



Survey: Business Leaders Show Optimism

Honigman Miller Schwartz and Cohn LLP, Crain's Detroit Business and MiBiz

November 2015

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01. Do you think that, in general, Michigan's economy will improve in the next year, get worse, or remain about the same?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
57%	62%	52%	Improve
35%	31%	39%	Remain about the same
6%	5%	7%	Get worse
2%	2%	2%	Undecided/Refused

02. Overall, how would you rate the job being done by Barack Obama as President -- would you give him a positive rating of excellent or pretty good, or a negative rating of just fair or poor?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
8%	11%	5%	Excellent
22%	25%	18%	Pretty Good
30%	36%	23%	TOTAL POSITIVE
65%	59%	72%	TOTAL NEGATIVE
21%	18%	25%	Just Fair
44%	41%	47%	Poor
5%	5%	5%	Undecided/Refused

03. Overall, how would you rate the job being done by Rick Snyder as Michigan's Governor -- would you give him a positive rating of excellent or pretty good, or a negative rating of just fair or poor?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
19%	22%	17%	Excellent
52%	46%	56%	Pretty Good
71%	68%	73%	TOTAL POSITIVE
26%	29%	23%	TOTAL NEGATIVE
21%	23%	19%	Just Fair
5%	6%	4%	Poor
3%	3%	4%	Undecided/Refused

04. And how would rate the job the Michigan State House of Representatives and the Michigan State Senate is doing in performing their role as a legislature -- would you give them a positive rating of excellent or pretty good, or a negative rating of just fair or poor?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
---	---	---	Excellent
24%	20%	28%	Pretty Good
24%	20%	28%	TOTAL POSITIVE
66%	71%	60%	TOTAL NEGATIVE
36%	37%	34%	Just Fair
30%	34%	26%	Poor
10%	9%	12%	Undecided/Refused



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05. 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?

TOT	CRAINS	MIBIZ	
15%	17%	12%	Very satisfied
60%	63%	67%	Somewhat satisfied
80%	80%	79%	TOTAL SATISFIED
19%	19%	20%	TOTAL DISSATISFIED
14%	13%	15%	Somewhat dissatisfied
5%	6%	5%	Very dissatisfied
1%	1%	1%	Undecided/Refused

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

TOT	CRAINS	MIBIZ	
53%	52%	54%	Staying about the same
35%	37%	34%	Getting better
11%	10%	11%	Getting worse
1%	1%	1%	Undecided/Refused

07. Based on your experience with previous economic cycles, when do you anticipate the next downturn for your industry will likely occur? Will it be . . .

TOT	CRAINS	MIBIZ	
13%	10%	15%	Within the next year
12%	10%	14%	Sometime between 13 and 18 months from now;
22%	25%	20%	From 19 months to 2 years from now; or
38%	40%	36%	Do you not anticipate a downturn in your in industry in the foreseeable future.
15%	15%	15%	Cannot predict/Undecided/Refused

08. Thinking specifically 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?

TOT	CRAINS	MIBIZ	
48%	54%	42%	Improve
45%	41%	49%	Remain about the same
6%	3%	8%	Get worse
1%	2%	1%	Undecided/Refused



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09. What would you say are the top one or two biggest concerns that you have about your business?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
12%	13%	10%	Talent Gap-Finding Qualified Employees
12%	12%	12%	Economy
10%	10%	10%	Lack of Customers
6%	5%	6%	Health Care-Costs
5%	5%	6%	Competition
5%	5%	5%	Taxes
4%	6%	2%	Lack of Funding
4%	3%	5%	Government Regulation
4%	3%	4%	Rising Costs
3%	3%	2%	State Government
3%	2%	3%	None-Nothing-No Concerns
2%	2%	1%	Advertising-Marketing
2%	2%	1%	Cash Flow
2%	2%	2%	Retaining Employees
2%	1%	2%	Client Non-payment
2%	1%	2%	Growth
2%	1%	2%	Interest Rates
2%	1%	2%	Roads-Infrastructure
1%	1%	1%	Education
1%	1%	---	Employee Wages
1%	1%	1%	Housing Market
1%	1%	---	Making a Profit
1%	1%	2%	Manufacturing
1%	1%	---	Next Presidential Election
1%	1%	1%	Stock Market
1%	1%	2%	Technology
1%	1%	1%	Unemployment
1%	---	2%	Federal Government
1%	---	1%	Foreign Imports
1%	---	1%	Getting Loans-Financing
1%	---	1%	Global Affairs
1%	---	1%	Product Availability
1%	---	1%	Value of US Dollar
---	1%	---	Safety-Security
---	1%	---	Terrorism
---	---	1%	Survival
3%	12%	7%	Other (<i>at less than 1% each</i>)/Undecided/Refused



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10. 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?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
35%	33%	37%	Plans to hire more employees
52%	50%	54%	Will maintain number of employees
3%	3%	3%	Won't fill open positions
3%	4%	2%	May/Will lay off employees
7%	10%	4%	Undecided/Refused

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

TOT N=132	MEAN: 10.242 MEDIAN: 3.0
CRAINS N= 61	MEAN: 11.967 MEDIAN: 5.0
MIBIZ N=71	MEAN: 8.761 MEDIAN: 2.0

12. There has been a great deal of recent discussion about a “talent gap” in our state. The “talent gap” is generally described as being a lack of enough job applicants with adequate skills, education and/or experience to fill an increasing number of available jobs. Thinking about your company's plans for hiring in the coming year, would you say that the “talent gap” will be a bigger problem than it has traditionally been in filling positions, about the same as it always has been or, is the “talent gap” a smaller problem in filling positions today than it traditionally has been during past periods of hiring need?

<u>TOT</u> N=140	<u>CRAINS</u> N=65	<u>MIBIZ</u> N=75	
16%	12%	20%	Much Bigger problem
29%	33%	25%	Somewhat Bigger problem
45%	45%	45%	TOTAL BIGGER PROBLEM
36%	32%	40%	About the same
13%	17%	10%	TOTAL SMALLER PROBLEM
9%	11%	7%	Somewhat Smaller problem
4%	6%	3%	Much Smaller problem
6%	6%	5%	Undecided/Refused

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

TOT N=20	MEAN: 11.300 MEDIAN: 3.5
CRAINS N= 11	MEAN: 13.00 MEDIAN: 3.0
MIBIZ N=9	MEAN: 9.222 MEDIAN: 5.0



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

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
49%	45%	53%	Increase wages
1%	---	1%	Reduce wages
37%	36%	38%	Leave wages unchanged
13%	19%	8%	Undecided/Refused

15. Thinking about the wage increases planned for your employees in the coming year, what do estimate the average percentage increase will be – rounded to the nearest whole percent?

TOT N=173	MEAN: 4.399%	MEDIAN: 3.0%
CRAINS N= 77	MEAN: 4.221%	MEDIAN: 3.0%
MIBIZ N=96	MEAN: 4.542%	MEDIAN: 4.0%

16. Usually, employers who do not plan to raise wages or plan to reduce compensation report the reason for this decision is the business cannot afford it. Whether or not this is the general reason your company is not planning on increasing employee wages in the coming year, can you identify a major specific reason preventing an increase in employee wages?

<u>TOT</u> <u>N=149</u>	<u>CRAINS</u> <u>N=72</u>	<u>MIBIZ</u> <u>N=77</u>	
21%	24%	18%	Simply Cannot Afford
17%	21%	14%	No Increase in Business to Justify It
7%	8%	7%	None-Nothing-No Reason
5%	6%	5%	Already Well Paid
5%	4%	7%	Recently Raised Wages
4%	4%	4%	Staying Competitive
3%	4%	3%	Sole Employee
3%	4%	3%	Under Contract-Union
3%	3%	4%	Performance Based
3%	1%	4%	Bonus-Profit Sharing Instead
3%	1%	5%	Government Regulation
3%	---	7%	Health Care Cost Increases
2%	4%	---	Lack of Funding
1%	3%	---	Commission Based Pay
1%	1%	1%	Business Taxes
1%	1%	1%	Going Through a Company Overhaul
1%	---	1%	Cash Flow
1%	---	1%	No Control Over Wages
1%	---	1%	Rising Costs
1%	---	1%	Salary Caps
1%	---	1%	Stockholder Profit Comes 1st
1%	---	1%	Will in 2 Years
12%	11%	11%	Other (<i>at less than 1% each</i>)/Undecided/Refused



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

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
15%	14%	17%	Much too high
23%	24%	21%	Somewhat too high
38%	38%	38%	TOTAL TOO HIGH
2%	3%	1%	Too low
43%	43%	44%	About right
17%	16%	17%	Undecided/Refused

18. Putting aside your assessment of the state's business tax structure as it affects your company, OVERALL, would you give Michigan's business tax climate a Positive rating of Excellent or Pretty Good or, a Negative rating of Just Fair or Poor?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
2%	3%	1%	Excellent
39%	42%	36%	Pretty Good
41%	45%	37%	TOTAL POSITIVE
48%	42%	54%	TOTAL NEGATIVE
37%	31%	43%	Just Fair
11%	11%	11%	Poor
11%	13%	9%	Undecided/Refused

19. The Michigan Economic Development Corporation – or MEDC – was formed in 1999 and is funded by annual appropriations from the state's general fund and payments made from compact agreements made with six tribal casinos. The MEDC's core mission includes business attraction and retention; community development; and, marketing the state on a national and global level. For fiscal year 2016, the MEDC has seen reductions in both the state and tribal funding sources, resulting in a 27% reduction in its budget for this year, and the elimination of 65 staff positions. Based on this information and whatever else you may know or have heard or read about the Michigan Economic Development Corporation, do you think these cuts will have a . . .

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
12%	12%	12%	Major Negative impact on the state's overall economic development future;
24%	22%	26%	An Important, but not a major impact;
35%	36%	33%	Only a minor impact; or,
15%	14%	17%	Will the budget cuts to MEDC Have No Impact At All on the overall future economic development of the state?
14%	16%	12%	Undecided/Refused



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20. What are the chances that within the next year, the company where you are currently working will be involved in a merger or acquisition . . . Are the chances of such a deal

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
3%	4%	2%	Certain to Happen
4%	4%	4%	Likely to Happen
7%	6%	8%	The chances are about 50/50
59%	61%	57%	Unlikely to Happen, or,
25%	24%	27%	Will a merger or acquisition involving your company Not Happen At All in the next year
2%	1%	2%	Undecided/Refused

21. If the merger or acquisition goes through, would your company be better described as being the buyer or the seller in the deal?

<u>TOT</u> <u>N=57</u>	<u>CRAINS</u> <u>N=29</u>	<u>MIBIZ</u> <u>N=28</u>	
51%	59%	43%	The Buyer
44%	38%	50%	The Seller ---
3%	3%	4%	Neither (volunteered)
2%	---	3%	Undecided/Refused

22. As a buyer, would your company be looking within Michigan only or, would the market as a buyer not limit itself to companies only located in the state?

<u>TOT</u> <u>N=29</u>	<u>CRAINS</u> <u>N=17</u>	<u>MIBIZ</u> <u>N=12</u>	
28%	29%	25%	Michigan Only
69%	65%	75%	Anywhere
3%	6%	---	Undecided/Refused



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Turning back to state issues . . .

23. Nearly four years after calling on the legislature to develop a plan to direct \$1.2 billion in funding to address Michigan's transportation infrastructure needs, Governor Snyder just signed into law a package of bills that will eventually dedicate a total of \$1.2 billion in new and existing tax revenue to repairing and replacing the state's roads and bridges. The package is split between \$600 million in increased gas tax and vehicle registration fees and shifting \$600 million in existing general fund dollars. The increases in the gasoline tax and vehicle registration fees are slated to begin calendar year 2017 and the shifting of existing general fund dollars to pay for roads is not scheduled until fiscal year 2019. Based on this description and whatever else you may have read or heard about the transportation package, do you Approve or Disapprove of the road funding package passed by the legislature and signed into law by the Governor?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
19%	20%	18%	Strongly Approve
35%	34%	37%	Somewhat Approve
54%	54%	55%	TOTAL APPROVE
35%	34%	36%	TOTAL DISAPPROVE
13%	10%	16%	Somewhat Disapprove
22%	24%	20%	Strongly Disapprove
11%	12%	9%	Undecided/Refused

24. What are the one or two primary reasons you disapprove of the road funding package?

<u>TOT</u> <u>N=139</u>	<u>CRAINS</u> <u>N=67</u>	<u>MIBIZ</u> <u>N=72</u>	
23%	25%	22%	Tax-Fee Increases
12%	16%	9%	Too Long to Take Effect
10%	12%	9%	Wasteful Spending
10%	6%	14%	Against the General Fund Shift
8%	8%	8%	Existing Funds are There-Make Cuts
6%	6%	5%	Distrust the Legislature
6%	6%	6%	Still Won't be Enough Money to Fix the Roads
5%	9%	1%	Too Little Too Late
5%	5%	4%	Will Hurt the Economy-Business
4%	2%	5%	Too Complex-Complicated
3%	---	5%	Public Already Voted NO
2%	2%	3%	A Tax on Trucking
2%	---	4%	They Will Cut Education Funding
1%	1%	2%	Prefer a Sales Tax Increase
---	---	1%	Federal Government Should Fund
---	---	1%	Need Toll Roads
3%	2%	1%	Other (<i>at less than 1% each</i>)/Undecided/Refused



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Now, I would like to ask some questions about your business for statistical purposes only.

25. Do you work for a company that sells a product or provides a service?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
14%	13%	16%	Sells a product
61%	63%	60%	Provides a service
23%	21%	24%	Both (volunteered)
2%	3%	---	Undecided/Refused

26. What would you say is the gross dollar amount that your business generates per year?

<u>TOT</u>	MEAN: \$76,522,828.50	MEDIAN: \$2,000,000.00
<u>CRAINS</u>	MEAN: \$89,219,345.10	MEDIAN: \$3,000,000.00
<u>MIBIZ</u>	MEAN: \$65,302,651.10	MEDIAN: \$1,500,000.00

27. How many employees do you have working in your business?

<u>TOT</u>	MEAN: 4747.631	MEDIAN: 10.0
<u>CRAINS</u>	MEAN: 7321.215	MEDIAN: 12.0
<u>MIBIZ</u>	MEAN: 2201.426	MEDIAN: 10.0

28. What type of business or industry do you operate?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
16%	14%	18%	Manufacturing or manufacturing supplier
15%	13%	19%	Business services
12%	13%	11%	Professional services
8%	9%	7%	Construction
7%	8%	6%	Finance
6%	6%	6%	Real Estate
6%	6%	6%	Retail
5%	7%	2%	Health care
5%	5%	4%	Public service
4%	5%	3%	Non-profit
4%	3%	5%	Education
3%	1%	5%	Distribution/trucking
2%	2%	2%	Food service
2%	1%	2%	Telecommunications
1%	1%	2%	Hospitality
1%	1%	1%	Personal services
3%	5%	1%	Undecided/Refused



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29. As I mentioned earlier, this survey has been commissioned by Crain's Detroit Business and Mi Biz. We are asking every participant if they are willing to authorize the release of their phone number for a possible follow-up contact by a reporter. Would you be willing to have your phone number released, or would you prefer that we **NOT** release it.

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
21%	22%	20%	Yes, release my phone number
79%	78%	80%	No, do not release phone number
---	---	---	Undecided/Refused

30. In addition to providing the names of people who would be willing to talk to reporters, would you be willing to also authorize us to release how you responded to survey questions, or, would you prefer that we only release your phone number for a possible interview and not release information about how you responded to survey questions?

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
55%	54%	56%	Release information about how respondent answered questions
45%	46%	44%	DO NOT release information

31. Sex of respondent **(BY OBSERVATION ONLY)**

<u>TOT</u>	<u>CRAINS</u>	<u>MIBIZ</u>	
65%	64%	66%	Male
35%	36%	34%	Female