



# Survey: Looking at Current Business Issues

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

November 2014

Page 1

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

75%	Improve
3%	Get worse
21%	Remain about the same
1%	Undecided/Refused

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

46%	Getting better
6%	Getting worse
48%	Staying about the same
0%	Undecided/Refused

**03. 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?**

13%	Very satisfied		<b>19%</b>	<b>TOTAL DISSATISFIED</b>
65%	Somewhat satisfied		14%	Somewhat dissatisfied
<b>78%</b>	<b>TOTAL SATISFIED</b>		5%	Very dissatisfied
			3%	Undecided/Refused

**04. 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?**

66%	Improve
6%	Get worse
28%	Remain about the same
0%	Undecided/Refused



# Survey: Looking at Current Business Issues

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

November 2014

Page 2

## 05. 5A-B. What would you say are the top one or two biggest concerns that you have about your business?

416 Total Responses – 0% represents a mention by 1 respondent

14%	Finding-Keeping Customers-Clients-Making Sales	1%	Survival
11%	Finding-Keeping Quality Employees	1%	Wages
11%	The Economy	0%	Affordable Energy
7%	Health Care Costs-ACA-Obamacare	0%	Aging Population
4%	Need for Business-New Business Growth in MI	0%	Attack on Unions
4%	None – No Concerns	0%	Changes in MI No Fault Insurance
3%	Cash Flow	0%	Declining Middle Class
3%	Competition	0%	Declining Student Enrollments
3%	Government Regulation	0%	Gas Prices
3%	Rising Costs	0%	Gas Tax
3%	Taxes in General	0%	Global Market Diversity
2%	Business Taxes	0%	Inflation
2%	Lack of Lending-Loan Availability	0%	Infrastructure
2%	Politics-Nothing Gets Done in Lansing	0%	Insurance
2%	Poor Roads	0%	Interest Rates
1%	Advertising-Marketing	0%	Keeping up with Demand
1%	Auto Industry-Decline	0%	Lack of Arts-Music-Culture
1%	Client Non-Payment	0%	Lack of Government Transparency
1%	Consumer Confidence	0%	Lack of Transportation
1%	Detroit Financial Status	0%	My Personal Health
1%	Global Events-Instability	0%	Negative PR about Detroit
1%	Government Debt-Spending	0%	Outsourcing
1%	Lack of Higher Education-K-12 Education Funding	0%	Sales Tax Increase
1%	Lack of MI Manufacturing	0%	Teacher Pay Cuts
1%	Lack of State Funding	0%	The Weather
1%	Making a Profit	0%	Traffic Congestion
1%	New Technology	0%	Unemployment Rate
1%	Real Estate-Housing Market	0%	Young People Leaving
		3%	Undecided/Refused

**Note: totals may not equal 100% due to rounding**



# Survey: Looking at Current Business Issues

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

November 2014

Page 3

06. 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?

39%	Plans to hire more employees	3%	May/Will lay off employees
55%	Will maintain number of employees	2%	Undecided/Refused
1%	Won't fill open positions		

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

**MEAN: 19**

**MEDIAN: 3**

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

**MEAN: 15**

**MEDIAN: 7.5**

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

46%	Increase wages	46%	Leave wages unchanged
0%	Reduce wages	8%	Undecided/Refused

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

11%	Much too high	3%	Too low
24%	Somewhat too high	41%	About right
<b>35%</b>	<b>TOTAL TOO HIGH</b>	21%	Undecided/Refused

11. In his first term, Governor Snyder proposed and the legislature enacted, a major overhaul of the state's business tax, resulting in about \$1.8 billion in tax cuts overall for companies operating in Michigan. Based on the experience of your company, has that business tax cut had a major influence, an important but not a major influence, only a minor influence or, no influence at all on your company's decisions when it comes to hiring more employees or increasing wages?

5%	Major influence	25%	Only a minor influence
14%	Important but not critical influence	48%	No influence at all
<b>19%</b>	<b>TOTAL INFLUENCE</b>	8%	Undecided/Refused

12. The election earlier this month (also) saw the re-election of Rick Snyder as governor, and increases in the Republican majority in both the State House and State Senate. In light of these results, are you optimistic or pessimistic about the prospects for Michigan's economy, or, would you say that the re-election of Rick Snyder as governor for a second term and an increase in Republican control in the state legislature probably won't have an impact on Michigan's economy one way or the other?

36%	Very optimistic	<b>17%</b>	<b>TOTAL PESSIMISTIC</b>
28%	Somewhat optimistic	7%	Somewhat pessimistic
<b>64%</b>	<b>TOTAL OPTIMISTIC</b>	10%	Very pessimistic
5%	Both/Neither (VOLUNTEERED)	11%	No impact one way or the other
		3%	Undecided/Refused



## Survey: Looking at Current Business Issues

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

November 2014

Page 4

13. The November election (also) saw Republicans take control of the United States Senate as well as an increase in the Republican majority in the U.S. House of Representatives. With Republican control of both houses of the United States Congress, are you optimistic or pessimistic about the prospects for the nation's economy, or, would you say that Republican control of the Federal legislative branch probably won't have an impact on the U.S. economy one way or the other?

22%	Very optimistic	<b>28%</b>	<b>TOTAL PESSIMISTIC</b>
27%	Somewhat optimistic	11%	Somewhat pessimistic
<b>49%</b>	<b>TOTAL OPTIMISTIC</b>	17%	Very pessimistic
3%	Both/Neither ( <b>VOLUNTEERED</b> )	16%	No impact one way or the other
		4%	Undecided/Refused

14. On a more regional topic, representatives from Wayne, Oakland and Macomb counties, the City of Detroit and the Governor's office reached an agreement to restructure the Detroit Water & Sewerage Department by creating a 6-member governing body called the Great Lakes Water Authority. The six members of the new governing body will be made up of 2 members representing the City of Detroit, 1 member each from Wayne, Oakland and Macomb Counties, appointed by the respective county executives and 1 member appointed by the Governor. Under the agreement, any major decisions affecting water and sewer service, including changes in rates and fees, will require a super majority of five-out of six votes. Thinking about the effect this change in how water and sewer services are delivered will have on your business, do you anticipate the creation of the new Great Lakes Water Authority will have a positive impact on your operations, a negative impact on them or, does the creation of a restructured water authority not make much of a difference to your business operations one way or the other?

10%	Very Positive	<b>4%</b>	<b>TOTAL NEGATIVE</b>
16%	Somewhat Positive	2%	Somewhat Negative
<b>26%</b>	<b>TOTAL POSITIVE</b>	2%	Very Negative
6%	Both/Neither ( <b>VOLUNTEERED</b> )	58%	No impact one way or the other
		6%	Undecided/Refused

15. In recent years there has been an increased interest in the creation of more regionally based service delivery systems, such as the Great Lakes Water Authority, SMART and the Regional Transit Authority. Based on what you've observed of the relative success or failure of attempts at creating regional governing bodies that require cooperation and funding from separate county, city and township governments throughout the region, do you support or oppose the idea of creating service delivery bodies that have taxing authority that cross county and city jurisdiction lines to fund the delivery of services to the entire Southeast Michigan region?

38%	Strongly Support	<b>18%</b>	<b>TOTAL OPPOSE</b>
31%	Somewhat Support	7%	Somewhat Oppose
<b>69%</b>	<b>TOTAL SUPPORT</b>	11%	Strongly Oppose
		13%	Undecided/Refused



## Survey: Looking at Current Business Issues

*Honigman Miller Schwartz and Cohn LLP and Crain's Detroit Business*

November 2014

Page 5

When he ran for Governor in 2010, then-candidate Rick Snyder ran on a proposed 10-point plan to reinvent Michigan. Nearly all of those ten points were aimed primarily at improving the state's business climate. Now I would like to read several of them to you and have you tell me how well Governor Snyder has done in meeting those goals. Using a letter grade of "A" for Excellent, "B" for Good, "C" for Satisfactory, "D" for Poor, and "F" for Failing, please tell me what grade you would give Governor Snyder for the item I describe, based on the progress he has made on it in his first term of office. The first one is...

		Letter Grade					Und Ref
		A	B	C	D	F	
Sorted Highest to Lowest Combined A/B Score		<b>Total A/B</b>			<b>Total D/F</b>		
16.	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.	35%	37%	20%	4%	3%	1%
		<b>72%</b>			<b>7%</b>		
17.	Create more and better jobs by cultivating a thriving and globally competitive economy with a diverse business base, enabling job growth and prosperity	21%	45%	20%	7%	5%	2%
		<b>66%</b>			<b>12%</b>		
18.	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	20%	39%	25%	9%	4%	3%
		<b>59%</b>			<b>13%</b>		
19.	Reform Michigan's tax system by reducing the tax burden on families and businesses, making it simple, fair, competitive and efficient	18%	39%	21%	10%	7%	5%
		<b>57%</b>			<b>17%</b>		
20.	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	14%	38%	23%	9%	4%	12%
		<b>52%</b>			<b>13%</b>		
21.	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	9%	33%	33%	9%	6%	10%
		<b>42%</b>			<b>15%</b>		
22.	Reform Michigan's educational system by focusing and coordinating the state's efforts on the cycle of students' progress from pre-kindergarten through college and advanced degrees	8%	29%	31%	10%	11%	11%
		<b>37%</b>			<b>21%</b>		



## Survey: Looking at Current Business Issues

*Honigman Miller Schwartz and Cohn LLP and Crain's Detroit Business*

November 2014

Page 6

Now I would like to read to you several policy proposals that observers say may be considered by the Michigan legislature yet this year or taken up soon after the beginning of the next legislative session in 2015. For each item I read, please tell me if you think, based on what you believe will assist your business, whether that policy proposal should be a Top Priority, Important – but not a top priority, Doesn't Matter to Your Business or, if that item or policy Shouldn't be Considered At All. The first item is . . .

<b>Sorted Highest to Lowest Combined Top Priority/Important</b>		<b>Top Priority</b>	<b>Imprt Not Top</b>	<b>TOTAL IMPRTNT</b>	<b>Doesn't Matter</b>	<b>Not At All</b>	<b>Und Ref</b>
<b>23.</b>	Finding a new source of revenue to spend on the repair and maintenance of state roads and bridges	64%	24%	<b>88%</b>	6%	4%	2%
<b>24.</b>	Increasing funding for job training programs and skilled trade classes, especially those offered through local community colleges and public high schools to meet the needs of employers	51%	36%	<b>87%</b>	9%	2%	2%
<b>25.</b>	Giving special direct state assistance and funding to support Detroit in its post-bankruptcy recovery	38%	41%	<b>79%</b>	11%	9%	1%
<b>26.</b>	Urging Congress and the Administration to release funding in order to accelerate the completion of the Detroit International Trade Crossing	40%	34%	<b>74%</b>	13%	8%	5%
<b>27.</b>	Restoring funding to pre-recession levels for traditional public K-12 schools	41%	32%	<b>73%</b>	15%	7%	5%
<b>28.</b>	Amending the Elliot Larson Civil Rights Act by expanding its coverage to include sexual orientation.	25%	28%	<b>53%</b>	25%	15%	7%
<b>29.</b>	Changing the way electoral college votes from Michigan are assigned in presidential elections to assign the votes by congressional district, with the candidate winning the most votes in the district winning an electoral vote	20%	29%	<b>49%</b>	20%	24%	7%
<b>30.</b>	Expanding the privatization of public services, including encouraging more for-profit charter schools	16%	29%	<b>45%</b>	23%	28%	4%
<b>31.</b>	Repealing the existing prevailing wage law which requires union wages and benefits be paid to those working on state construction projects.	19%	25%	<b>44%</b>	22%	27%	7%
<b>32.</b>	Relaxing restrictions that apply to gun owners and concealed-weapons permit-holders	13%	16%	<b>29%</b>	32%	36%	3%
<b>33.</b>	Enacting laws to restrict access to, and availability of, abortion services	10%	12%	<b>22%</b>	25%	48%	5%



# Survey: Looking at Current Business Issues

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

November 2014

Page 7

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

- 31% | Retraining workers for jobs that are currently available but going unfilled
- 25% | Tax incentives for businesses specifically aimed at creating new jobs and preserving existing ones
- 23% | Having a low, understandable and predictable business tax rate for all businesses, regardless of their legal structure
- 16% | Public sector spending on infrastructure projects
- 5% | Undecided/Refused

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

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

- |     |  |                    |  |     |  |                             |
|-----|--|--------------------|--|-----|--|-----------------------------|
| 15% |  | Sells a product    |  | 19% |  | Both ( <b>volunteered</b> ) |
| 65% |  | Provides a service |  | 1%  |  | Refused                     |

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

**MEAN: 64,841,187.40**

**MEDIAN: 2,000,000.00**

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

**MEAN: 294**

**MEDIAN: 6**

### 38. What type of business or industry do you operate?

- |     |  |   |  |    |  |   |
|-----|--|---|--|----|--|---|
| 23% |  | Professional services                   |  | 2% |  | Food service  |
| 19% |  | Business services                       |  | 2% |  | Hospitality   |
| 11% |  | Manufacturing or manufacturing supplier |  | 2% |  | Public service  |
| 8%  |  | Retail                                  |  | 2% |  | Telecommunications                                      |
| 7%  |  | Health care                             |  | 1% |  | Agriculture   |
| 4%  |  | Education                               |  | 1% |  | Child Care  |
| 4%  |  | Finance                                 |  | 1% |  | Distribution/trucking                                   |
| 4%  |  | Real Estate                             |  | 1% |  | Entertainment   |
| 3%  |  | Non-profit                              |  | 1% |  | Property Management                                     |
| 2%  |  | Construction                            |  | 1% |  | Transportation  |
|     |  |   |  | 1% |  | Other ( <b>at less than 1% each</b> )/Undecided/Refused |

### 39. As I mentioned earlier, this survey has been commissioned by Crain's Detroit Business. 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.

- 27% | Yes, release my phone number
- 73% | No, do not release phone number
- 0% | Undecided/Refused

### 40. Sex of respondent (BY OBSERVATION ONLY)

- |     |  |      |  |     |  |        |
|-----|--|------|--|-----|--|--------|
| 63% |  | Male |  | 37% |  | Female |
|-----|--|------|--|-----|--|--------|