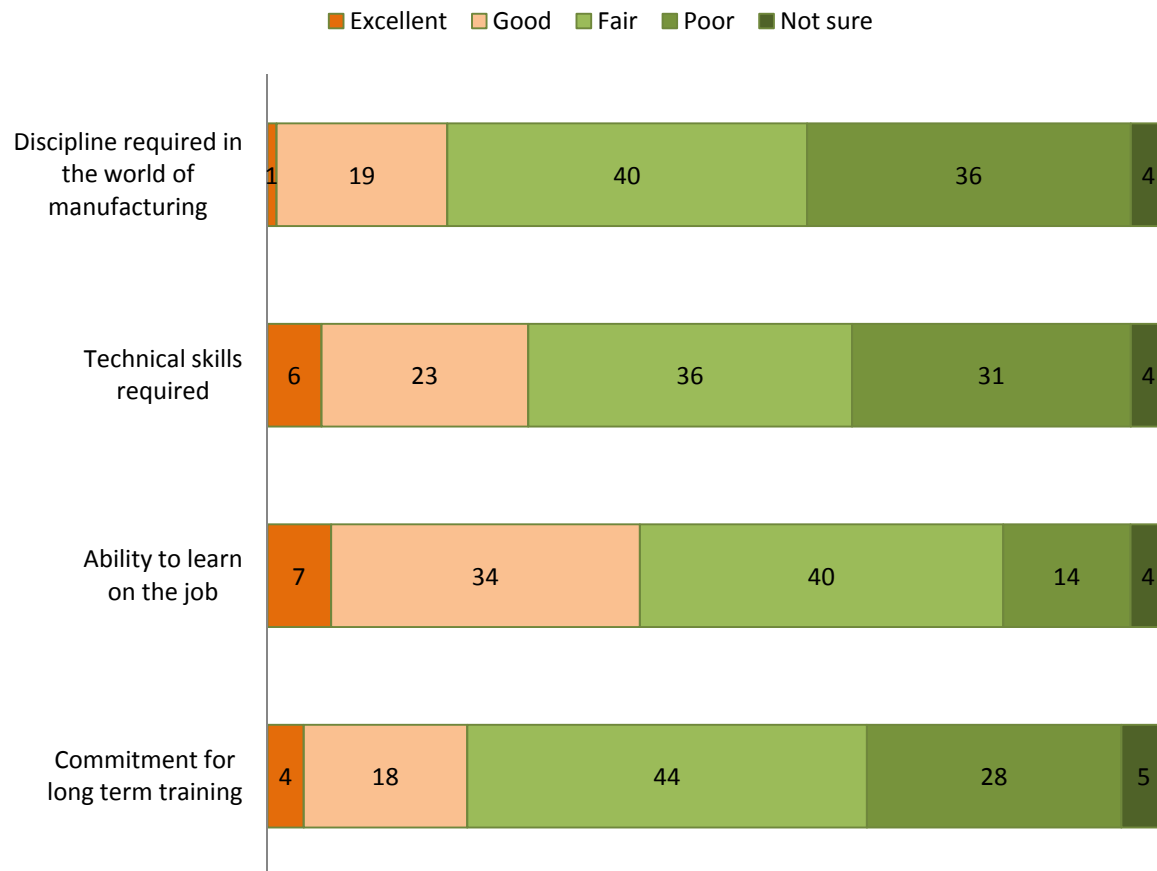


25. In your view, are high school graduates prepared sufficiently to be employed at your business?

26. Are community colleges preparing students sufficiently to be employed at your business?

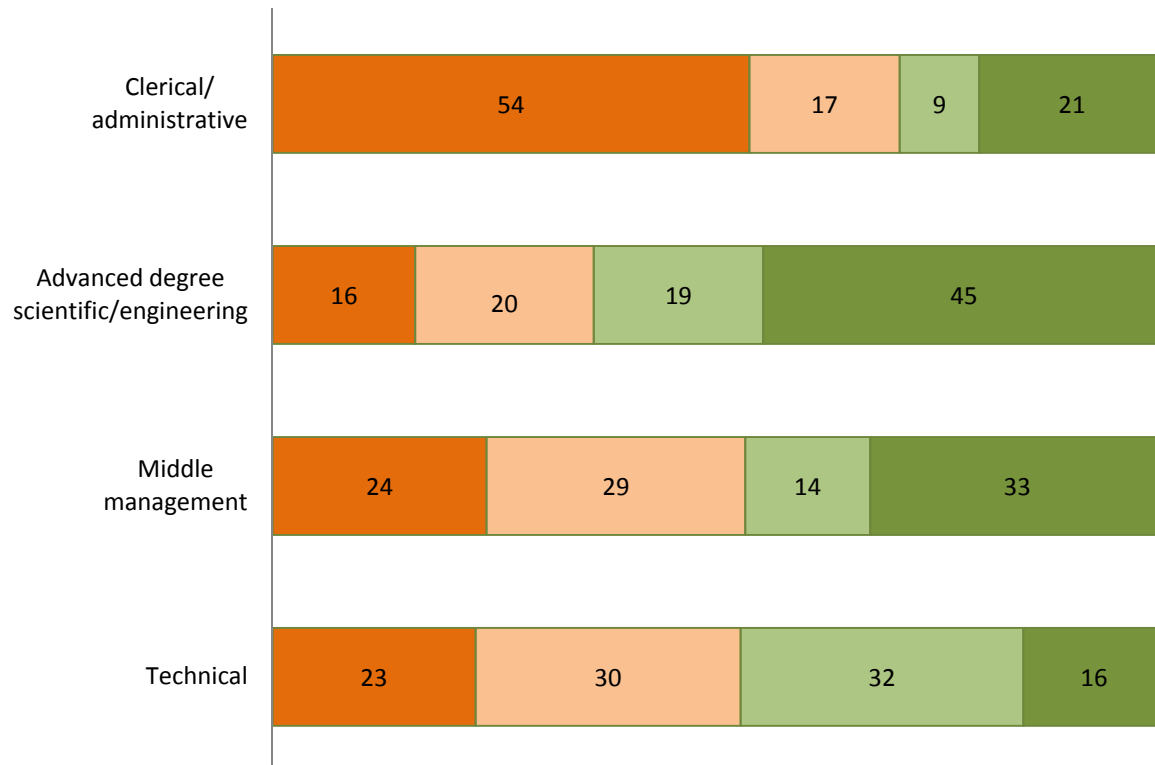


Q27-30. How do today's young people measure up for employment regarding. . .



Q31-34. Please indicate the degree of difficulty your business has in filling the following job categories.

■ Not difficult ■ Somewhat difficult ■ Very difficult ■ Not sure/NA



Methodology

[Hybrid Survey of Manufacturers in New York State] [2/25/2014 thru 3/6/2014]

Zogby Analytics was commissioned by [MACNY] to conduct a hybrid live operator telephone survey and interactive online survey of [114 Manufacturers in New York State]

Telephone samples are randomly drawn from a business database. Up to four calls are made to reach a sampled phone number. Respondents that were not available but qualified to respond were allowed to set appointments to be recalled within the time frame of the field work.

Additionally, for the interactive survey portion, the invitations were sent via secure server to a client supplied list of email addresses. Each invitation is password coded and secure so that one respondent can only access the survey one time.

Based on a confidence interval of 95%, the margin of error for [114] is +/- [9.4] percentage points. This means that all other things being equal, the identical survey repeated will have results within the margin of error 95 times out of 100.

Subsets of the data have a larger margin of error than the whole data set. As a rule we do not rely on the validity of very small subsets of the data especially sets smaller than 50-75 respondents. At that subset we can make estimations based on the data, but in these cases the data is more qualitative than quantitative.

Additional factors can create error, such as question wording and question order.

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Zogby Analytics conducts a wide variety of surveys internationally and nationally in industries, including banking, IT, medical devices, government agencies, colleges and universities, non-profits, automotive, insurance and NGOs.