

4.13 Supplementary Questions in the ifo Business Survey

KATRIN DEMMELHUBER, STEFAN SAUER, KLAUS WOHLRABE¹⁴

4.13.1 Introduction

In addition to the ifo Business Survey's monthly, quarterly, bi-annual, or annual questions, its supplementary questions further increase the potential for economic research. These questions are either collected on a one-time basis or at irregular intervals, and typically relate to current economic topics or company-specific information that is of interest for ongoing research projects.

In recent years, supplementary questions have become a larger part of the ifo Business Survey, with the motivation of obtaining an ad hoc picture of the impact of certain economic policy or global economic developments on German companies and their reactions to them (e.g., the Covid-19 pandemic or the war in Ukraine). Another aim is to collect company-specific data for research projects: Since the ifo Business Survey is a panel survey, the answers to these questions can also be linked to other survey variables. In addition, they can serve as control groups or variables in statistical or econometric analyses. Supplementary questions both provide information on the current survey period and offer the possibility of ex post evaluations.

4.13.2 Question Development

Supplementary questions are designed in collaboration between the ifo survey team and researchers participating in the projects which the data is collected for. When drafting these questions, certain restrictions must be considered, such as the space available on the paper questionnaire that is still used by a non-negligible proportion of participants. This restriction does not apply to online participation in the ifo Business Survey. Although an exclusively online survey is possible, the relevant sub-panel might be less representative than the entire panel of all survey participants. In addition, it should be ensured that the frequency and scope of supplementary questions remain within bounds to not unnecessarily increase the time required to answer the questionnaires.

4.13.3 Topics

Tables 4.10-4.14 provide an overview of the various topics and contents of the supplementary questions asked in the ifo Business Survey from January 2009 to May 2022. In addition, the tables contain the survey date for each question, the economic sector in which it was asked,

¹⁴ This section is a summary of Demmelhuber et al. (2023).

and references to selected results. The exact wording of all the supplementary questions as well as further results and applications can be found in Demmelhuber et al. (2022).

The list of supplementary questions is divided into different topic blocks. Most frequently, “current economic policy questions” (Table 4.10) are asked to assess the consequences of political decisions or other important (geopolitical) events for the German economy. “Company or respondent-specific questions” (Table 4.11) can be used for research projects that require specific information about the responding company or the respondent. As this information can also be cross-checked with other variables of the survey or used as control variables, some additional questions were asked specifically with the purpose of creating group or control variables (e.g., family businesses versus other businesses). “Other research questions” cover a wide range of topics. Table 4.12 provides an overview of the questions collected since 2009.

After March 2020, the Covid-19 crisis overshadowed the global as well as the German economy. For this reason, several additional questions were included in the monthly survey. These questions focused on the short- and long-term economic effects of the pandemic on companies and include topics such as short-time work, working from home, government pandemic aid programs, or internal company problem areas during the crisis (Table 4.13). With a similar aim, several further supplementary questions were added after the start of the war in Ukraine (Table 4.14).

4.13.4 Summary

The broad spectrum of questions in the ifo Business Survey offers great potential for economic research and analysis. The supplementary questions are especially suitable for analyzing topics not covered by the standard questions as well as current developments in the German economy. The results can serve as input for various research projects. In addition, the supplementary questions can also be used to introduce new survey methods, such as randomly dividing the panel into different groups and asking them slightly different questions. This enables the analysis of the influence of the wording or the order of the answer categories. The microdata of the supplementary questions can be accessed by researchers at the EBDC together with all other microdata of the ifo Business Survey.

Table 4.10: Economic policy questions

Topics	Content	Date	Surveyed sectors	Selected Results
Introduction of the minimum wage in Germany	A priori and ex-post assessments of companies: Affectedness by the minimum wage, planned/taken measures, changes of employment structure within the company.	11/2014, 03/2016, 06/2022	All sectors	Link (2019), Blömer et al. (2022)
Refugee crisis	Potential of hiring asylum seekers in specific positions, hindrances for hiring asylum seekers in specific positions.	10/2015	All sectors	Battisti et al. (2015)
Brexit	Impact of a possible Brexit, impact of a hard Brexit, probabilities for a hard Brexit, percentage of sales affected by a hard Brexit, impact of hard Brexit on this percentage of sales.	06/2016, 12/2018	Manufacturing	ifo Institute (2018)
US trade policy under President Trump	Expectations on changes in trade policy, impact on operations in the U.S., expectations on the company's sales development in the U.S., economic relations with the U.S..	02/2017	Manufacturing	Braml and Felbermayr (2017)
Negative interest rates	Confrontation with negative interest rates, measures to avoid negative interest rates, effects on earning situation, number of company's main banks.	06/2017	All sectors	Hainz et al. (2017)
EU-Mercosur Agreement	Exports to the Mercosur region, prerequisites for starting export business with Mercosur, reactions on a possible trade agreement with Mercosur.	08/2017	Manufacturing	
US tax reform	Percentage of turnover in the U.S., competition from companies in the U.S., development of tax burden (short and long term), reactions on the tax reform, probability of relocation of intellectual property to U.S..	03/2018	Manufacturing, Trade, Service	Boumans et al. 2020a, Krolage and Wohlrabe (2018)
Tax incentives for R&D in Germany	Share of R&D expenditures, received funding by specific institutions, acceptance and effect of planned tax incentives on R&D activity.	09/2019	Manufacturing	
Current European economic policy topics	Agreement on various statements about European economic topics, knowledge about topics (minimum wage, immigration, robots/artificial intelligence, retirement age, free choice of residence/place of work, European champions).	02/2020	All sectors	
Supply Chain Act	Changes in procurement strategy, impact and effects of a national supply chain law on company.	05/2021	Manufacturing, Trade, Service	

Table 4.1.1: Company- or respondent-specific questions

Topics	Content	Date	Surveyed sectors	Selected Results
Export markets	Share of exports on total sales, world regions with biggest export share.	06/2011	Manufacturing	
Family Business	Self-classification as family business.	02/2014	All sectors	Stiftung Familienunternehmen (2020)
Characteristics of medium sized companies	Number of general managers, company shareholding of general managers, self-classification as "medium-sized" enterprise.	08/2016	All sectors	
Online shops and market places	Existence of sales via own online store/other online platforms, type of online sales channels, share of online trade, expected development of online trade.	08/2016, 08/2019	Trade	Rumscheidt (2020)
Export of services	Existence currently/planned of service offerings abroad, barriers for company's activities abroad.	08/2018	Service	
Outsourcing of business processes	Share of processes in specific areas provided by external service providers, expected developments for the next years.	08/2018	Manufacturing	
Share of foreign turnover	Percentage of the company's turnover generate abroad.	09/2018	All sectors	
Year of company foundation	Year of company foundation	09/2018	All sectors	
Characteristics of the respondent(s)	Department and position of the respondent(s), highest educational attainment, interest in economic policy, trust in experts (policy issues, Covid-19 pandemic), risk aversity.	11/2018, 02/2020, 11/2021, 03/2022	All sectors	Sauer and Wohlrabe (2019)
Importance of logistics services	Business constraints by specific factors of logistics, online business constraints regarding customer delivery (only trade sector).	06/2019	Manufacturing, Trade	Brandt et al. (2019)
Decisions regarding production and price setting	Significance of factors influencing decisions on pricing and production (manufacturing, construction)/orders (trade)/human resources (service).	10/2020	All sectors	

Table 4.12: Other research questions

Topics	Content	Date	Surveyed sectors	Selected Results
Innovation	Rating of various factors for the company's innovation climate.	01/2009	Manufacturing	
Main bank relations	Intensive and long-standing business relations with a bank, types of banks.	06/2009	Manufacturing, Trade, Construction	Abberger et al. (2009)
Effects of extreme weather events	Effects of heat waves/cold waves/drought/heavy rain/storms on specific company areas, occurrence of extreme weather in the region of the company, expectations for extreme weather in the future, preparations for consequences of extreme weather.	11/2010, 02/2013, 05/2019, 05/2022	All sectors	Berlemann and Lehmann (2020)
Importance of flight connections	Significance of available flight connections for company to destinations: Germany, Europe, worldwide.	03/2013	All sectors	
Bank credits	Credit agreements with banks in the last year, conditions of the agreements as expected, reasons for non-occurrence, purpose of credits.	06/2016	All sectors	Hainz and Hristov (2017a)
GDP expectations of companies	Estimation of change of GDP in Germany in % for the current and following year, importance of general economic developments in Germany for the business situation (only 08/2018).	08/2018, 03/2019, 08/2019, 08/2020	All sectors	Dovern et al. (2020, 2023a,b)
Capacity utilization	Annual average of the capacity utilization of plants/machines in a normal economic situation.	01/2019	Manufacturing, Services, Construction	
Uncertainty about demand	Uncertainty regarding various factors for future demand.	12/2019	Manufacturing, Services, Trade	Lautenbacher (2020)
Satisfaction with institutions and administration	Satisfaction with local government and administration, satisfaction with social security institutions.	09/2021	All sectors	
Supplies from China	Dependency on supplies from China, future strategies regarding supplies from China, reasons for reductions of imports from China.	02/2022	Manufacturing, Trade	Baur and Flach (2022)

Table 4.13: Supplementary questions on the Covid-19 crisis

Topics	Content	Date	Surveyed sectors	Selected Results
Effects of the outbreak of the pandemic	Business impact of the outbreak, determination of negative effects.	03/2020	All sectors	Dorn et al. (2020a)
Current effects of the crisis and expectations	Effect on the business situation, expectations on duration of the pandemic effects, problems in specific company areas, current threat to the company's existence.	04/2020-03/2022	All sectors	Balleer et al. (2020), Buchheim et al. (2022a,b)
Short-time work	Current share of employees in short-time work, average reduction in working hours for these employees.	05/2020-05/2022	All sectors	Link and Sauer (2020)
Working from home	Share of employees working at least partly from home (starting 02/2021), long term effects of the pandemic on working from home (04/2020-07/2020).	04/2020-04/2022	All sectors	Alipour et al. (2021a,b)
Number of employees	Number of employees in the company.	05/2020-ongoing	All sectors	
Short-term effects of the crisis	Measures taken as a reaction on the pandemic, problems and needs, effects on sales, expected survival time (specific periods) if pandemic continues.	04/2020-11/2020	All sectors	Litsche et al. (2020)
Long-term effects of the crisis	Permanent changes in specific areas of the company, investment in specific areas.	05/2020-07/2020	All sectors	
Liquidity situation	Estimated time range of liquidity reserves, development of capital ratio, availability of credits, change of lending rates, cash and cash equivalents in % of total assets, development of specific financing options, development of equity capital ratio.	05/2020-02/2021	All sectors	Peichl et al. (2021)
Governmental pandemic assistance programs for companies	Use of tax deferrals, application for specific liquidity assistance programs, assessment of the programs.	04/2020-05/2020	All sectors	
Supply bottlenecks	Affection of supply bottlenecks, Changes in procurement, assessment of price developments for products and materials, indication of the products/materials concerned, expected duration of supply bottlenecks.	04/2020-ongoing	Manufacturing, Trade, Construction	Wohlrabe (2021), Leiss and Wohlrabe (2021)

Table 4.14: Supplementary question on the economic effects of the war in Ukraine

Topics	Content	Date	Surveyed sectors	Selected Results
Sanctions against Russia after the annexation of Crimea	Existence and nature of specific economic relations with Russia, current and expected constraints because of the conflict.	05/2014	Manufacturing	Grimme et al. (2014)
Consequences of the outbreak of war	Expected negative effects on the company.	03/2022	Manufacturing	Sauer and Wohlrabe (2022a)
Economic relations with Russia	Existence and nature of specific economic relations with Russia before the war and in the future.	03/2022, 04/2022	Manufacturing, Services, Trade	
Problems because of the war	Effects of the war regarding supply shortages, demand and sales, logistics and financing: Relevance and importance of these effects for the company.	04/2022	Manufacturing, Services, Trade	
Supply shortages	Assessment of the substitutability of products from Russia, Belarus, or Ukraine.	04/2022	Manufacturing, Services, Trade	
Energy	Energy intensity of the company, shares of specific energy sources in energy costs of the company, price developments, percentage of price increases passed on to customers, effects of possible gas shortages (only manufacturing).	04/2022, 05/2022	All sectors	
Expected effect on sales	Expected effect on sales for the year 2022 because of the war.	04/2022	Manufacturing, Services, Trade	