

**Survey of Southeast Michigan Businesspeople  
EPIC ▪ MRA – Crain’s Detroit – Honigman**

**SURVEY RESPONSES**

November 29th, 2010 through December 2nd, 2010

**01. Overall, how satisfied are you with the condition of the Michigan economy right now as it affects your business -- very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?**

4%	Very satisfied .....	<b>24% TOTAL SATISFIED</b>
20%	Somewhat satisfied	
34%	Somewhat dissatisfied .....	<b>75% TOTAL DISSATISFIED</b>
41%	Very dissatisfied	
1%	Undecided/Refused	

**02. Do you think that Michigan’s economy will improve in the next year, get worse, or remain about the same?**

55%	Improve
5%	Get worse
38%	Remain about the same
2%	Undecided/Refused

**03. Thinking about your business in the next year, do you think that the prospects for your business will improve, get worse, or remain about the same?**

59%	Improve
6%	Get worse
34%	Remain about the same
1%	Undecided/Refused

**04. (A-B) What would you say are the top one or two biggest concerns that you have about your business?**

17%	Lack of Customers	2%	Controlling Costs
11%	Taxes	2%	Housing Market
9%	Economy	2%	Loss of Manufacturing Base
5%	Cash Flow	1%	Advertising
5%	Funding	1%	Competition
5%	Loan-Credit Availability	1%	Insurance Costs
4%	Government Regulations	1%	Lack of Government Leadership
4%	Growth	1%	Making a Profit
4%	Health Care	1%	None
4%	Quality Employees	1%	Paying the Bills
4%	Unemployment	1%	People Leaving Michigan
3%	No New Business in Michigan	2%	Other
3%	Survival	4%	Undecided/Refused
2%	Client Non-Payment		

**05. Next year, do you plan to hire more employees, maintain the number of employees you currently have, or, do you expect that your company’s workforce will be reduced – either through not filling open positions or having to lay off some of your employees?**

25%	Plans to hire more employees
68%	Will maintain number of employees
---	Won’t fill open positions
5%	May/Will lay off employees
2%	Undecided/Refused

**06. How many employees do you expect to hire next year?**

**MEAN:** 14.958

**MEDIAN:** 5.0

**07. What are you doing to attract new employees to work for you at your business?**

18%	More Advertising	3%	Good Work Atmosphere
15%	Word of Mouth	1%	Flexible Hours
12%	Offer Good Wages – Benefits	1%	Job Fairs
10%	Nothing	1%	Offer Permanent Positions
8%	Recruiting	1%	Temp Agencies
4%	Internships – Co-ops	1%	Trade Shows
4%	Michigan Works	2%	Other
4%	Referrals	11%	Undecided/Refused
4%	Social Networking		

**08. In the next year, how many positions do you expect will become vacant due to non-replacement and/or lay off?**

**MEAN: 3.643**

**MEDIAN: 2.0**

**09. Which one of the following do you think will be the single most important activity for your business in the coming year?**

21%	Containing costs
47%	Increasing revenue with existing products and/or services
16%	Marketing and/or advertising
14%	Developing new products and/or services
2%	Undecided/Refused

**10. In the coming year, do you plan to increase wages for your employees, decrease wages or leave wages unchanged?**

28%	Increase wages
3%	Reduce wages
67%	Leave wages unchanged
2%	Undecided/Refused

**11. Do you think that your personal or family financial situation is getting better, getting worse, or staying about the same?**

- 21% Getting better
- 18% Getting worse
- 60% Staying about the same
- 1% Undecided/Refused

**12. Overall, with the election of Rick Snyder as governor, are you optimistic or pessimistic about the prospects for Michigan’s economy, or, would you say that the election of Rick Snyder as governor probably won’t have an impact on Michigan’s economy one way or the other?**

- 41% Very optimistic..... **74% TOTAL OPTIMISTIC**
- 33% Somewhat optimistic
- 4% Both/Neither
- 4% Somewhat pessimistic
- 3% Very pessimistic ..... **7% TOTAL PESSIMISTIC**
- 13% No impact
- 2% Undecided/Refused

**13. The Michigan Business Tax is a state tax, and is different from some other taxes local governments assess on commercial enterprises. Does your business currently pay Michigan Business Tax, or, is the business you work with currently required to pay the business tax imposed by the State of Michigan?**

- 50% Business DOES pay Michigan business taxes
- 37% Business DOES NOT pay Michigan business tax
- 13% Undecided/Refused

**14. Based on your experience with your business, are Michigan business taxes assessed against your company too high, too low, or about right?**

- 52% Much too high ..... **82% TOTAL TOO HIGH**
- 30% Somewhat too high
- Too low
- 13% About right
- 5% Undecided/Refused

15. **Governor-elect Rick Snyder has proposed replacing the existing Michigan Business Tax with a flat 6 percent corporate income tax. Thinking about this proposal, do you favor or oppose the replacement of the current Michigan Business Tax with a flat 6 percent rate?**

- 40% Strongly ..... **60% TOTAL FAVOR**
- 20% Somewhat favor
- 5% Somewhat oppose ..... **14% TOTAL OPPOSE**
- 9% Strongly oppose
- 26% Undecided/Refused

16. **If Governor-elect Rick Snyder is able to win legislative support for his proposal to replace the current Michigan Business Tax with a 6 percent corporate income tax, based on what you know or have heard or read about his tax proposal, will it increase the amount of business taxes you pay, reduce your business taxes, or, will your business taxes remain about the same?**

- 3% Increase a lot ..... **11% TOTAL INCREASE**
- 8% Increase somewhat
- 34% Remain about the same
- 17% Reduced somewhat ..... **22% TOTAL REDUCE**
- 5% Reduced a lot
- 33% Undecided/Refused

17. **Over the past decade, the State of Michigan general fund budget has been cut by nearly \$3 billion, reducing it from just over \$11 billion in 2000, down to just over \$8 billion in the current fiscal year. With a projected budget deficit for the upcoming fiscal year of another \$1.6 billion and an additional possible loss \$1.5 billion in revenue if the proposal to replace the current Michigan Business Tax with a flat 6 percent corporate income tax is successful, the total projected state budget deficit for the next fiscal year will be more than \$3 billion, or about the same amount that has been cut over the past 10 years. Thinking about the state budget situation, which of the following two statements comes closer to your view?**

- 27% In light of the current state budget situation, it is important to maintain existing state programs and services, even if it means having to pay higher taxes to balance the state budget.
- 68% In light of the current state budget situation, it is important to keep taxes as low as possible, even if it means further reductions in state services and programs to balance the state budget.
- 5% Undecided/Refused

**18. Thinking about the decisions that have to be made to balance the state budget, based on what you know or have heard or read, which of the following approaches to balancing the state budget is the one you support the most? Do you support balancing the state budget...**

- 31% ONLY by budget cuts, with no tax increase; ..... **64% TOTAL CUTS**
- 33% MOSTLY by budget cuts, but with SOME tax increases;
- 29% By EQUALLY relying on budget cuts AND tax increases;
- 5% MOSTLY by relying on tax increases, but also having SOME budget cuts;
- 1% ONLY by increasing taxes, with no further budget cuts;..... **6% TOTAL TAXES**
- 1% Undecided/Refused

**19. With the loss in recent years of tens of thousands of manufacturing jobs in Michigan, how would you rate the job Michigan is currently doing to diversify the state economy? Would you give Michigan a positive rating of excellent or pretty good, or a negative rating of only fair or poor?**

- 5% Excellent..... **26% TOTAL POSITIVE**
- 21% Pretty good
- 39% Only fair ..... **73% TOTAL NEGATIVE**
- 34% Poor
- 1% Undecided/Refused

**20. In your opinion, which of the following activities will have the greatest impact on re-establishing jobs in Michigan?**

- 15% Retraining workers for different and more available jobs
- 7% Public sector spending on infrastructure projects
- 32% Tax incentives for businesses specifically aimed at creating new jobs and preserving existing ones
- 41% Having a low, understandable and predictable business tax rate for all businesses
- 5% Undecided/Refused

**21. Thinking specifically about your region of the state, which of the following is the most significant obstacle to economic progress in Southeast Michigan . . ?**

- 12% Lack of an entrepreneurial culture
- 31% An economy dominated by the auto industry
- 37% Lack of political leadership
- 5% Racial and ethnic divisions
- 9% Lack of business leadership
- 6% Undecided/Refused

**22. Again, when it comes to Southeast Michigan, who should bear the greatest responsibility for providing a blueprint for economic development?**

- 53% Area business leaders
- 3% Foundations and other not-for-profit organizations
- 3% Leading figures in academia and higher education
- 34% Locally elected officials and other local political figures
- 7% Undecided/Refused

On another topic . . .

**23. Based on what you know or have heard or read about how the new national health care law, and thinking specifically about how this law will affect how your company deals with employee health care benefits, do you approve or disapprove of the new law?**

- 17% Strongly approve.....**31% TOTAL APPROVE**
- 14% Somewhat approve
- 11% Somewhat disapprove.....**58% TOTAL DISAPPROVE**
- 47% Very disapprove
- 11% Undecided/Refused

24. **Again, based on what you know about the new health care law, do you think it will have an impact on the health insurance coverage provided to employees in your company and require increased or improved coverage, or, would you say it won't really have an impact on the health insurance coverage that is currently provided to your company's employees?**

40% Yes, it will require increased or improved coverage

47% No, the new law won't really have an impact on health insurance coverage

13% Undecided/Refused

25. **Is health insurance coverage currently provided to employees working at the business where you work?**

76% Yes

23% No

1% Undecided/Refused

26. **Does that health benefit plan require employees to pay a portion of the monthly premium?**

72% Yes

24% No

4% Undecided/Refused

27. **What percentage or amount of their yearly or monthly health insurance premium do your employees currently pay?**

Percent per year:

**MEAN:** 24.459%

**MEDIAN:** 20.0%

Amount per year:

**MEAN:** \$5000.00

**MEDIAN:** \$5000.00

Percent per month:

**MEAN:** 23.321%

**MEDIAN:** 20.0%

Amount per month:

**MEAN:** \$286.15

**MEDIAN:** \$200.00



Now I would like to ask about some proposals that have been suggested to either change the state budget process, or cut the cost of operating state or local governments, colleges and school districts. For each of the following proposals for cutting the cost of government or increasing revenues, please tell me if you favor or oppose that proposal? Would that be strongly or somewhat?

	<b><u>Strong Favor</u></b>	<b><u>Total Favor</u></b>	<b><u>Total Oppose</u></b>	<b><u>Strong Oppose</u></b>	<b><u>D/K Undec</u></b>
28. Reduce the current 6 cent sales tax to 5 cents, but apply it to the purchase of services as well as goods.	10%	27%	68%	51%	5%
29. Change Michigan’s criminal sentencing laws so they are more like the laws in neighboring states to reduce the cost of the state corrections budget.	35%	66%	16%	9%	18%
30. Review the \$30 billion in state and local tax breaks provided to businesses, and if they DO NOT directly create new jobs or maintain existing ones, reduce or eliminate them.	48%	80%	15%	9%	5%
31. Match salaries and wages for employees of state and local governments and school districts in Michigan, to the average pay of private workers in the state, as a way to reduce expenditures for public employee compensation.	51%	74%	19%	10%	7%
32. Reduce the total number of employees in the state work force by 5 to 10 percent.	49%	70%	22%	14%	8%
33. Eliminate the personal property tax collected by cities and townships on Michigan businesses operating in their jurisdictions.	35%	52%	35%	22%	13%
34. Increase the amount that state employees in Michigan pay for their health insurance premiums to an amount that is equal the national public employee average.	64%	84%	14%	8%	2%
35. Move from a flat rate state income tax to a graduated income tax that taxes higher income people at a higher tax rate, and lower and middle income people at a lower rate.	29%	51%	45%	34%	4%

**36. Which of the following industries do you believe are best suited to provide real growth in the Michigan economy and provide good paying, sustainable jobs in the future?**

- 26% High tech manufacturing
- 19% Alternative energy
- 19% Research and development overall
- 9% Bioscience
- 7% Battery technology companies
- 6% Life sciences
- 2% Agriculture
- 1% Auto Industry
- 1% Film Industry
- 2% Other
- 8% Undecided Refused

Now I would like to read a short description of some of Governor-elect Rick Snyder’s 10 point plan to reinvent Michigan. For each point I read, please tell me if you think what I describe should be a top priority of state government, important but not a top priority, somewhat important, or not important at all. The first one is...

		<u>Top Prior</u>	<u>Impor Not Top</u>	<u>Smwt Impor</u>	<u>Not Impor</u>	<u>DK/ Undec</u>
37.	<b>Create more and better jobs by cultivating a thriving and globally competitive economy with a diverse business base, enabling job growth and prosperity</b>	74%	20%	3%	1%	2%
38.	<b>Reform Michigan’s tax system by reducing the tax burden on families and businesses, making it simple, fair, competitive and efficient</b>	64%	24%	9%	1%	2%
39.	<b>Restore cities and control urban sprawl. For Michigan to truly reinvent itself, its cities and communities must become attractive living and working environments for its citizens, making infrastructure and transportation funding a priority, and establishing a mass transit backbone in the state</b>	37%	30%	23%	8%	2%
40.	<b>Enhance Michigan’s National and International image by encouraging and supporting tourism, creating a culture of entrepreneurship, investing in the arts, and protecting and improving the quality of life</b>	39%	37%	18%	5%	1%

41.	<b>Enact and enforce measures to protect Michigan’s lakes, landscapes, and natural resources, which are some of its most valuable assets. The state must be a leader in innovative movement towards alternative and cleaner energy</b>	<b>54%</b>	26%	13%	5%	2%
42.	<b>Reforming Michigan’s Health Care System. Every citizen should have access to affordable and quality healthcare, with a focus on prevention, wellness and personal responsibility. We should move toward a more patient-centered model to achieve large cost savings, promote wellness and improve overall service quality</b>	<b>37%</b>	27%	19%	11%	6%