



USA
Overview

EIB INVESTMENT SURVEY

2021

EIB INVESTMENT SURVEY 2021

USA

Overview

EIB Investment Survey Country Overview: USA

© European Investment Bank (EIB), 2021. All rights reserved.

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

Main contributors to this publication

Atanas Kolev, Julie Delanote, Irene Rizzoli.

Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

About Ipsos Public Affairs

Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org. You can also contact our InfoDesk, info@eib.org.

Published by the European Investment Bank. Printed on FSC® Paper.

EIBIS 2021 – US

KEY RESULTS

Investment Dynamics and Focus

US firms decreased investment substantially in 2020, more than EU firms. Nevertheless, the rebound in 2021 has been stronger in the US, with a higher share of firms planning to increase investment. The largest share of firms' investment was for replacing buildings and equipment. Capacity expansion was the second most cited purpose of investment. The share of firms investing in new products and services has declined significantly, relative to previous years.

Impact of COVID-19

The impact of COVID-19 on sales or turnover was less negative in the US than in the EU, reflecting less restrictive measures to contain the pandemic. COVID-19 also had an impact on firms' investment as 16% of US firms revised their investment plans downwards while 10% revised them upwards.

US firms were more active in adjusting their activities to the pandemic than their EU counterparts. The most common action as a result of the COVID-19 pandemic was a shift towards becoming more digital, mentioned by more than half of firms. Two in five (39%) US firms have developed new products or services to address the immediate negative consequences of the pandemic.

Investment Needs and Priorities

COVID-19 will have an impact on needs and priorities. When thinking about the effect of COVID-19 in the longer term, with digitalisation the most frequently cited long-term impact.

The majority of US firms do not perceive gaps in their investment activities. In spite of the very different circumstances, the share of firms in the US that believe that their investment activities over the last three years have been about the right amount has not changed relative to previous years. Nevertheless, the share of firms operating at or above full capacity has declined since EIBIS 2020, which was expected in light of the drop in demand in 2020 (39% versus 58% EIBIS 2020).

Innovation Activities

The share of US firms that innovated in 2020 remained stable relative to previous years. Around two in five firms (44%) have developed or introduced new products, processes or services as part of their investment activities, above the EU average (36%). Two thirds of US firms have implemented, at least one of the advanced digital technologies they were asked about. US firms have invested more than their EU counterparts in the internet of things and in drones.

Drivers and Constraints

Firms remain pessimistic about the political and regulatory climate, even more so than in previous years of EIBIS. However, they are now more optimistic about the overall economic climate, the business prospects in their sectors and the availability of financing, both external and internal. Overall, US firms are more optimistic about the near term prospects than their EU counterparts.

In the longer term, the most commonly cited barriers to investment are the availability of skilled staff (92%) and uncertainty about the future (77%). The share of firms citing availability of skilled staff and labour market regulations as a barrier to investment is clearly higher in the US than in the EU, reflecting the difficulties to rehire workers and the perception of a bigger government.

Investment Finance

Access to finance conditions in the US are benign and in line with those in the EU. As a matter of fact, the share of finance constrained firms is the same (5%). In addition, firms that used external finance in 2020 are generally satisfied with the finance received. The highest proportions of dissatisfaction are with collateral (4%).

Financial support for the corporate sector in the US was massive and higher than in the EU. Around three-quarters (72%) of US firms have received financial support in response to COVID-19, mostly in the form of subsidies or support that does not need to be paid back (57%).

Climate Change and Energy Efficiency

About two-thirds of firms in the US think that climate change is having an impact on their business, which is above the share recorded in EIBIS 2020 but in line with the EU average (63% versus 52% and 58% respectively). On balance, firms in the US tend to think of the transition to stricter climate standards and regulation as a risk rather than as an opportunity.

Firms in the US are not only less likely than the EU firms to have already invested in measures to tackle climate change but are also less likely to be planning to do so in the next 3 years. In addition, fewer US firms invested in measures to improve energy efficiency in 2020 than in 2019.

Firm management, gender balance and employment

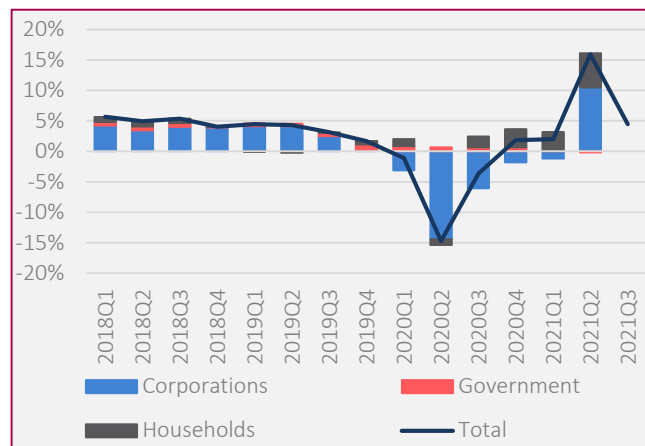
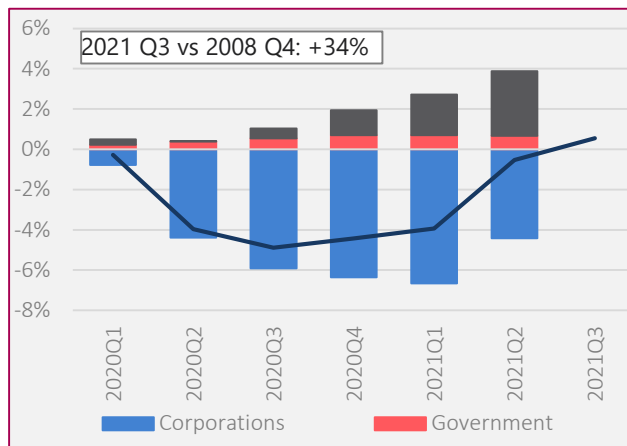
More firms in the US linked individual performance to pay than in the EU. The share of firms that used a strategic monitoring system and set and monitored internal targets on carbon emissions and energy consumption are below the respective shares of EU firms. In what concerns gender balance, the share of firms that strived to achieve this is in line with the EU average.

Investment Dynamics and Focus

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the COVID-19 crisis abruptly affecting the economy, investment in Q2 2020 started falling, reaching its trough of 5% below the pre-crisis 2019 level in Q3 2020. The biggest drop was due to corporate investment, while household and government investment grew, partially mitigating the decline.

US investment returned to its pre-crisis trend growth by the second quarter of 2021 thanks to a rebound in corporate and household investment, with total investment in Q2 2021 increasing by 16% compared to the same quarter of 2020. Total investment exceeded pre-crisis levels by Q3 2021.

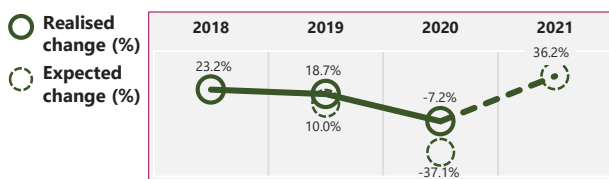
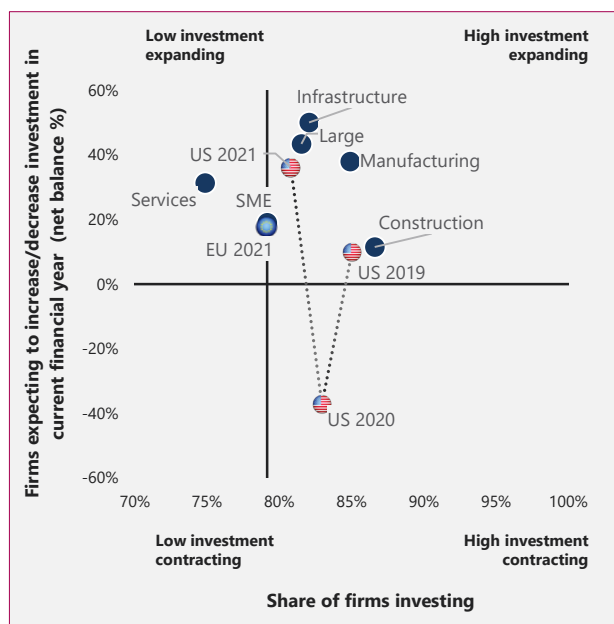


The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Bureau of Economic Analysis
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Bureau of Economic Analysis

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

EIBIS 2021 shows that while fewer US firms invested during 2020, they have clearly become more optimistic for 2021, with more US firms expecting to increase investment rather than decrease it. This represents a substantial positive shift from EIBIS 2020.

Large firms and those from the infrastructure sector are the most optimistic about investment for 2021.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

Base: All firms

Base: All firms (excluding don't know/refused responses)

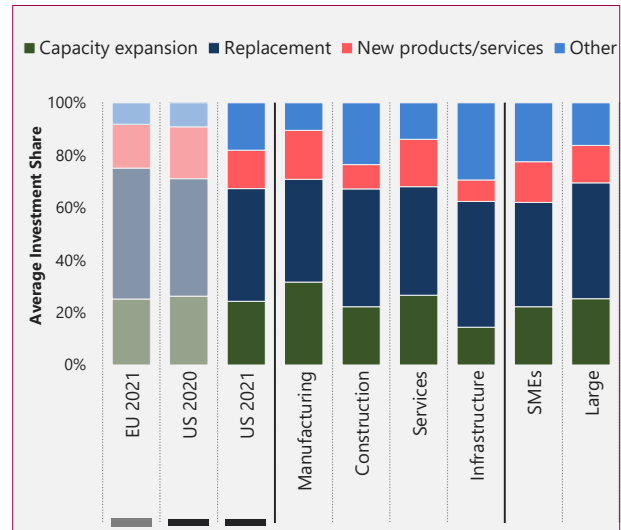
Investment Dynamics and Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

The largest share of firms' investment was for replacing buildings and equipment (43%) followed by expanding capacity for existing products and services (24%) and new products and services (15%). The share of investment allocated to new products and services has declined since EIBIS 2020 (15% versus 20% EIBIS 2020), whilst that allocated to "other" has increased (18% versus 9% EIBIS 2020).

The share of investment for expanding capacity is highest among manufacturing firms (32%) and lowest among infrastructure firms (14%).

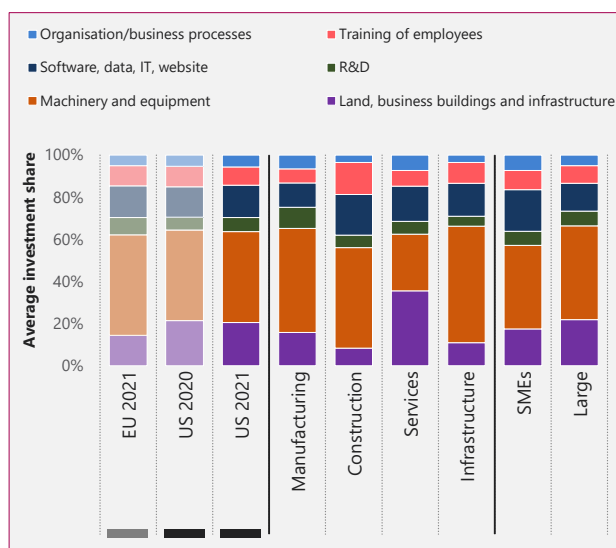
Firms in the manufacturing and services sector are more likely to allocate a higher share of investment for introducing new products, processes or services (19% and 18% respectively) compared to firms in construction and infrastructure (9% and 8% respectively).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



Out of the six investment areas considered, the largest share of investment in the US went into machinery and equipment (43%), followed by land, business buildings and infrastructure (21%) and software, data, IT and website activities (15%). The pattern is broadly in line with EIBIS 2020 and the EU findings.

Firms in the services sector allocated the largest share of their investment to land, business buildings and infrastructure (36%) and a lower share to machinery and equipment (27%) compared to other sectors.

SMEs are more likely to have devoted a higher share of investment in software, data, IT and website than large firms (20% versus 13%).

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

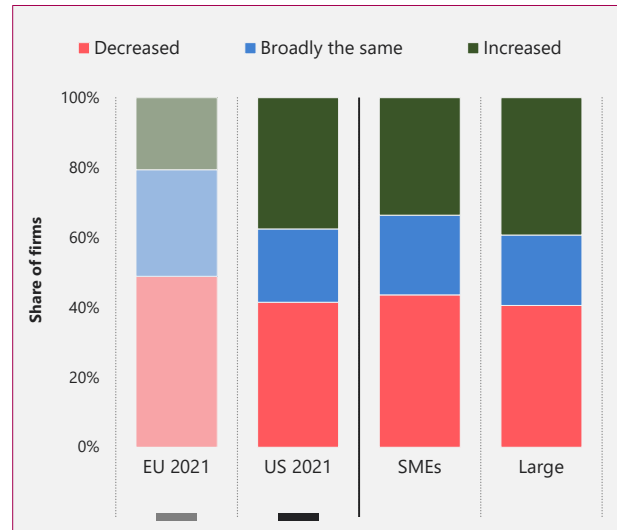
Impact of COVID-19

IMPACT OF COVID-19 ON SALES

The impact of COVID-19 on sales or turnover was less negative in the US compared to the EU.

Two in five (41%) firms in the US have experienced a decline in sales and turnover compared to the beginning of 2020, fewer than among EU firms (49%). Instead, more than a third (38%) of US firms experienced an increase in sales or turnover, higher than among EU firms (21%).

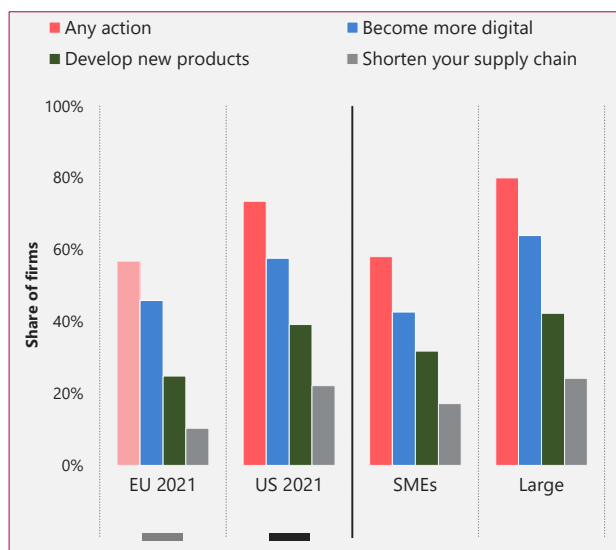
COVID-19's impact on sales and turnover was broadly similar across size classes.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

Base: All firms (excluding don't know/refused responses)

SHORT-TERM ACTIONS AS A RESULT OF COVID-19



Around seven in ten (74%) firms have taken short-term action(s) or made investments, in one of the aspects they were asked about, as a result of COVID-19, higher than the EU average (57%).

The most common action is digitalisation, mentioned by more than half of firms (58%). In addition, 39% of firms have developed new products and 22% have shortened their supply chain. Firms in the US are more likely to have taken each of these actions than firms in the EU.

Large firms are more likely than SMEs to have taken any short-term actions they were asked about, as a result of the crisis. Nearly two-thirds (64%) of large firms have become more digital in response to COVID-19 compared to 43% of SMEs.

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

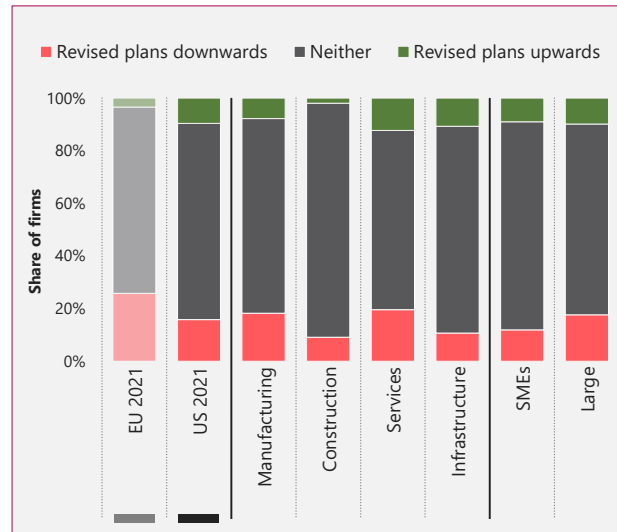
Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 also had some impact on investment. In the US, 16% of firms revised their investment plans downwards while 10% revised them upwards. The share of firms revising their investment plans downwards was lower in the US than in the EU (16% versus 26% respectively).

COVID-19 had the least impact on the investment plans of construction firms (with only 9% revising their investment plans downwards and 2% revising their plans upwards) compared to other sectors.

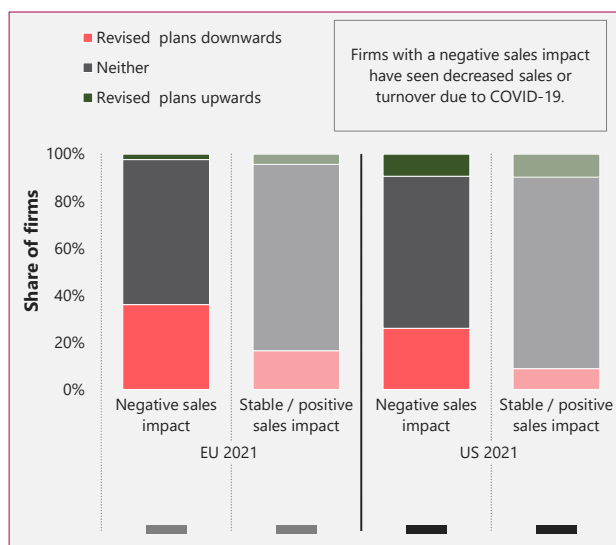


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

Base: All firms (excluding don't know/refused responses)

DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



Firms that have experienced a negative impact on sales due to COVID-19 are more likely than those who have experienced a stable or positive impact to have revised their investment plans downwards (26% versus 9% respectively).

The proportions of firms experiencing a negative sales impact and revising their investment plans downwards was lower to that seen in the EU (26% versus 36% EU average).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

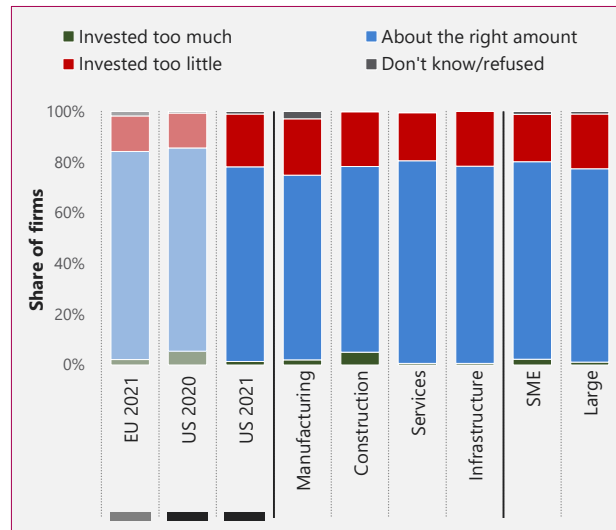
Base: All firms (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

The majority of US firms do not perceive gaps in their investment activities. In spite of the difficult circumstances, 77% of firms in the US believe that their investment activities over the last three years have been about the right amount. The share is broadly in line with EIBIS 2020 and the EU average. On average 21% of firms report that they invested too little and only 2% believe they invested too much.

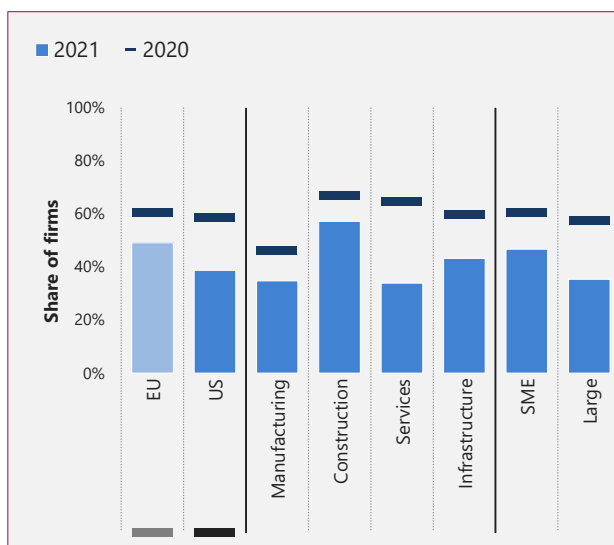
The pattern is very similar across the different sector and size classes of firms.



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



The share of firms operating at or above full capacity has declined since EIBIS 2020 (39% versus 58% EIBIS 2020).

Firms in the services sector were the least likely to be operating at or above full capacity (34%) and the share operating at or above full capacity has dropped sharply since EIBIS 2020 (65%).

Firms in the construction sector were the most likely to be operating at or above full capacity (57%, compared to between 34% and 43% among firms in the other sectors).

SMEs were also more likely than large firms to be operating at or above full capacity (47% versus 35%).

Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

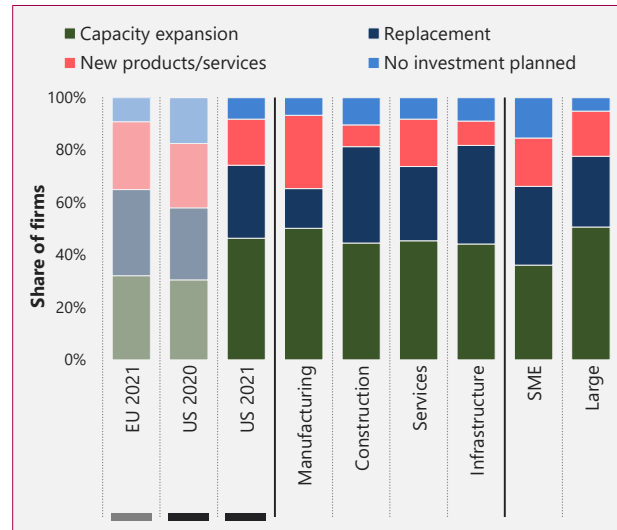
Investment in capacity expansion remains the most commonly cited priority for the next three years (46%) following a further increase since EIBIS 2020 (from 30%). Investment in replacing capacity is ranked second (28%). There has been a decline in the share of firms prioritising investment in new products and services from 24% at EIBIS 2020 to the current 18%, below the share of firms citing this priority in the EU (26%).

Manufacturing firms are more likely to prioritise new products and services (28%) compared to firms in other sectors (ranging from 8% to 18%) and least likely to prioritise replacing existing buildings, machinery, equipment and IT (15%).

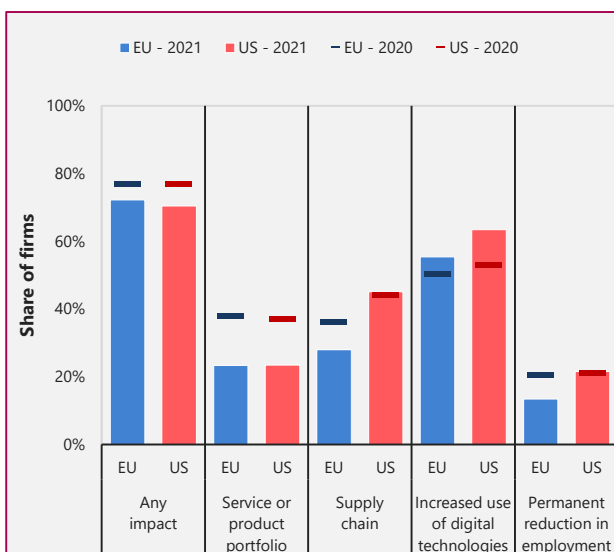
Large firms are more likely to prioritise capacity expansion (51%) compared to SMEs (36%).

Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)



COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities. Overall, seven in ten (70%) firms think that COVID-19 will have a long-term impact on their business, in at least one of the aspects they were asked about, similar to EU firms (72%).

Once again digitalization is cited most frequently, with around two-thirds (63%) of firms expecting COVID-19 to lead to an increased use of digital technologies in the long-term.

Firms in the US are more likely than EU firms to expect there to be a long-term impact on their supply chain (45% versus 28% EU wide) and a permanent reduction in employment (22% versus 13% EU wide).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

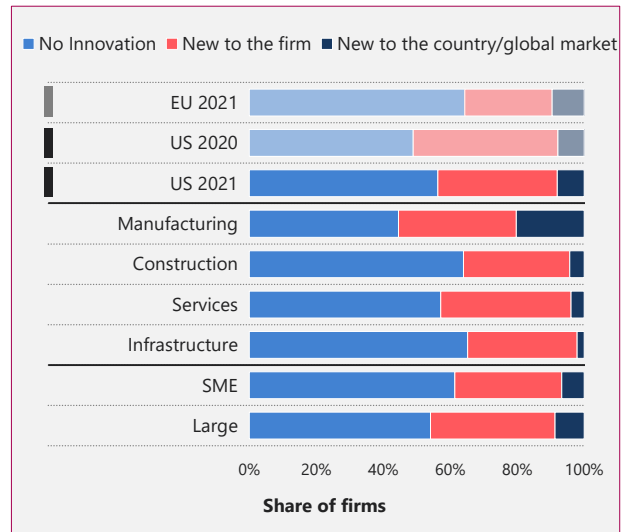
Base: All firms

Innovation Activities

INNOVATION ACTIVITY

Around two in five firms (44%) developed or introduced new products, processes or services as part of their investment activities in 2020, in line with EIBIS 2020 (51%), but above the EU average (36%).

Manufacturing firms are the most likely to have innovated (55%) compared to other sectors (ranging from 35% to 43%).

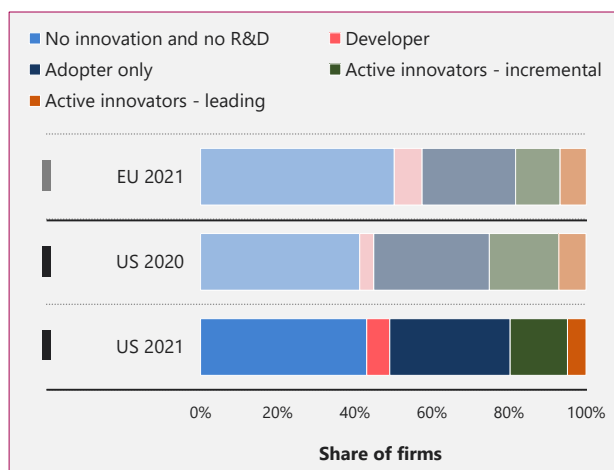


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, 20% of firms in US can be classified as 'active innovators', and a further 6% of firms as 'developers'.

This breakdown is broadly in line the EU average of 18% and a further 7% of firms are 'developers'.

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world.

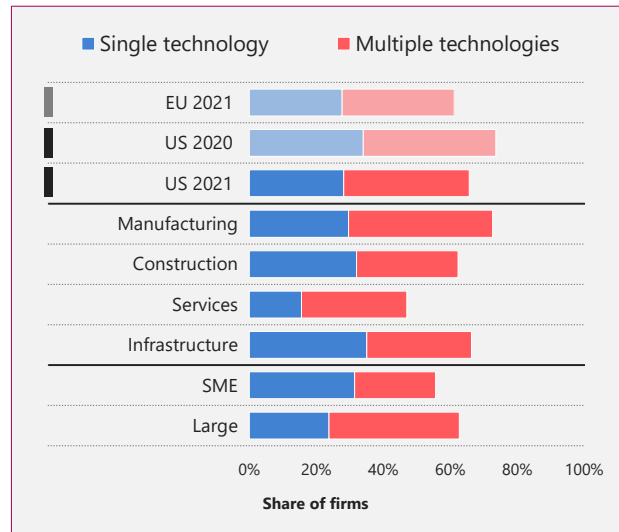
Innovation Activities

IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

Two thirds of US firms (66%) have implemented at least one of the advanced digital technologies they were asked about, in line with the EU average (61%).

Firms in the manufacturing sector are the most likely to have implemented at least one advanced digital technology within their business (73%) while firms in the services sector are the least likely to have done so (47%).

US firms report a higher uptake of internet of things (47%) and drones (50%) when compared to their EU counterparts (with 29% and 23% respectively).

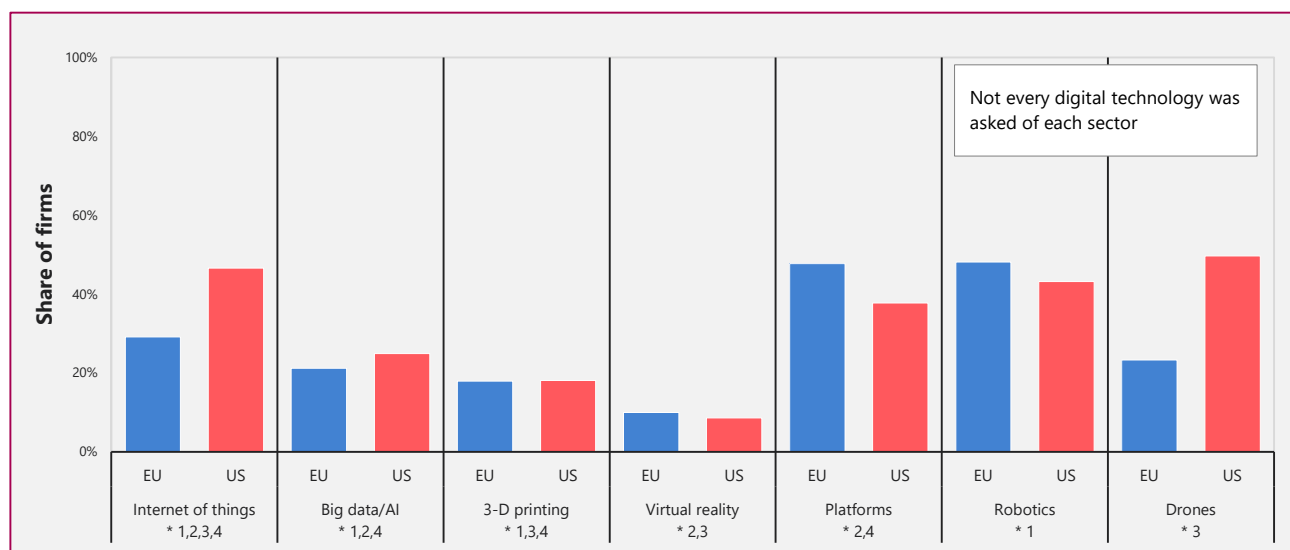


Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

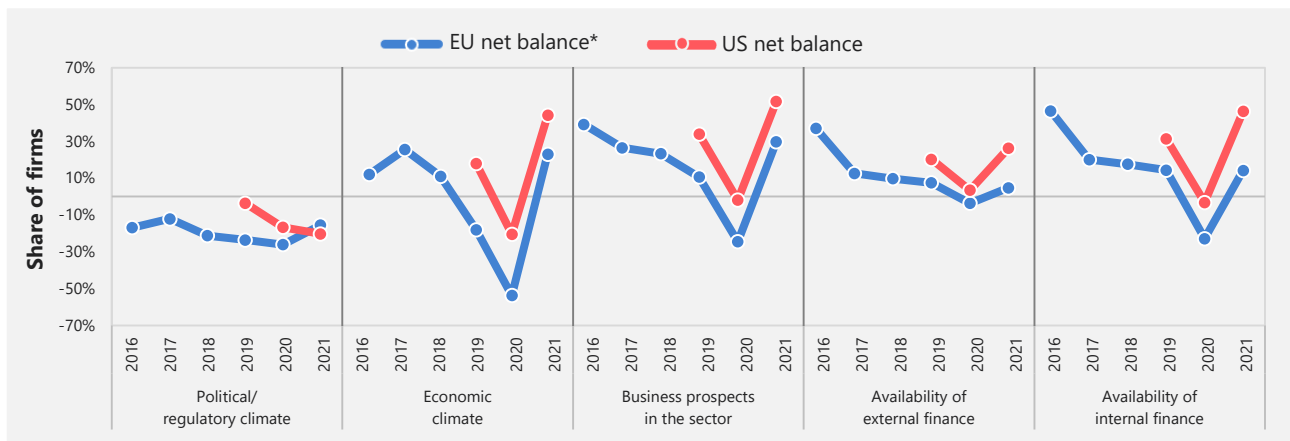
Base: All firms (excluding don't know/refused responses);
Sample size US: Manufacturing (214); Construction (172); Services (221); Infrastructure (186)

Drivers And Constraints

SHORT-TERM FIRM OUTLOOK

Firms remain pessimistic about the political and regulatory climate, with more firms expecting it to deteriorate than improve in the next twelve months (-20%), and to a larger extent than in EIBIS 2020 (-16%).

However, firms are now more optimistic about the overall economic climate, the business prospects in their sectors and the availability of financing (either external or internal). On all of these measures firms in the US are more optimistic than those in the EU.

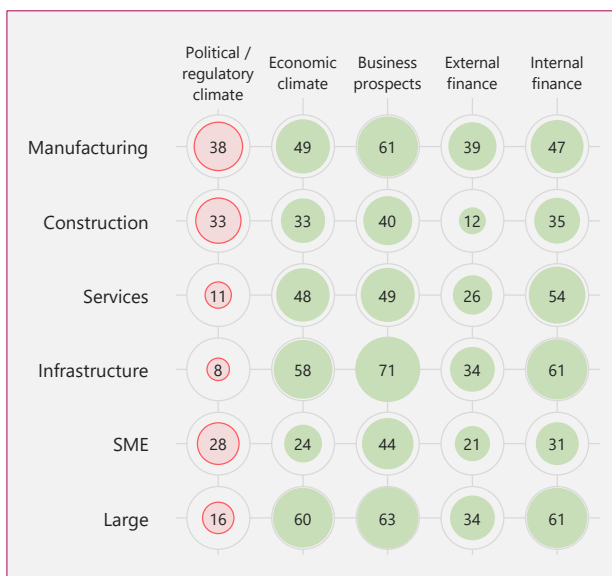


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Firms are consistently more negative than positive about the political/regulatory climate, with firms in the manufacturing and construction sectors being more negative than firms in the services and infrastructure sectors.

Construction firms are generally less optimistic about all investment constraints they were asked about compared to firms in other sectors.

SMEs are also less optimistic than large firms about internal finance.

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Drivers And Constraints

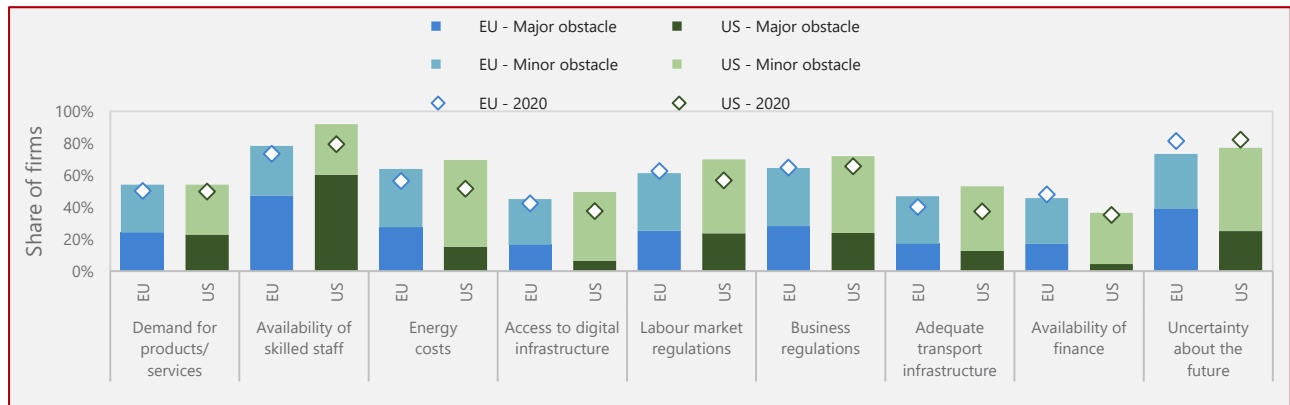
LONG-TERM BARRIERS TO INVESTMENT

The most commonly cited long-term barriers to investment are the availability of skilled staff (92%) and uncertainty about the future (77%).

There has been an increase since EIBIS 2020 in the share of firms citing 5 out of the 9 measures as a barrier to investment: availability of skilled staff (92% versus 79%), energy costs (70% versus 52%),

access to digital infrastructure (50% versus 37%), labour market regulations (70% versus 57%) and availability of adequate transport infrastructure (53% versus 37%).

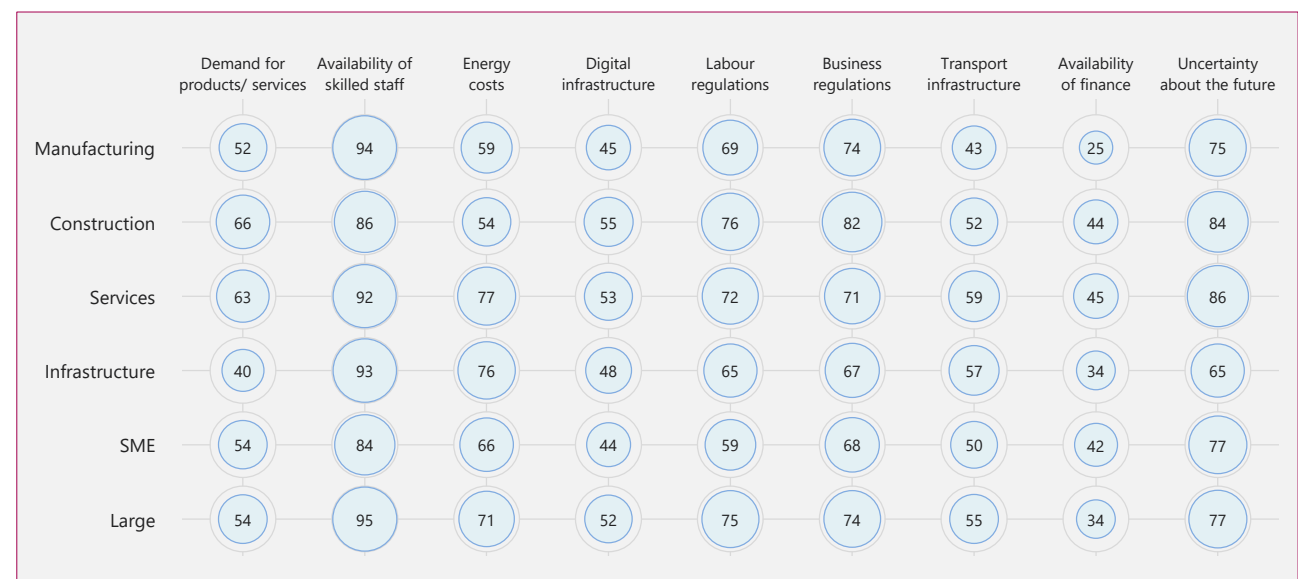
The share of firms citing availability of skilled staff and labour market regulations as a barrier to investment is higher in the US than the EU.



Q. Thinking about your investment activities in US, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in US, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Investment Finance

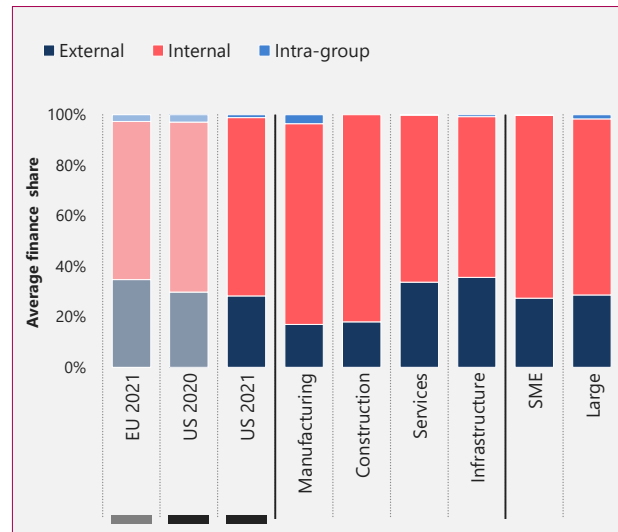
SOURCE OF INVESTMENT FINANCE

Firms in the US continued to fund the majority of their investment in 2020 through internal financing (71%), broadly in line with what was reported in EIBIS 2020 (67%) and above the EU average (63%).

External finance made up 28% of the investment financing, which is below the EU average (35%).

Intra-group finance accounted for only 1% of investments in the US and 3% in the EU.

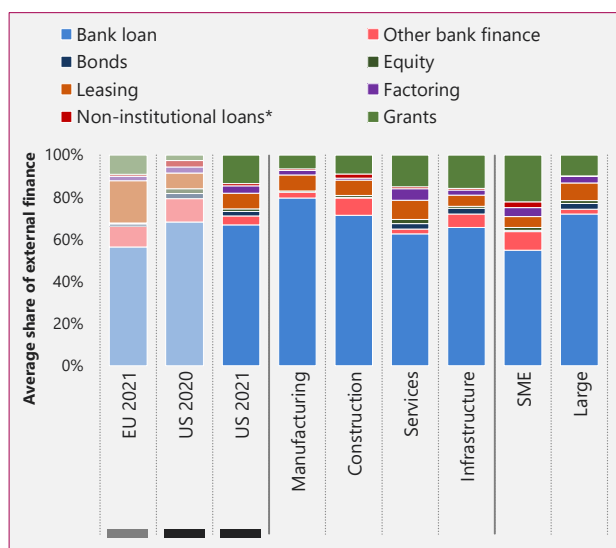
Firms in the infrastructure and services sectors report a higher share of external financing (36% and 34% respectively) than firms operating in construction (18%) and manufacturing (17%).



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Bank loans continued to make up the largest share of external finance (67%), in line with EIBIS 2020 (68%) and above the current EU average (56%).

Grants accounted for the second highest share of external finance (14%), much higher than the share reported in EIBIS 2020 (3%) and reflecting the differences in public support between the US and the EU.

Firms in the infrastructure and services sectors received a larger share of external finance from grants (16% and 15% respectively) compared to firms in the construction and manufacturing sectors (9% and 7% respectively).

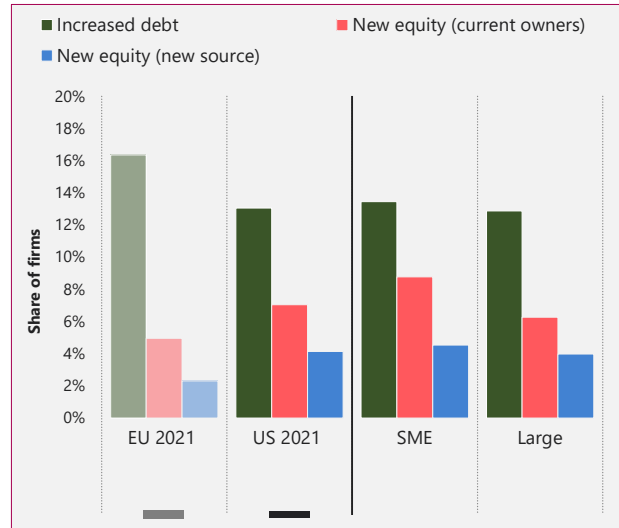
Grants were also a more common source of external financing for SMEs than for large firms (22% versus 10%).

Investment Finance

ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the COVID-19 crisis, 13% of firms in the US have increased their debt, similar to the EU average (16%).

In addition, 7% have raised new equity from the current owners and 4% have raised new equity from the market. The pattern is similar to the EU.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Around seven in ten (72%) US firms report having received financial support in response to COVID-19, much higher than among EU firms (56%).

Subsidies or support that does not need to be paid back was the most prevalent form of support received (57%) and is above the EU average (36%).

SMEs (81%) were more likely to receive financial support than large firms (67%).

Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

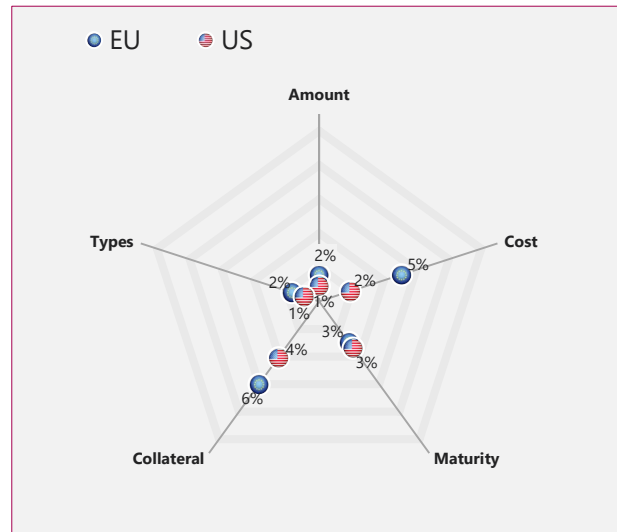
Base: All firms (excluding don't know/refused responses)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that used external finance in 2020 are generally satisfied with the finance received. The highest proportions of dissatisfaction are with collateral (4%) and maturity (3%).

A similar pattern is evident among EU firms that used external finance.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (%)



Overall dissatisfaction levels with external finance are low.

Firms in the services sector have the highest levels of dissatisfaction with maturity and the collateral required.

Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

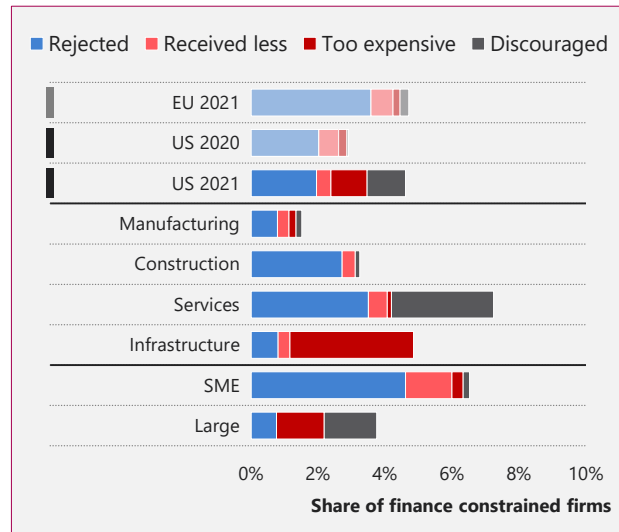
Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Only 5% of all firms in the US can be considered as external finance constrained, which is in line with EIBIS 2020 and the EU average.

The services sector has the highest share of finance constrained firms (7%), with a large share of discouraged firms (3%).

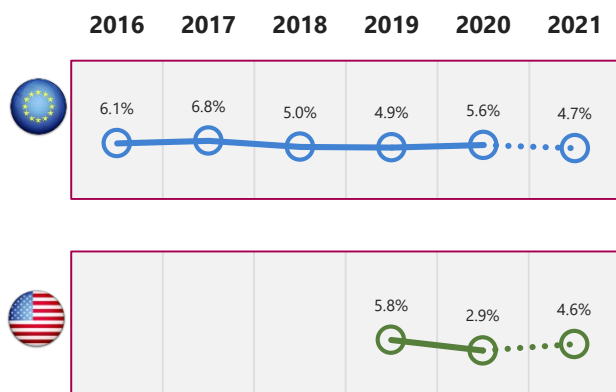
A higher share of small firms (7%) is finance constrained than of large firms (4%).



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



There has been little change in the share of finance constrained firms in the US since EIBIS 2019.

The share of finance constrained firms in the country is also similar to the EU average over the past three years.

Base: All firms (excluding don't know/refused responses)

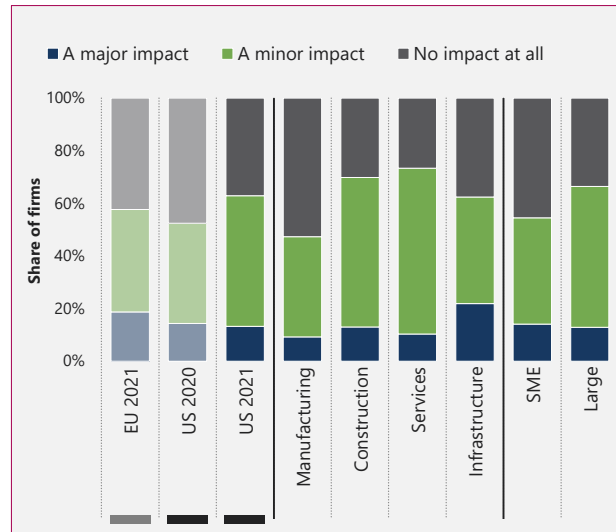
Climate Change and Energy Efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

A relevant share of US firms feel the impact of weather events. About two-thirds of firms in the US think that climate change is having an impact on their business (63%), which is above the share reported in EIBIS 2020 (52%) but in line with the EU average (58%).

Firms in the services and construction sectors are more likely to think that climate change is having an impact on their business (73% and 70% respectively) compared to firms in infrastructure and manufacturing (62% and 47% respectively).

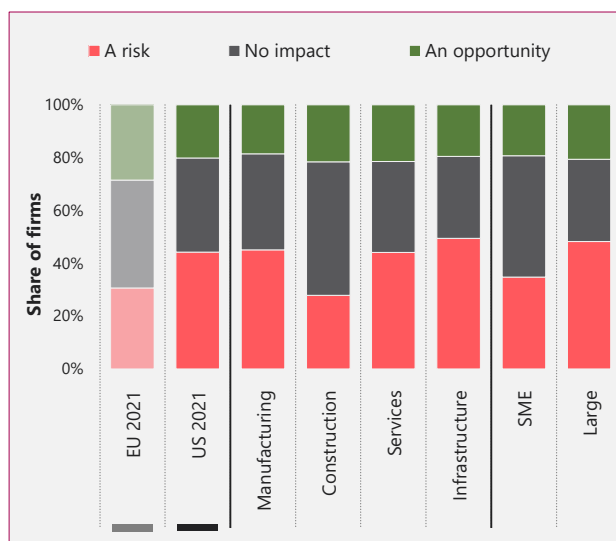
Large firms are more likely than SMEs to report that climate change is having an impact on their business (66% versus 54%).



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS



Around a third (36%) of firms in the US think that the transition to stricter climate standards and regulations will have no impact on their company over the next 5 years, which is below the EU average of 41%. However, firms that think it will have an impact are more likely to see it as a risk than an opportunity (44% compared to 20%).

Firms in the construction sector are the least negative, with only 28% of firms seeing the transition to stricter climate standards and regulations as a threat (compared to a range of 44% to 49% for other sectors)

Large firms are also more likely than SMEs to see the transition to stricter climate standards and regulations as a threat to their company (48% versus 35%).

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

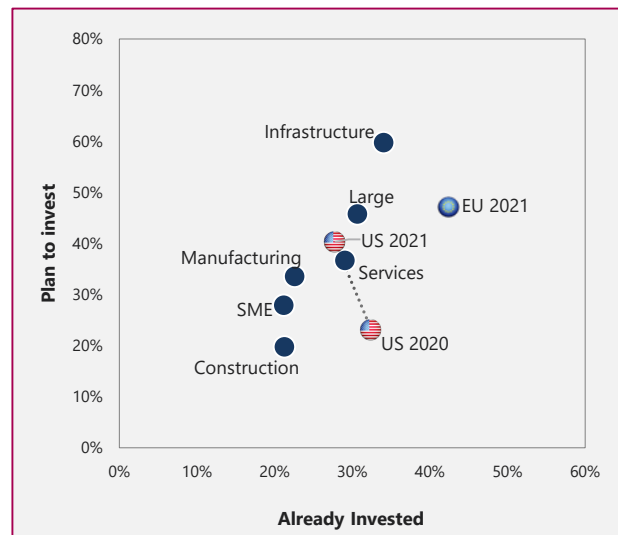
Base: All firms (excluding don't know / refused responses)

Climate Change and Energy Efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Around a quarter (28%) of firms in the US have already invested in measures to tackle the impacts of climate change. Additionally, four in ten (40%) firms have plans to invest in the next 3 years. Both the share of firms investing and the share of firms planning to make investments is lower than the share of EU firms overall (43% and 47% respectively).

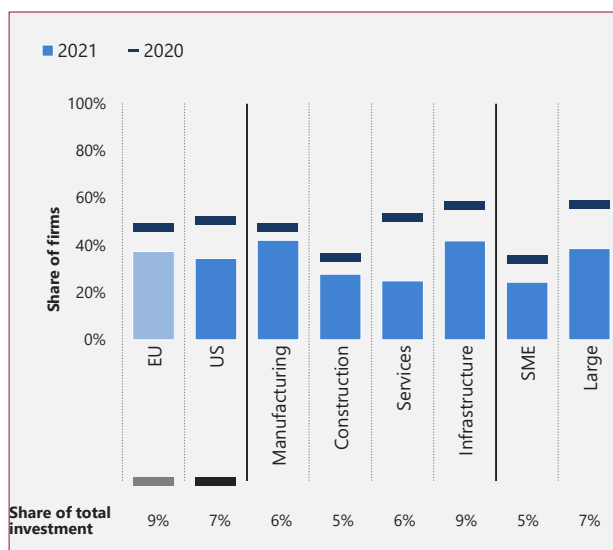
Infrastructure firms are more likely to have already invested (34%) and to have plans to invest (60%) than firms operating in other sectors. In contrast, construction firms are the least likely to have plans to invest in the next 3 years to tackle climate change (20%).



Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



About a third (34%) of the US firms invested in measures to improve energy efficiency, fewer than they did in EIBIS 2020 (50%), but in line with the average for the EU (37%).

The average share of total investment made in the country (7%) in 2020 is also in line with the EU overall (9%).

Large firms were more likely than SMEs to invest in measures to improve energy efficiency (39% versus 24% respectively).

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (for share of firms investing)

Base: All firms who have invested in the last financial year (excluding don't know/refused responses) (average share of investment)

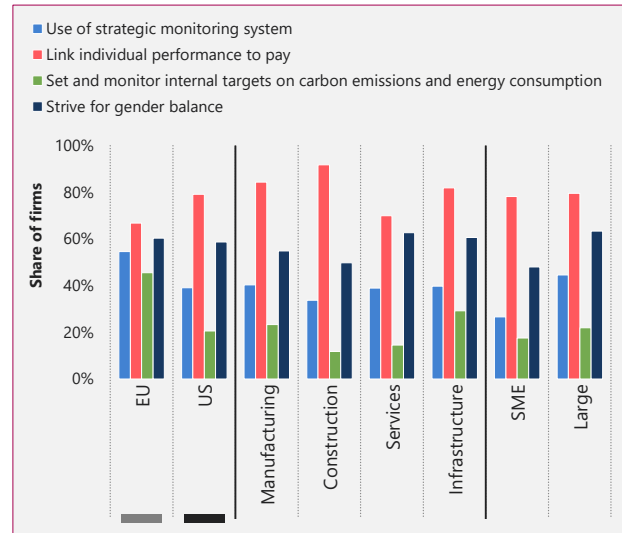
Firm management, climate targets, gender balance and employment

FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

In 2020, around eight in ten (79%) firms in the US linked individual performance to pay, which is higher than the EU average (67%).

In contrast, in 2020 39% of firms used a strategic monitoring system and 21% set and monitored internal targets on carbon emissions and energy consumption. The share of both business practices is below the share of EU firms overall (with 55% and 46% respectively).

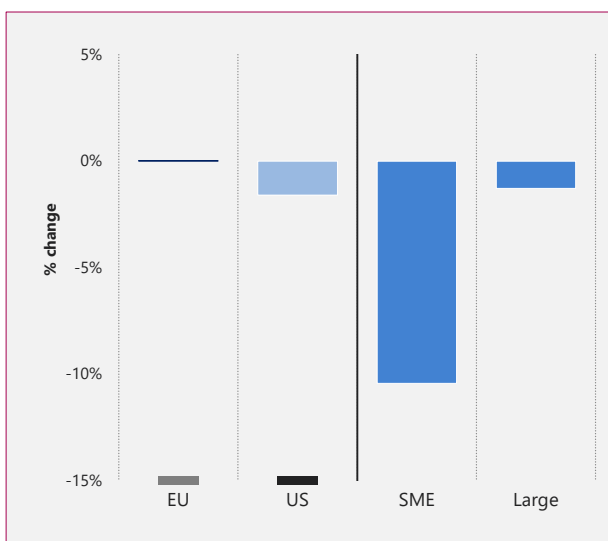
Finally in 2020, nearly six out of ten firms in the country (59%) strived for gender balance, which is in line with the average share of EU firms (60%).



Q. In 2020, did your company...?

Base: All firms (excluding don't know/refused responses)

CHANGE IN EMPLOYMENT DURING COVID-19



Overall, firms in the US did not experience a large change in employment during COVID-19, similar to EU firms.

The moderate drop of employment for SMEs (-11%) was offset by a much smaller decline for large firms (-1%).

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2020, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

EIBIS 2021 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in US, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs US	Constr Vs Manuf	SME vs Large
	(11920)	(802)	(214)	(172)	(221)	(186)	(679)	(123)	(11920 vs 802)	(172 vs 214)	(679 vs 123)
10% or 90%	1.1%	3.5%	6.0%	7.3%	6.4%	6.7%	2.3%	4.8%	4.7%	9.4%	5.3%
30% or 70%	1.7%	5.3%	9.2%	11.1%	9.8%	10.2%	3.5%	7.4%	7.2%	14.4%	8.1%
50%	1.8%	5.8%	10.1%	12.1%	10.7%	11.1%	3.8%	8.0%	7.9%	15.7%	8.9%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.

EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 802 firms in the US (carried out between March and July 2021).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)


Base definition and page reference	EU 2021/2020	US 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802/800	214	172	221	186	679	123
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802/799	214	172	221	186	679	123
All firms (excluding don't know/refused responses), p. 2	11620/11634	768/748	207	162	209	181	660	108
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800/NA	214	170	221	186	677	123
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802/NA	214	172	221	186	679	123
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768/800	205	166	208	180	657	111
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766/0	205	164	208	180	655	111
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793/787	211	170	217	186	671	122
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779/769	209	166	216	179	661	118
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618/600	169	132	165	143	522	96
All firms (excluding don't know/refused responses), p. 9	11891/11938	802/799	214	172	221	186	679	123
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777/NA	209	168	209	182	663	114
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775/NA	205	171	206	184	659	116
All firms (excluding don't know/refused responses), p. 15	11518/11477	743/721	198	159	202	176	636	107
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798/794	213	171	220	185	675	123
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783/NA	210	168	213	183	665	118
All firms (excluding don't know/refused responses), p. 17	11659/11739	775/772	209	169	208	180	661	114
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774/NA	207	165	210	182	659	115
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794/766	213	172	216	184	674	120
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674/682	185	145	176	159	569	105
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667/683	180	146	177	155	567	100
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621/648	159	144	159	150	531	90
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802/800	214	172	221	186	679	123
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284/314	64	62	74	79	243	41
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281/314	64	60	72	80	242	39



Economics Department
U economics@eib.org
www.eib.org/economics

Information Desk
3 +352 4379-22000
U info@eib.org

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
3 +352 4379-1
www.eib.org

 twitter.com/EIB
 facebook.com/EuropeanInvestmentBank
 youtube.com/EIBtheEUBank

© European Investment Bank, 01/2022

PDF: ISBN 978-92-861-5198-9

USA

Overview

EIB INVESTMENT SURVEY

2022

1