



USA
Overview

EIB INVESTMENT SURVEY

2020

EIB Group survey on investment
and investment finance 2020
Country overview

USA

EIB Group survey on investment and investment finance 2020.

Country overview: USA

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance, 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 businesses face. 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 European Investment Bank

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

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Disclaimer

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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. Its research makes a difference for decision makers and communities.

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

print: QH-BL-21-010-EN-C ISBN 978-92-861-4754-8 ISSN 2599-7998 DOI 10.2867/750034
pdf: QH-BL-21-010-EN-N ISBN 978-92-861-4755-5 ISSN 2599-8005 DOI 10.2867/293690

EIBIS 2020 – USA

KEY RESULTS

Investment Dynamics

With the Covid-19 crisis abruptly affecting the economy, investment in Q2 2020 is 6.6% below the pre-crisis 2019 level. The decline was entirely due to private-sector investment. The results from EIBIS 2020 show that the USA has moved from the 'high investment expanding' quadrant on the investment cycle to the 'low investment contracting' quadrant. In comparison to EIBIS 2019, the net balance of firms expecting to increase rather than decrease investment in the current financial year has declined significantly.

Investment Focus

Around two-fifths (38%) of firms in the USA plan to abandon or delay at least some of their investment plans as a result of COVID-19, in line with the EU average (35%). Three in ten (29%) firms plan to continue at least some of their investment with a reduced scale or scope, above the EU average (18%).

The most frequently cited long term impact of COVID-19 is the increased use of digital technologies (53%).

Investment Needs and Priorities

Eight in ten firms believe their investment over the last three years was about the right amount (80%). This is an increase on EIBIS 2019 (72%) and in line with the EU average (80%). Nearly three-fifths of firms (58%) were operating at or above full capacity in 2019, similar to EIBIS 2019 (56%) and the EU average (60%).

Looking ahead to the next three years, capacity expansion for existing products/services (30%) and replacing existing buildings and equipment (28%) are the most commonly cited investment priorities among firms. The proportion of firms prioritising capacity expansion has declined since EIBIS 2019 (30% down from 40%). Investment priorities among firms in the USA do not appear to have been influenced by COVID-19, with similar investment patterns evident between firms impacted and those not impacted by COVID-19.

Innovation Activities

Around half of all firms (51%) developed or introduced new products, processes or services as part of their investment activities. This is an increase on EIBIS 2019 (41%) and higher than the EU average (42%). A quarter (25%) of firms in USA are classified as 'active innovators', and a further 4% of firms are 'developers'.

Nearly three-quarters of firms (74%) have implemented, either fully or partially, the digital technologies. This proportion of firms implementing digital technologies is similar to EIBIS (69%) but higher than the EU average (63%).

Drivers and Constraints

In EIBIS 2020, firms in the USA are less optimistic about the overall economic climate compared to EIBIS 2019 (-20% versus +21%) but they are not as pessimistic as the EU (-56%).

Uncertainty about the future is the most commonly perceived long-term barrier to investment, and there has been a significant increase in firms citing this as a barrier since EIBIS (82%, up from 69%).

Investment Finance

The overall pattern of sources and types of finance used in the last financial year (2019) remains in line with EIBIS 2019. Internal funds accounted for the highest share of investment finance (67%), above the EU average of 62%.

Among all firms in USA, one in six (16%) cite the main reason for not applying for external finance in 2019 is because they were happy to use internal funds or did not have a need for external finance. This is similar to EIBIS 2019 (12%) and the EU average (17%).

Access to Finance

Firms that used external finance in 2019 were on balance satisfied with the finance received. The highest levels of dissatisfaction recorded among firms in USA is the cost of finance (8%) and the collateral requirements (6%).

Three per cent of all firms in USA could be considered finance constrained in 2019, which is not significantly different from the EU average of 6%.

Energy Efficiency

Half of firms (50%) were investing in measures to improve energy efficiency. This is similar to EIBIS 2019 (43%) and the EU average (47%). However, the average share of investment in measures to improve energy efficiency is only 7% among USA firms, below the EU average (12%).

Firms in the USA were less likely than EU firms to have had an energy audit in the last 4 years (44% versus 55%), set internal targets on carbon emissions and energy consumption (22% versus 41%) and have a designated person for climate change strategies (13% versus 24%).

Climate Change

Almost one in seven firms (14%) report that climate change and the related changes in weather patterns has had a major impact on their business, which is lower than the EU average (23%). Around two in five (38%) report a minor impact which is in line with the EU average (35%).

Overall more firms in the USA are expecting the transition to a low-carbon future to have a positive impact rather than negative impact on their reputation (+12%) over the next five years, whilst firms tend to expect the impact to be neutral on market demand. In contrast, more firms expect the transition to have a negative impact rather than positive impact on their supply chain (-22%).

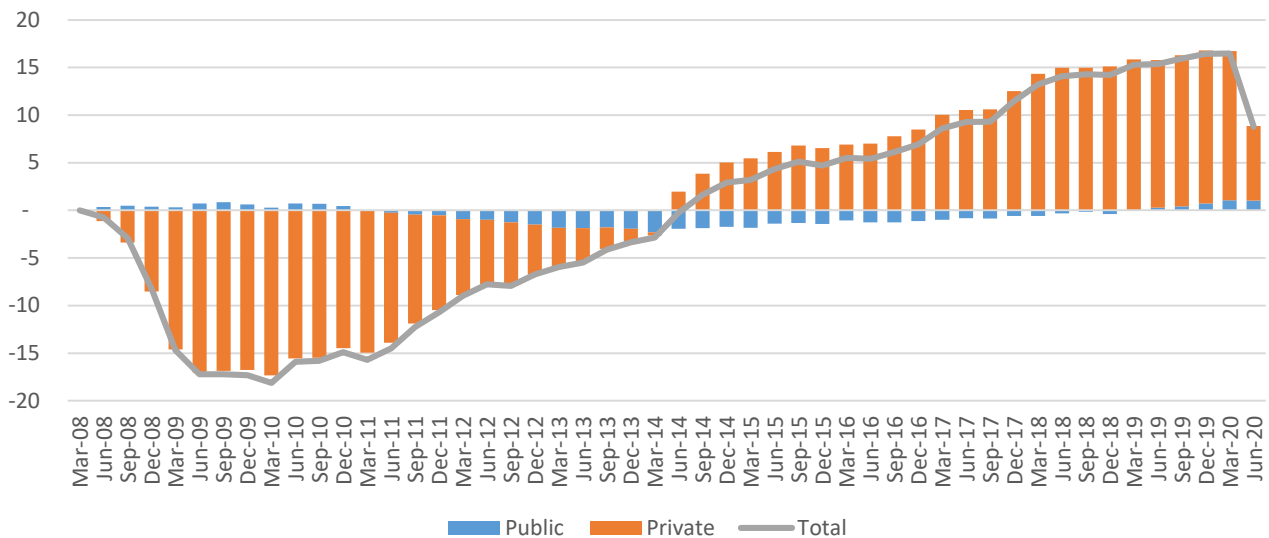
Fewer than half (46%) of firms in the USA already invest or plan to invest, in the next three years, in measures to tackle the impact of weather events and the reduction in carbon emissions. This compares to 67% of firms across the EU.

Investment Dynamics

INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the Covid-19 crisis abruptly affecting the economy, investment in Q2 2020 is 6.6% below the pre-crisis 2019 level. The decline was entirely due to private-sector investment.

This decline interrupts a period of positive investment dynamics. This negative trend calls for extra vigilance in the coming months.

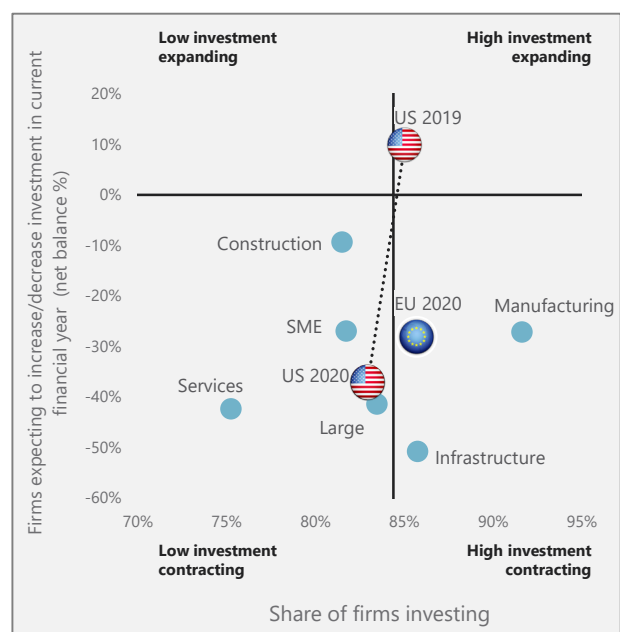


The graph shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data has been indexed to equal 0 in 2008. Source: Eurostat.

INVESTMENT CYCLE

USA has moved from the 'high investment expanding' quadrant on the investment cycle to the 'low investment contracting' quadrant. In comparison to EIBIS 2019, the net balance of firms expecting to increase rather than decrease investment in the current financial year has declined significantly.

Infrastructure and manufacturing firms continue to have a higher share of firms investing.



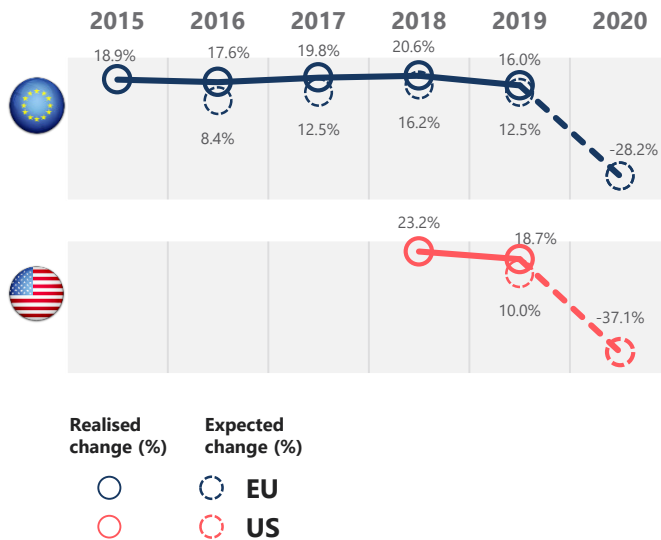
Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for 2016.

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

Investment Dynamics

EVOLUTION OF INVESTMENT EXPECTATIONS

Realised/expected change in investment



In EIBIS 2020, more firms reported increasing rather than reducing their investment activities in the preceding financial year 2019 (19%). This turnout was higher than expectations (10%) and in line with the EU average (16%).

In EIBIS 2020, firms in the USA are more likely to expect to reduce rather than to increase their investment in the current financial year (2020) (net -37%). The negative investment outlook for the current year is also evident across all EU countries, indicating the widespread impact of the pandemic.

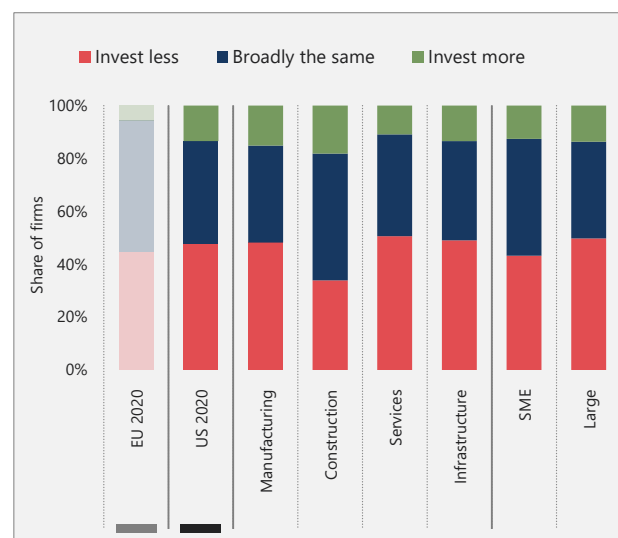
'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 has affected firms' investment strategies for 2020 with around a half of firms in the USA (48%) expecting to invest less than planned, similar to the EU average (45%).

Construction sector firms are the most likely sector to expect their investment levels to stay broadly the same over the course of 2020 (48%).



Q. Have your company's overall investment expectations for 2020 changed due to coronavirus?

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

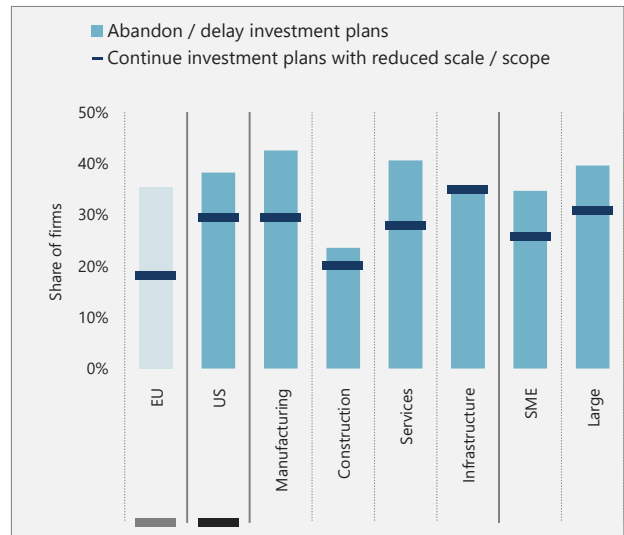
Investment Focus

ACTIONS AS A RESULT OF COVID-19

Around two-fifths (38%) of firms in the USA plan to abandon or delay at least some of their investment plans as a result of COVID-19, in line with the EU average (35%).

Three in ten (29%) firms plan to continue with at least some of their investment plans with a reduced scale or scope, above the EU average (18%).

Construction firms are the least likely to abandon or delay their investment plans as a result of COVID-19 (24%).

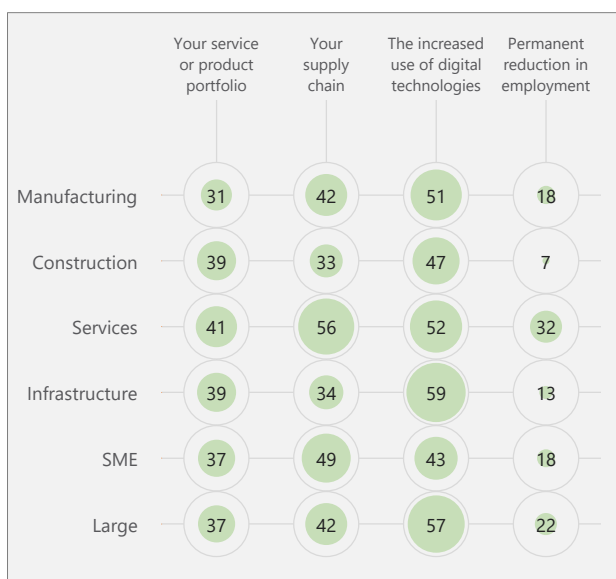


Q. You said you will invest less due to coronavirus. Can I just check which of the following actions will your company undertake?

Please note some firms may be taking multiple actions i.e. abandoning/delaying some investment plans whilst continuing with other plans at a reduced scale or scope.

Base: All firms with investment plans for the current financial year (excluding don't know/refused responses)

LONG TERM IMPACT OF COVID-19 BY SECTOR AND SIZE



The most frequently cited long term impact of COVID-19 is the increased use of digital technologies (53%). Large firms are more likely to hold this view than SMEs (57% versus 43%).

Overall around two-fifths of firms expect changes to their supply chain (44%) and service or product portfolio (37%).

Overall around one-fifth of firms (21%) expect a permanent reduction in employment levels. Firms in the service sector (32%) are more likely to expect a permanent reduction in employment levels than those in the construction (7%) and infrastructure (13%) sectors.

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

Base: All firms

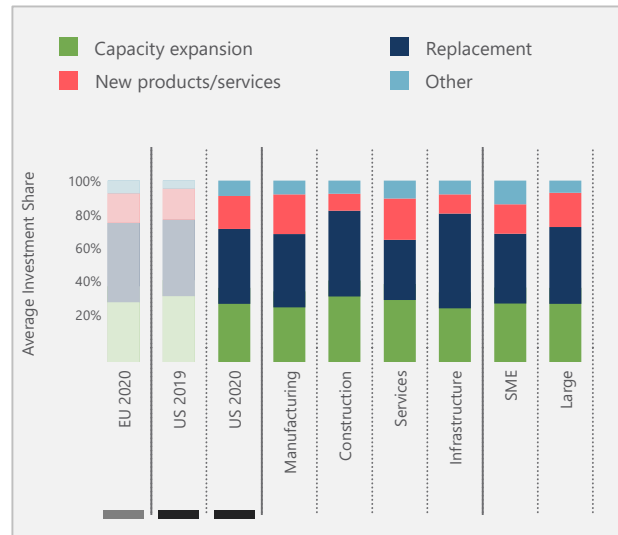
Investment Focus

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

More than two-fifths of firms' investment (45%) in 2019 was for the purpose of replacing buildings and equipment. This is in line with 2019 (46%) and the EU average (47%).

Replacement is followed by capacity expansion which made up just over one-quarter (26%) of all investment, and in line with the EU average (27%).

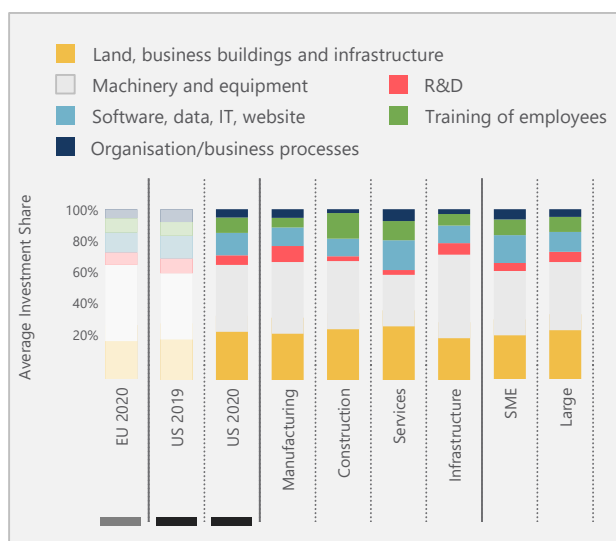
One-fifth (20%) of investment was made up of developing or introducing new products, processes or services. Firms from manufacturing (24%) and services (25%) are more likely to report a higher share of investment in new products, processes or services than construction (10%) or infrastructure (11%) firms.



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



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)

Out of the six investment areas considered, the highest share of investment in USA was in machinery and equipment (43%), followed by land, business buildings and infrastructure (21%), software, data, IT and website activities (14%) and training of employees (10%). The pattern is broadly in line with the EIBIS 2019 findings.

Manufacturing firms tended to allocate a larger share of their investment to R&D than other sectors. Construction firms tended to allocate a larger share of their investment to training of employees.

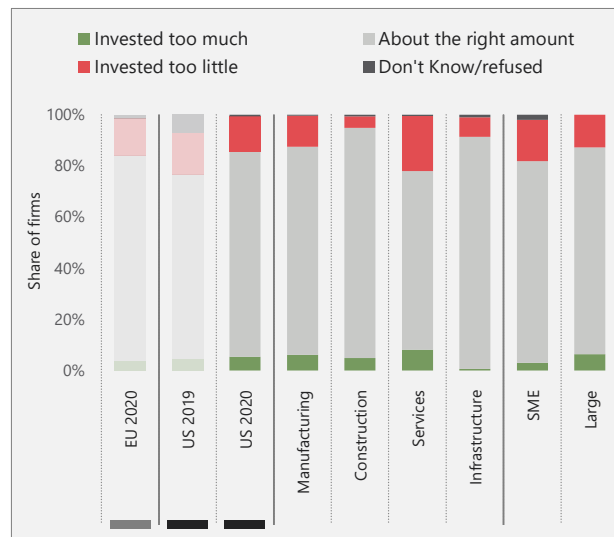
SMEs were more likely to have a higher share of investment in software, data, IT networks and website activities compared with large firms (18% and 13%).

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

Eight in ten firms believe their investment over the last three years was about the right amount (80%). This is an increase on EIBIS 2019 (72%) and in line with the EU average (80%). Five per cent report investing too much which is in line with the EU average.

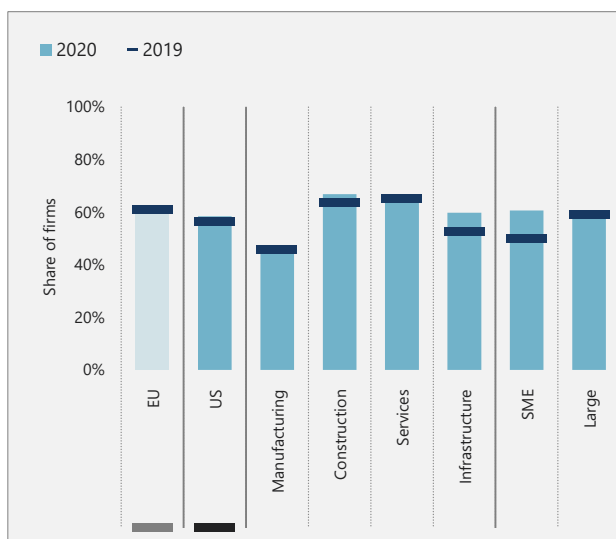
Fourteen per cent of firms believe they invested too little, again this is similar to the EU average of 15%.



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



Full capacity is the maximum capacity attainable under normal conditions 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 under normal circumstances?

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

Nearly three-fifths of firms (58%) were operating at or above full capacity in 2019, similar to EIBIS 2019 (56%) and in line with the EU average (60%).

As international trade slowed down throughout 2019, firms in the manufacturing sector in the USA were less likely to be operating at or above full capacity (46%) compared with firms in construction (67%) or service (65%) sectors.

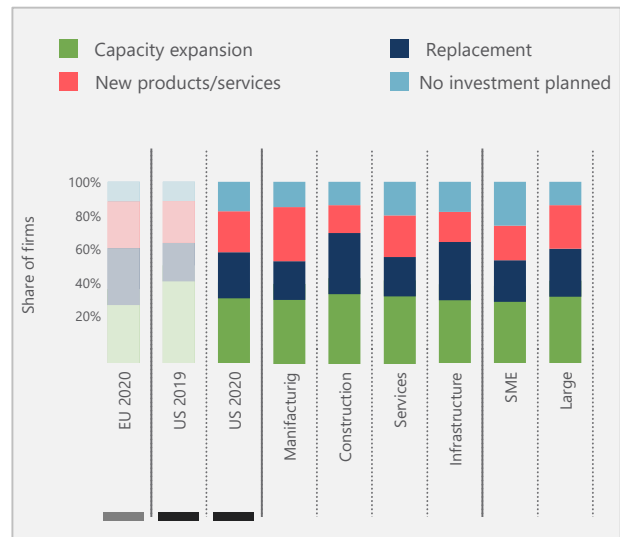
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Looking ahead to the next three years, capacity expansion for existing products/services (30%) and replacing existing buildings and equipment (28%) are the most commonly cited investment priorities among firms in the USA. The proportion of firms prioritising capacity expansion has declined since EIBIS 2019 (30% down from 40%).

SMEs are more likely than large firms to have no investment planned (26% and 14% respectively).

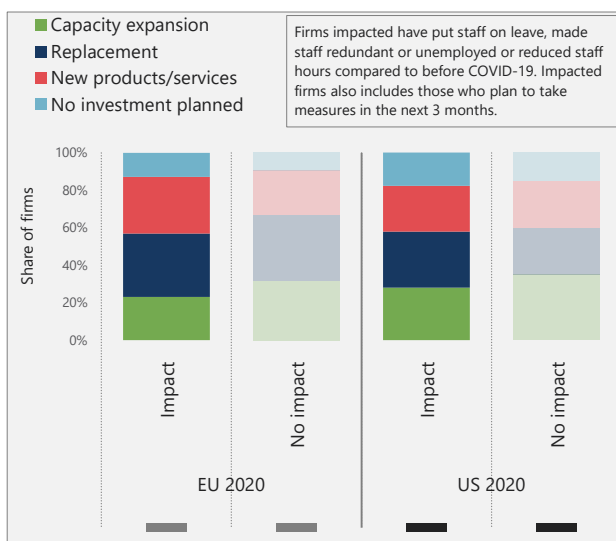
Firms in the USA are more likely than those in the EU to have no investment planned (18% and 12% respectively).



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 IMPACT ON PRIORITIES



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?

Q. Thinking about the impact of coronavirus, have you had to put staff temporarily on leave, make staff redundant or unemployed or reduce the number of hours they work compared to before the coronavirus pandemic?

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

The pattern of investment between firms in the USA and EU who have been impacted by COVID-19 is broadly similar.

Investment priorities among firms in the USA do not appear to have been influenced by COVID-19, with similar investment patterns evident between firms impacted and those not impacted by COVID-19.

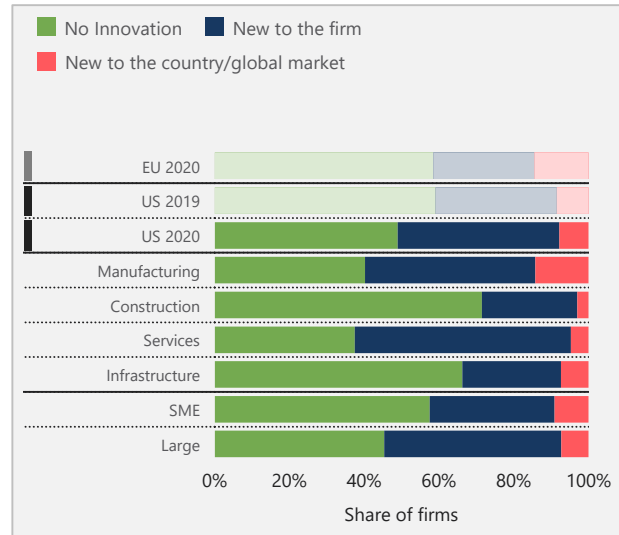
Innovation Activities

INNOVATION ACTIVITY

Around half of all firms (51%) in the USA developed or introduced new products, processes or services as part of their investment activities. This is an increase on EIBIS 2019 (41%) and higher than the EU average (42%).

Service (63%) and manufacturing (60%) firms were more likely to innovate than firms in either the construction (29%) or infrastructure (34%) sectors.

More than half (55%) of large firms invested in developing innovative products, processes or services, compared with around two in five (43%) SMEs.

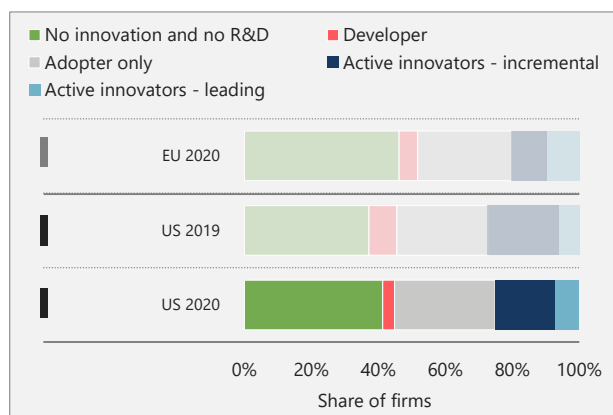


Q. What proportion of total investment was for developing or introducing new products, processes, services?

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, 25% of firms in USA are classified as 'active innovators', and a further 4% of firms are 'developers'.

The proportion of 'active innovators' is broadly in line with EIBIS 2019 (27%) and the EU average (20%).

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'.

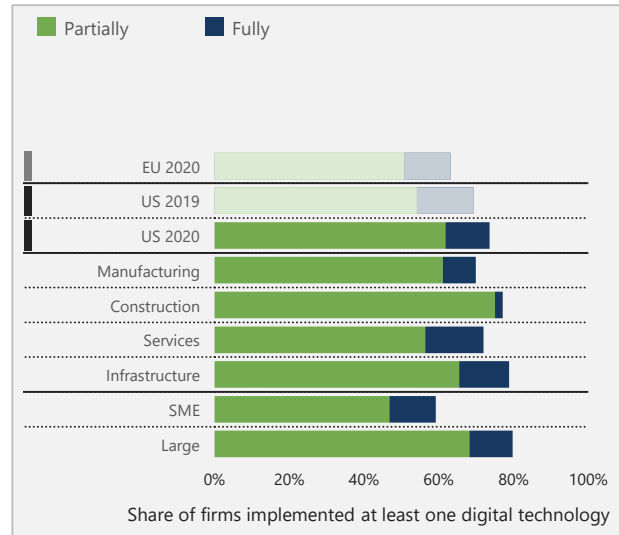
Innovation Activities

IMPLEMENTATION OF DIGITAL TECHNOLOGIES

Nearly three-quarters of firms (74%) have implemented, either fully or partially, the digital technologies asked about. The share of firms implementing digital technologies is similar to EIBIS 2019 (69%) and higher than the EU average (63%).

Large firms are more likely than SMEs to have implemented at least one digital technology (80% and 59% respectively).

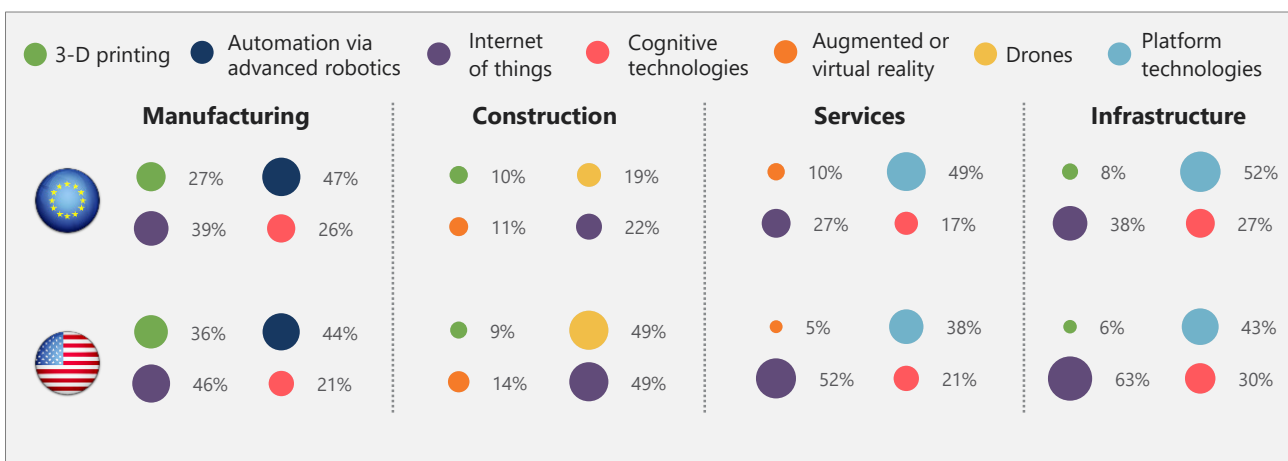
Firms in the USA report relatively high take-up of the internet of things across all sectors when compared with the share across the EU. Within the construction sector the share of firms using drones in the USA is more than double that in the EU.



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?

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

DIGITAL TECHNOLOGIES BY SECTOR



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?

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

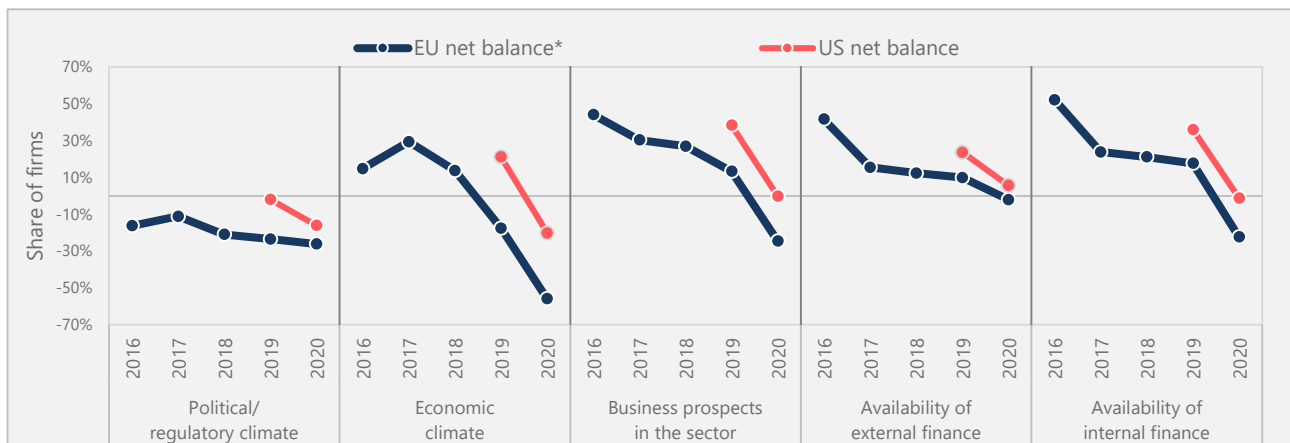
Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Drivers And Constraints

SHORT TERM FIRM OUTLOOK

More USA firms expect a deterioration than an improvement in the short-term outlook. This is in line with firms across the EU.

Firms in the USA are much less optimistic about the overall economic climate compared to EIBIS 2019 (-20% versus +21%) but they are not as pessimistic as the EU (-56%).



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

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

Firms are consistently more negative than positive on all the short term firm outlook measures. Firms are most likely to be negative about the political/regulatory climate and the economic climate.

Firms in the infrastructure sector are also more pessimistic than other sectors about business prospects (-9%), and both external (-8%) and internal (-12%) finance.

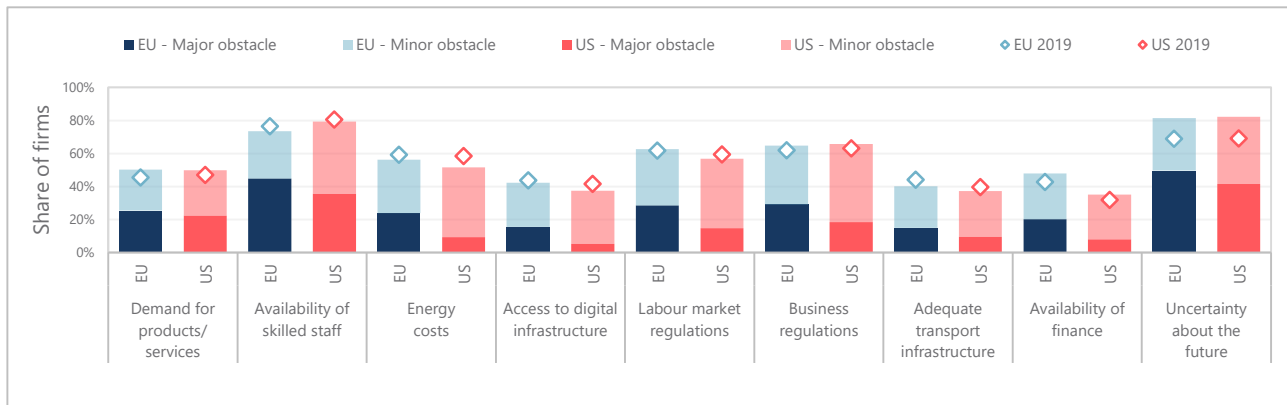
Firms in the construction and services sectors are the most optimistic about external finance (14% and 18% respectively) whilst firms in manufacturing and construction are the most optimistic about internal finance (8% and 16% respectively).

Drivers And Constraints

LONG TERM BARRIERS TO INVESTMENT

More than eight in ten firms (82%) consider the uncertainty about the future as a barrier to investment. This represents a significant increase since EIBIS 2019 (69%) but it is in line with the EU average (81%).

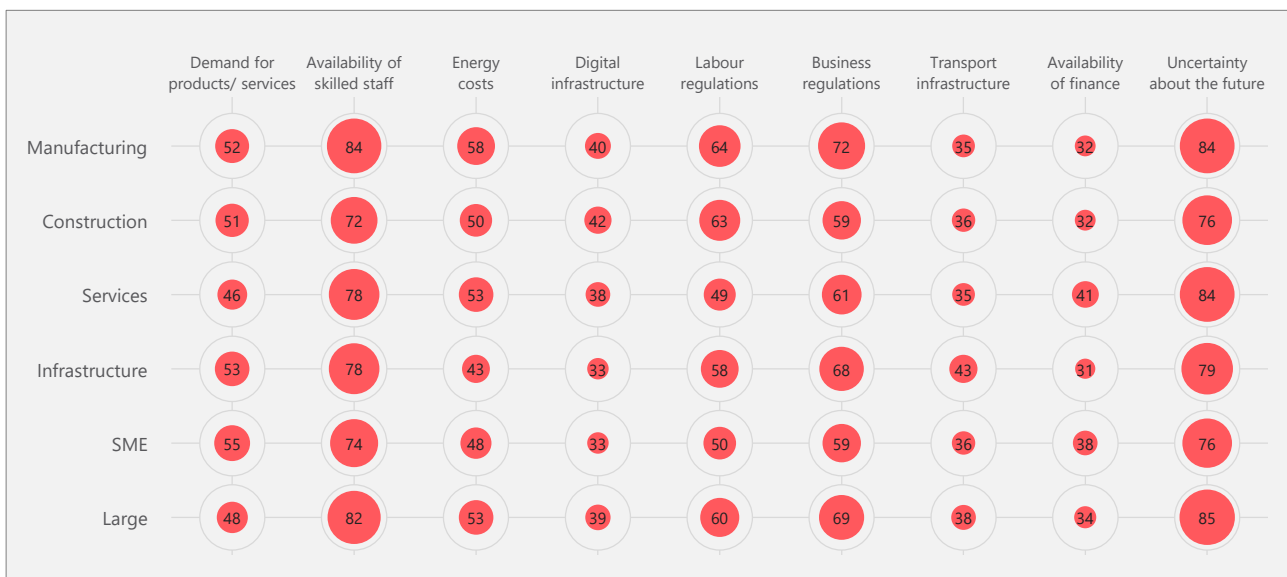
The second most frequently cited long term barrier is the availability of skilled staff (79%). This is in line with EIBIS 2019 (80%) but the share of firms citing the availability of skilled staff as a barrier is higher in the USA than in the EU (79% and 73% respectively).



Q. Thinking about your investment activities in USA, 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 USA, 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)

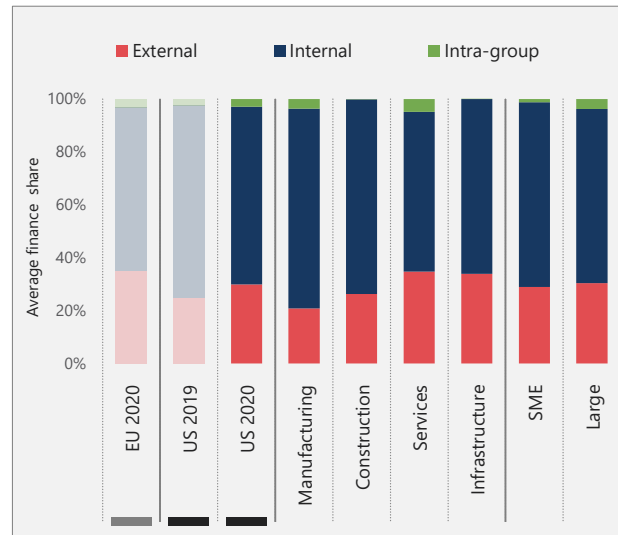
Investment Finance

SOURCE OF INVESTMENT FINANCE

Two-thirds of investment activity in USA firms was financed by internal sources (67%) in 2019. This is slightly below EIBIS 2019 (73%) and above the EU average (62%).

External finance made up around one-third of investment finance in USA firms (30% share compare with 25% in EIBIS 2019 and 35% on average across the EU).

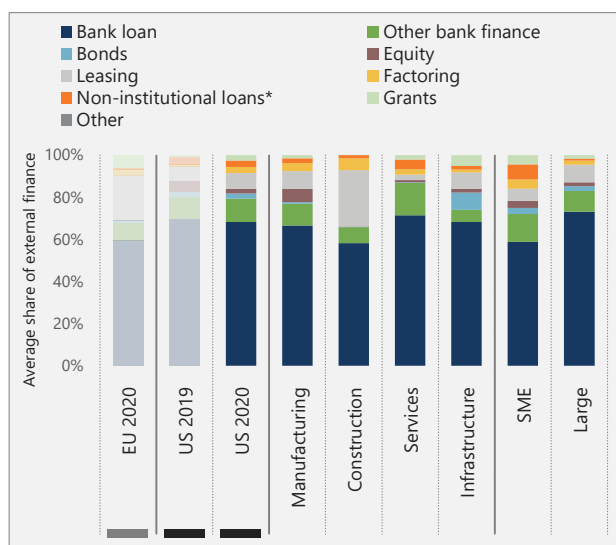
Intra-group finance accounted for three per cent of investment in both USA and the EU. Large firms report a higher share of intra-group finance (4% versus 1% in SMEs in the USA).



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



Bank loans continued to make up the highest share of external finance (68%) in the last financial year. This is in line with EIBIS 2019 (70%) and above the EU average (59%).

Other bank finance had the second highest share of external finance in the USA (11%), followed by leasing (7%).

The average share of leasing was lower in the USA than in the EU (7% compared with 21%).

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

*Loans from family, friends or business partners

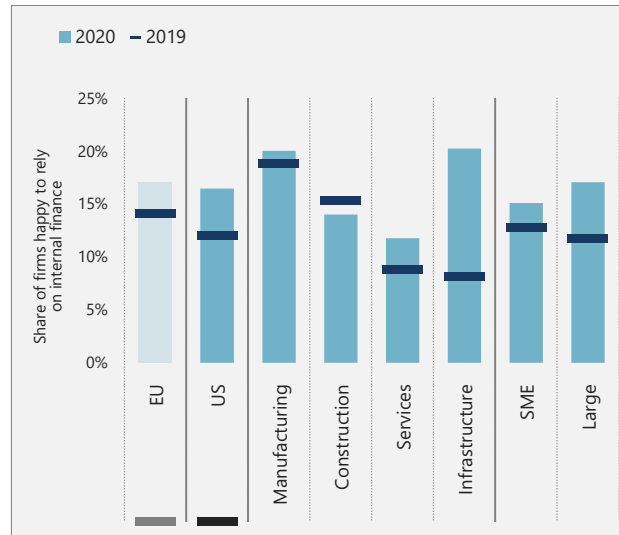
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)

Investment Finance

SHARE OF FIRMS HAPPY TO RELY EXCLUSIVELY ON INTERNAL SOURCES TO FINANCE INVESTMENT

Among all firms in the USA, one in six (16%) cite the main reason for not having applied for external finance in 2019 is because they were happy to use internal funds or did not have a need for external finance. This is similar to EIBIS 2019 (12%) and the EU average (17%).

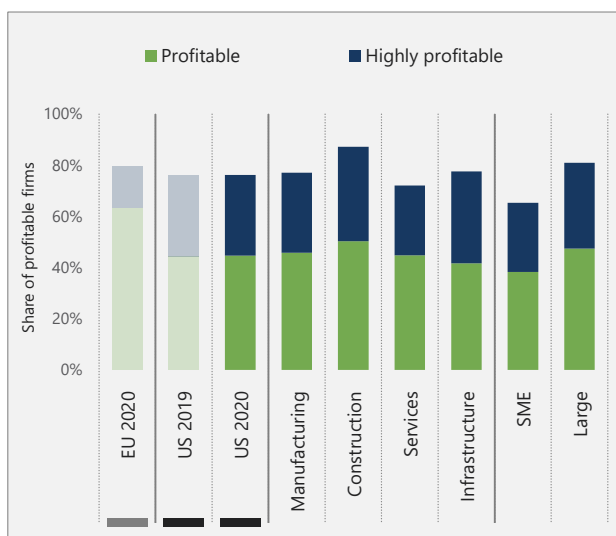
Construction (14%) and service (12%) firms tended to be the least likely to not apply for external finance because they were happy to use internal funds or did not require external finance.



Q. What was your main reason for not applying for external finance for your investment activities? Was happy to use internal finance/didn't need the finance

Base: All firms

SHARE OF PROFITABLE FIRMS



Q. Taking into account all sources of income in the last financial year, did your company generate a profit or loss before tax, or did you break even? Highly profitable is defined as profits/turnover of 10% or more

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

Three-quarters (76%) of firms report generating a profit in the last financial year (2019), this is similar to both EIBIS 2019 and the EU average (76% and 80% respectively).

Specifically, nearly one-third (32%) of USA firms claim to be highly profitable in 2019, generating a profit level at least 10% of firm turnover. This is higher than the EU average (16%).

Large firms are more likely to report that they made a profit (81%) than SMEs (65%).

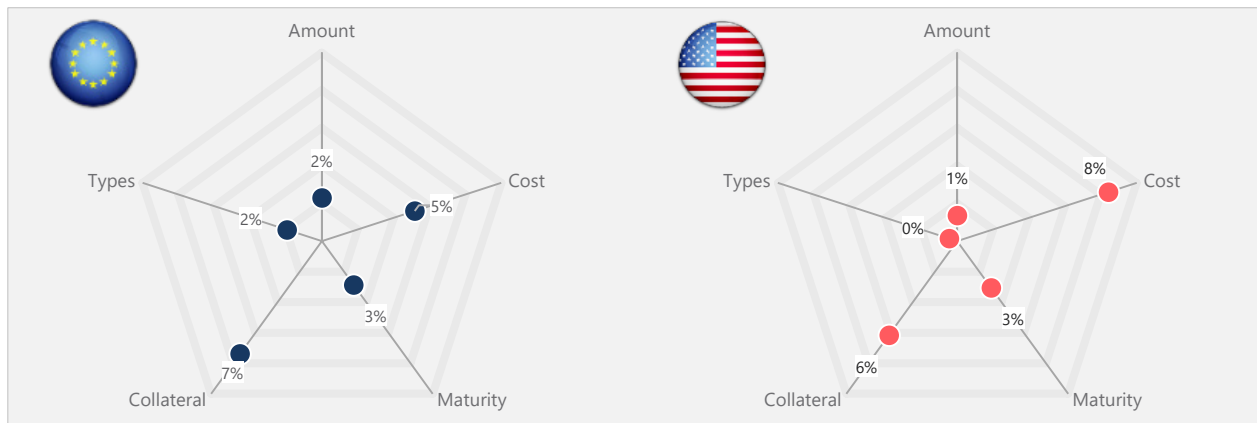
Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that were using external finance in 2019 are on balance satisfied with the amount, cost, maturity, collateral and type of finance received.

The highest levels of dissatisfaction recorded among firms in USA is with the cost of finance (8%) and the collateral requirements (6%). Less than one per cent of firms reported dissatisfaction with the type of finance offered.

Share of dissatisfied firms



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 are low, with the highest levels of dissatisfaction related to the cost of finance and collateral requirements.

Service and infrastructure firms have the highest share of firms dissatisfied with the cost of the finance.

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

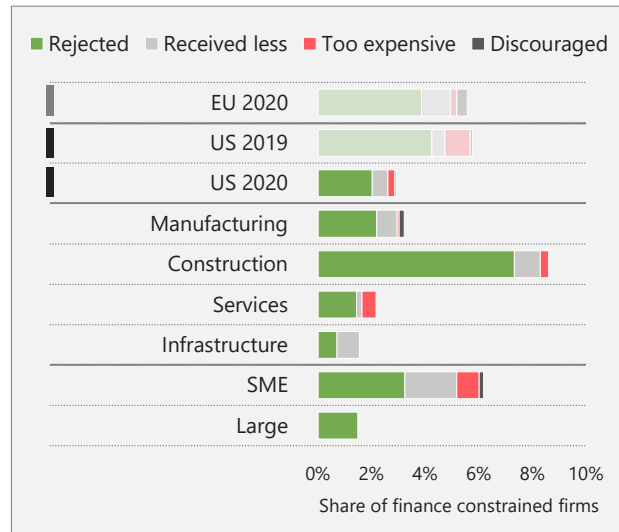
Base: All firms who used external finance in the last financial year (excluding don't know/ refused responses)
Effective sub-group base sizes are less than 30 – no significance testing applied

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Just three per cent of all firms in USA could be considered as external finance constrained in 2019, which is in line with EIBIS 2019 and not significantly different to the EU average.

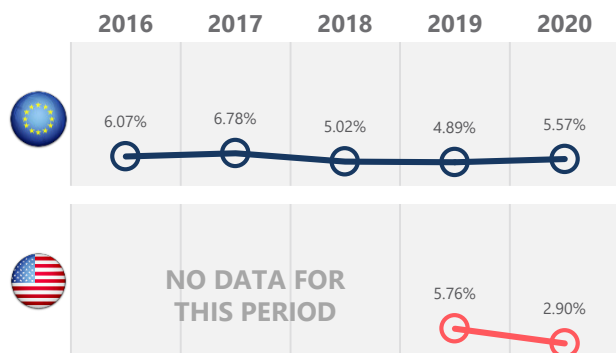
SMEs were more likely to be finance constrained compared to large firms (6% versus 1%).



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

FINANCING CONSTRAINTS OVER TIME



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

Firms in USA were less likely to be finance constrained in 2019 as the average EU firm. These differences likely reflect a more developed, diversified and mature financial sector in the USA than the average EU.

Base: All firms

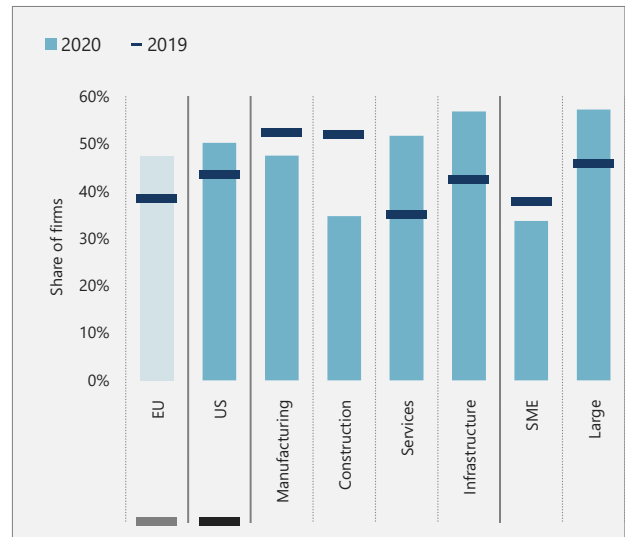
Energy Efficiency

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY

Half of USA firms (50%) were investing in measures to improve energy efficiency. This is similar to EIBIS 2019 (43%) and the EU average (47%).

Firms in the construction sector (35%) were the least likely to be investing in measures to improve energy efficiency.

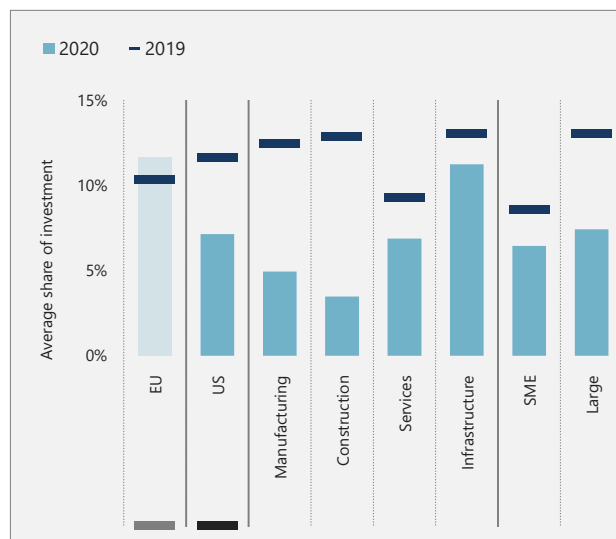
SMEs were less likely than large firms to be investing in measures to improve energy efficiency (34% and 57% respectively).



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

Base: All firms

AVERAGE SHARE OF INVESTMENT IN MEASURES TO IMPROVE ENERGY EFFICIENCY



The average share of investment in measures to improve energy efficiency was 7% among USA firms, below the EU average (12%).

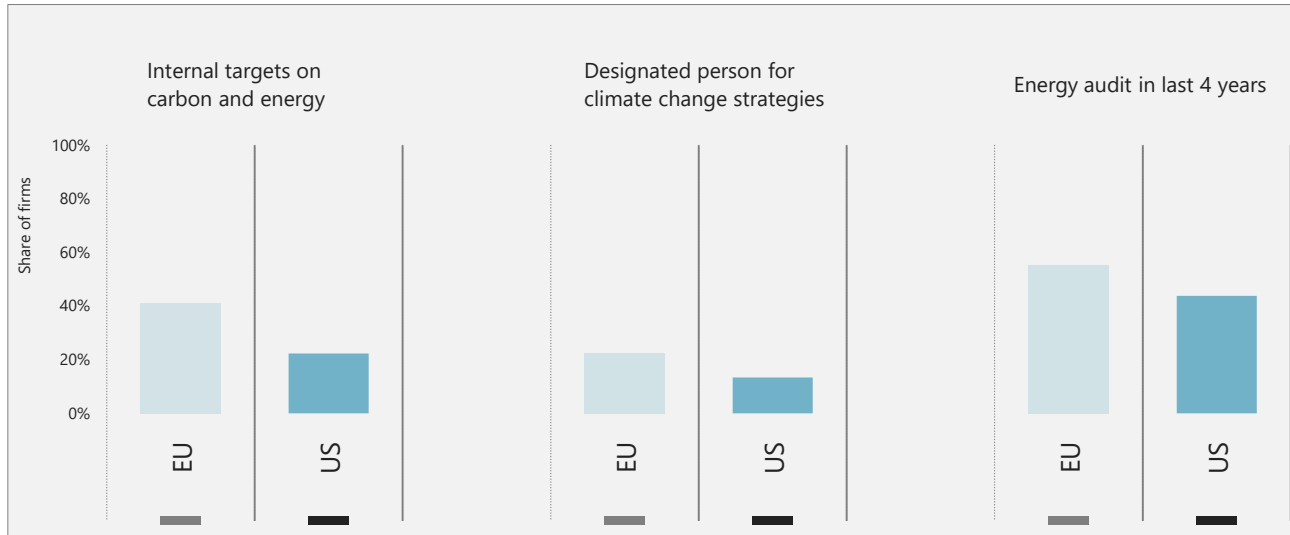
The average share of investment has fallen since EIBIS 2019 in both the manufacturing and construction sectors. The infrastructure sector has the highest share of investment in measures to improve energy efficiency.

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

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

Energy Efficiency

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT



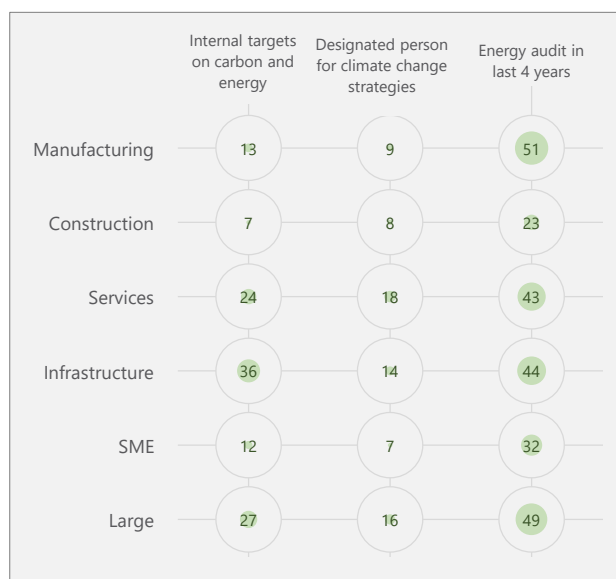
Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

Base: All firms

ENERGY TARGETS, MANAGEMENT AND INTERNAL AUDIT BY SECTOR AND SIZE



Firms in the USA are less likely than EU firms to have had an energy audit in the last 4 years (44% versus 55%), set internal targets on carbon emissions and energy consumption (22% versus 41%) and have a designated person for climate change strategies (13% versus 23%).

Construction firms are the least likely to have had an energy audit in the last 4 years (23% versus others sectors ranging between 43% and 51%).

Service and infrastructure firms are slightly more likely to have a designated person for climate change (18% and 14%) and have internal targets on carbon emissions and energy consumption (24% and 36%).

Q. In 2019 and under normal conditions, did your company set and monitor internal targets on carbon emissions and energy consumption?

Q. In 2019 and under normal conditions, did your company have a designated person responsible for defining and monitoring climate change strategies?

Q. And can I check, in the past four years has your company had an energy audit? By this, I mean an assessment of the energy needs and efficiency of your company's building or buildings

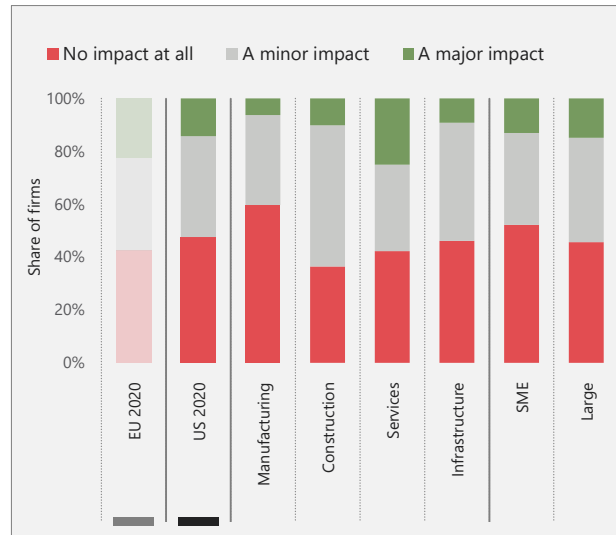
Base: All firms

Climate Change

CLIMATE CHANGE IMPACT

Almost one in seven firms in the USA (14%) report that climate change and the related changes in weather patterns has had a major impact on their business, which is lower than the EU average (23%). Around two in five (38%) USA firms report a minor impact which is in line with the EU average (35%).

Firms in the service sector are the most likely to report that climate change and the related changes in weather patterns are currently having a major impact (25% compared with 6% to 10% in other sectors).



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)

REDUCTION IN CARBON EMISSIONS OVER NEXT FIVE YEARS BY SECTOR AND SIZE (NET IMPACT* %)



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

Q. What impact will the transition to a reduction of carbon emissions have on the following aspects of your business over the next five years?

**Less than 0.5% and greater than zero

Base: All firms

Overall more firms in the USA are expecting the transition to a low-carbon future to have a positive impact rather than negative impact on their reputation (+12%) over the next five years, whilst firms tend to expect the impact to be neutral on market demand (0%**). In contrast, more firms expect the transition to have a negative impact rather than positive impact on their supply chain (-22%) over the next five years, presumably because they are spatially dispersed, requiring a lot of carbon-intensive transportation.

However, in contrast to all other sectors more service firms believe it will negatively impact market demand than have a positive impact (-9%).

*Net balance is the share of firms seeing positive impact minus the share of firms seeing a negative impact

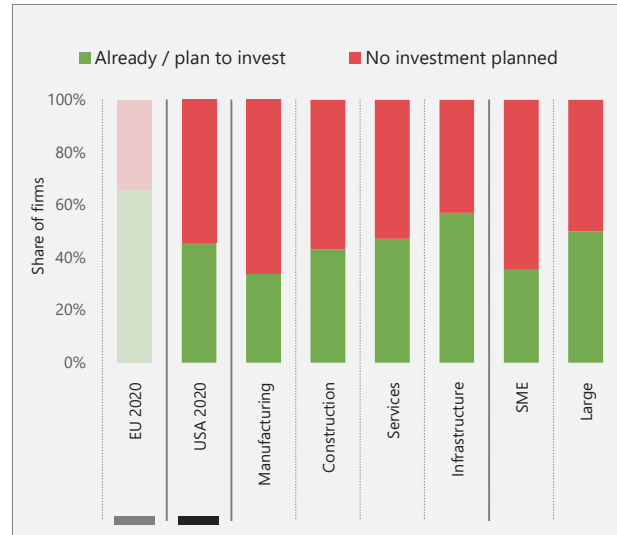
Climate Change

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

Fewer than half (46%) of firms in the USA already invested or plan to invest, in the next three years, in measures to tackle the impact of weather events and the reduction in carbon emissions. This is below the EU average (67%).

Manufacturing firms (34%) and SMEs (35%) are the least likely to have invested or are planning to invest.

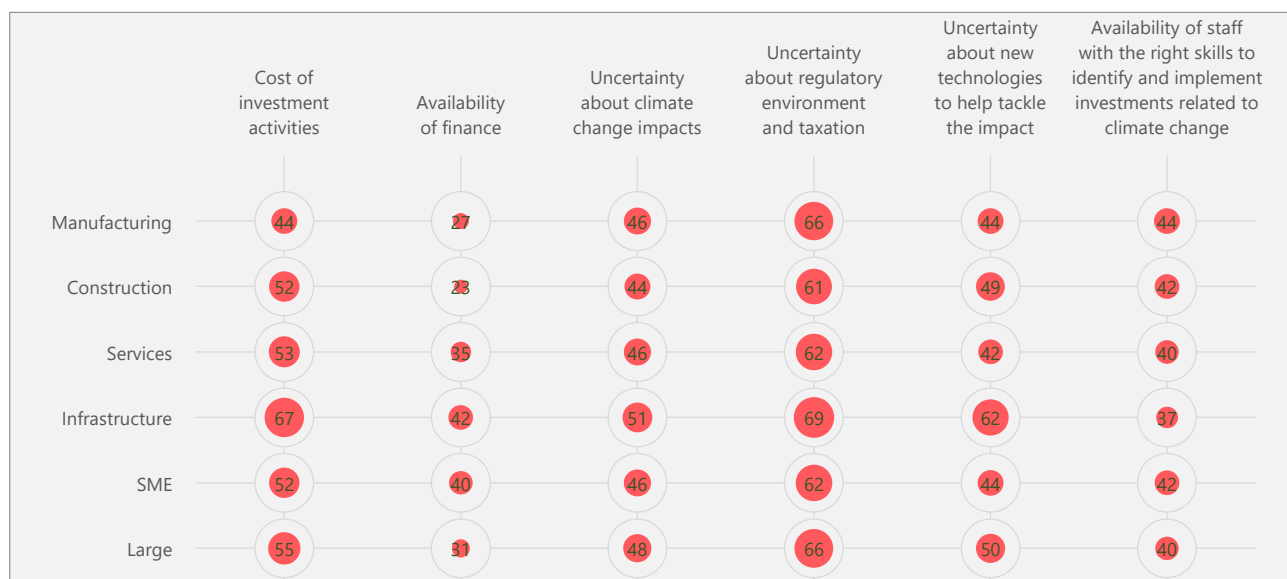
Uncertainty about the regulatory environment and taxation is the biggest barrier to investment in this area (65%), followed by the cost of investment activities (54%).



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

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

BARRIERS TO INVESTING IN ACTIVITIES TO TACKLE CLIMATE CHANGE BY SECTOR AND SIZE



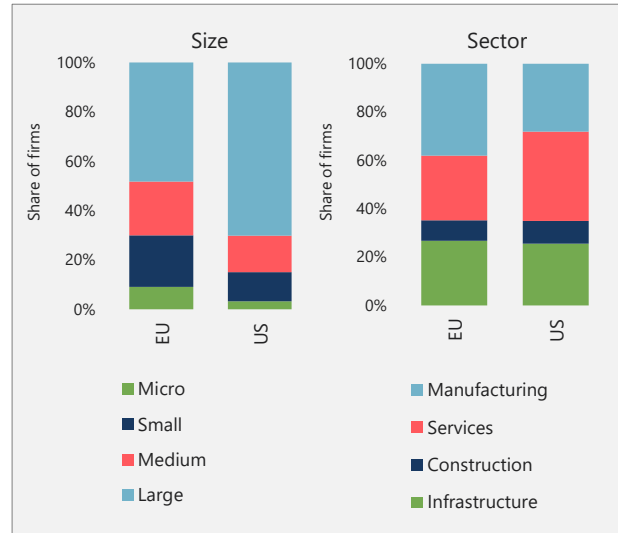
Q. To what extent is the following an obstacle to investing in activities to tackle weather events and emissions reduction? Is it a major obstacle, minor obstacle or not at obstacle at all?

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

Profile of Firms

CONTRIBUTION TO VALUE ADDED

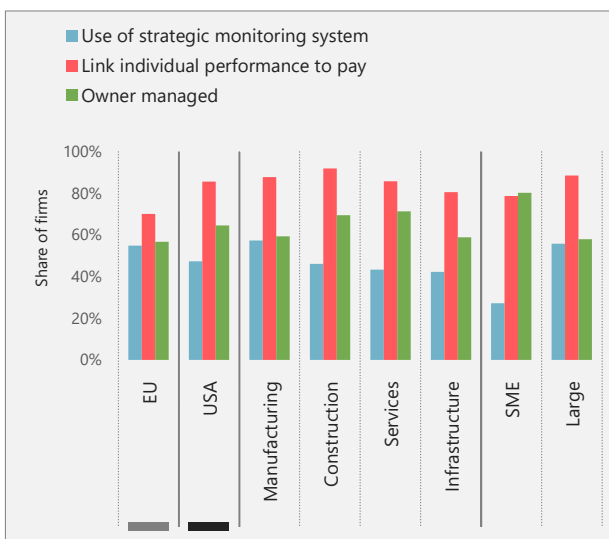
Large firms with 250+ employees (70%) and the service sector (37%) account for the greatest shares of value-added in USA.



The charts reflect the relative contribution to value-added by firms belonging to a particular size class / sector in the population of firms considered. That is, all firms with 5 or more employees active in the sectors covered by the survey. Micro: 5-9 employees; Small: 10-49; Medium: 50-249; Large: 250+

Base: All firms

FIRM MANAGEMENT



Firms in USA are less likely than EU firms to report using a formal strategic monitoring system (47% and 55% respectively).

Firms in the USA are more likely than EU firms to report that they link individual performance to pay (86% and 70% respectively) and are owner managed (65% and 57% respectively).

Large firms are more likely than SMEs to use a formal strategic monitoring system (56% and 27% respectively) and to link individual performance to pay (89% and 79% respectively). Large firms are less likely than SMEs to be owner managed (58% and 80% respectively).

Q. And does your company (a) use a formal strategic business monitoring system (that compares the firm's current performance against a series of strategic key performance indicators) (b) link individual performance with pay?
Q. Does the CEO/ company head of your firm own or control the firm, or have a family member that owns/controls it?

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

EIBIS 2020 – 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 USA, 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	Manuf vs Constr	SME vs Large
	(11971)	(800)	(215)	(180)	(222)	(171)	(676)	(124)	(11971 vs 800)	(180 vs 215)	(676 vs 124)
10% or 90%	1.1%	3.5%	5.9%	7.0%	6.4%	7.0%	2.2%	4.8%	4.9%	9.1%	5.3%
30% or 70%	1.7%	5.3%	9.0%	10.7%	9.7%	10.8%	3.4%	7.4%	7.5%	14.0%	8.1%
50%	1.9%	5.8%	9.9%	11.7%	10.6%	11.7%	3.7%	8.1%	8.1%	15.2%	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.
EIBIS 2019	The previous wave of the EIB Investment Survey, with interviews carried out between April-July 2019.
EIBIS 2020	The current wave of the EIB Investment Survey, with interviews carried out between May-August 2020.

Note : the EIBIS 2020 overview refers interchangeably to 'the past/last financial year' or to '2019'. Both refer to results collected in EIBIS 2020, where the question is referring to the past financial year, with the majority of the financial year in 2019 in case the financial year is not overlapping with the calendar year 2019.

EIBIS 2020 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 800 firms in the USA (carried out between May and August 2020).

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

Base definition and page reference	EU 2020/2019	US 2020/2019	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 3, p. 4, p. 6, p. 10, p.11, p. 13, p. 15, p. 16, p. 17, p. 18, p. 19, p. 20	11971/12071	800/803	215	180	222	171	676	124
All firms (excluding don't know/refused responses), p. 2	11634/11417	748/711	196	160	214	166	632	116
All firms with investment plans for the current financial year (excluding don't know/refused responses), p. 3 (bottom), p. 4 (top)	9606/NA	643/NA	172	138	181	142	531	112
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (top)	10138/9716	682/624	189	137	192	154	569	113
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 5 (bottom)	9874/9506	683/620	185	143	194	150	576	107
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11949/12042	799/802	215	180	221	171	675	124
All firms (excluding don't know/refused responses), p. 7 (top)	11727/11757	787/775	212	173	221	169	664	123
All firms (excluding don't know/refused responses), p. 7 (bottom)	11608/0	780/0	209	171	220	168	659	121
All firms (excluding don't know/refused responses), p. 8 (top)	11720/11770	769/772	207	174	214	162	652	117
All firms (excluding don't know/refused responses), p. 8 (bottom)	9039/8380	600/516	170	119	168	133	507	93
All firms (excluding don't know/refused responses), p. 9	11938/11937	799/800	215	179	222	171	675	124
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	9255/9008	648/587	173	135	186	143	556	92
All firms who used external finance in the last financial year (excluding don't know/ refused responses), p. 12	4354/4369	314/252	78	66	86	80	271	43
All firms (excluding don't know/refused responses), p. 13	10711/10490	637/605	167	139	175	147	542	95
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	4310/4292	314/245	76	68	86	80	270	43
All firms (excluding don't know/refused responses), p. 18	11898/NA	794/NA	215	177	222	168	670	124
All firms (excluding don't know/refused responses), p. 19	11739/NA	772/NA	207	173	214	166	654	118
All firms (excluding don't know/refused responses), p. 20*	11740/11627	777/762	208	172	217	166	658	119



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© European Investment Bank, 11/2020

print: ISBN 978-92-861-4754-8
PDF: ISBN 978-92-861-4755-5

USA

Overview

EIB INVESTMENT SURVEY

