



Survey: What Business Expects for 2012

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

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1. Are you the owner of your company, operator, an officer, manager or do you fill some other role with the company?

53%	Owner
25%	Manager
7%	Officer
6%	Operator
3%	President
3%	Vice President
1%	Director of Sales and Marketing
1%	Treasurer
1%	Other
----	Unsure/Refused

2. 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?

7%	Very satisfied
34%	Somewhat satisfied
41%	TOTAL SATISFIED
59%	TOTAL DISSATISFIED
30%	Somewhat dissatisfied
29%	Very dissatisfied
---	Undecided/Refused

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

48%	Improve
7%	Get worse
43%	Remain about the same
2%	Undecided/Refused



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4. **Thinking about the next year or so, are you feeling optimistic about Michigan's economy, pessimistic about our state's economy, or, are you uncertain about the future of the Michigan economy?**

47%	Optimistic
12%	Pessimistic
41%	Uncertain
---	Refused

5. **To the extent you feel optimistic about areas of the Michigan economy, which one of the following areas do you feel most optimistic about?**

48%	Automotive	1%	Green Energy
19%	Technology	1%	International Business
14%	Health care	1%	Personal Services
7%	Biotech	1%	Rental Equipment
1%	Agriculture	1%	Tourism
1%	Construction	5%	Undecided/Refused

6. **To the extent you feel pessimistic about areas of the Michigan economy, which one of the following areas do you feel most pessimistic about?**

55%	Automotive
11%	Tourism
8%	Health care
5%	Technology
3%	Agriculture
3%	Legal Services
3%	Manufacturing
3%	Mass Transit
3%	Real Estate
3%	Retail
3%	Undecided/Refused



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7. 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?

- 53% | Improve
- 7% | Get worse
- 39% | Remain about the same
- 1% | Undecided/Refused

8. Which of the following statements best describes how your employees feel about your company?

- 44% | The company is competitive and profitable
- 33% | The company is taking the right steps to return to profitability
- 16% | The company's future is very uncertain
- 7% | Undecided/Refused

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

- | | |
|-----------------------------|--|
| 23% Customer Base | 1% Advertising |
| 13% Economy | 1% Competition |
| 7% Health Care | 1% Foreclosures |
| 6% Government Regulations | 1% Home Values |
| 5% High Taxes | 1% Maintain Service Quality |
| 4% None | 1% New Technology |
| 4% Qualified Employees | 1% No New Business Development in MI |
| 3% Client Nonpayment | 1% Outsourcing |
| 3% Credit Availability | 1% People Leaving MI |
| 3% Growth | 1% State Debt-Spending |
| 3% Rising Costs | 1% Survival |
| 2% Auto Industry | 1% Unemployment |
| 2% Cash Flow | 8% Other/Undecided/Refused |
| 2% Understaffed | |



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

- 50% Increasing revenue with existing products and/or services
- 18% Containing costs
- 12% Advertising, or other marketing activities
- 11% Developing new products and/or services
- 4% Employee training
- 2% Other
- More than one
- 3% Undecided/Refused

11. Next year, do you plan to hire more employees, maintain the number of employees you currently have, or, do you expect that you might have to lay off some of your employees?

- 33% Plans to hire more employees
- 59% Will maintain number of employees
- 3% May have to lay off employees
- 1% Will lay off employees ----- **(VOLUNTEERED)**
- 4% Undecided/Refused

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

- 27% Increase wages
- 2% Reduce wages
- 65% Leave wages unchanged
- 6% Undecided/Refused

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

- | | | | |
|-----|----------------|-----|------------------------|
| 23% | Getting better | 54% | Staying about the same |
| 22% | Getting worse | 1% | Undecided/Refused |



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14. Of the following economic factors, which one do you believe will be the most important factor in the coming year, affecting demand for the goods and/or services offered by your company – would it be?

- 18% | The general condition of the worldwide economy
- 44% | The general condition of Michigan's economy
- 36% | The condition of the national economy
- | More than one
- 2% | Undecided/Refused

Now, I would like to read the names of several political figures. For each one, please tell me if you have a favorable or unfavorable opinion of that person. If you do not recognize a name, please tell me and we can move on. "Do you have a favorable or unfavorable opinion of (him/her)?"

		<u>DO NOT</u> <u>RECOG</u>	<u>VERY</u> <u>FAVOR</u>	<u>TOTAL</u> <u>FAVOR</u>	<u>TOTAL</u> <u>UNFAV</u>	<u>VERY</u> <u>UNFAV</u>	<u>REF</u> <u>UNDEC</u>
15.	Barack Obama	---	10%	35%	54%	35%	11%
16.	Pete Hoekstra	16%	9%	33%	13%	2%	38%
17.	Rick Snyder	1%	23%	69%	19%	8%	11%
18.	Debbie Stabenow	1%	7%	35%	45%	25%	19%
19.	Mitt Romney	4%	10%	49%	30%	10%	17%
20.	Newt Gingrich	2%	13%	39%	41%	20%	18%
21.	Herman Cain	6%	8%	29%	39%	17%	26%
22.	Ron Paul	8%	7%	30%	39%	15%	23%
23.	Michelle Bachman	6%	4%	22%	51%	26%	21%
24.	Rick Santorum	26%	3%	16%	23%	11%	35%
25.	John Huntsman	32%	2%	13%	17%	7%	38%
26.	Rick Perry	12%	2%	21%	42%	19%	25%



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27. Now that we are nine months into Governor Rick Snyder's administration, which of the following statements best describes your view?

- 38% Governor Snyder has taken strong steps toward making Michigan more economically competitive.
- 26% I'm taking a wait and see approach with the Snyder administration.
- 22% I like what Governor Snyder has done so far, but I had hoped for more accomplishments by this time.
- 11% I'm not at all happy with the Snyder administration.
- 2% Undecided/Refused

28. As you may know, a presidential primary election is scheduled in Michigan on February 28 of next year. The presidential primary election is part of the process for selecting Michigan delegates to the a political party's national convention, but the February ballot will feature only candidates from the Republican Party, since the Democrats will conduct their delegate selection by means of a closed caucus system. In order to participate in the Republican primary election, voters will have to declare that they are Republican voters. Knowing this, what are the chances you will be voting in the Republican presidential primary next February - are you very certain to vote, fairly certain, will you likely vote, are the chances only 50-50, or, will you not likely vote?

- 38% Very certain
- 9% Fairly certain
- 4% Will likely vote
- 51% LIKELY GOP PRIMARY VOTERS**
- 7% 50-50
- 35% Not likely to vote
- 7% Undecided/Refused



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29. In the Republican presidential primary, if the election were held today and the candidates were

Rick Perry	Michelle Bachman	Mitt Romney	Herman Cain
John Huntsman	Rick Santorum	Newt Gingrich	Ron Paul

For whom would you vote for?

34%	Mitt Romney	1%	John Huntsman
6%	LEAN toward Romney	1%	LEAN toward Huntsman
40%	TOTAL ROMNEY	2%	TOTAL HUNTSMAN
14%	Newt Gingrich	1%	Michelle Bachmann
1%	LEAN toward Gingrich	---	LEAN toward Bachmann
15%	TOTAL GINGRICH	1%	TOTAL BACHMANN
10%	Herman Cain	1%	Rick Santorum
3%	LEAN toward Cain	---	LEAN toward Santorum
13%	TOTAL CAIN	1%	TOTAL SANTORUM
6%	Ron Paul	19%	Undecided/Refused
---	LEAN toward Paul		
6%	TOTAL PAUL		
3%	Rick Perry		
1%	LEAN toward Perry		
4%	TOTAL PERRY		



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30. If you could not vote for (CANDIDATE NAMED IN Q.29), which candidate would be your second choice?

14% Mitt Romney

3% LEAN toward Romney

17% TOTAL ROMNEY

11% Newt Gingrich

4% LEAN toward Gingrich

15% TOTAL GINGRICH

11% Herman Cain

4% LEAN toward Cain

15% TOTAL CAIN

8% Rick Perry

2% LEAN toward Perry

10% TOTAL PERRY

3% Michelle Bachmann

2% LEAN toward Bachmann

5% TOTAL BACHMANN

3% Ron Paul

2% LEAN toward Paul

5% TOTAL PAUL

3% John Huntsman

1% LEAN toward Huntsman

4% TOTAL HUNTSMAN

2% Rick Santorum

1% LEAN toward Santorum

3% TOTAL SANTORUM

26% Undecided/Refused



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Q.29/Q.30 COMBINED:

25%	Mitt Romney
5%	LEAN toward Romney
30%	TOTAL ROMNEY
13%	Newt Gingrich
2%	LEAN toward Gingrich
15%	TOTAL GINGRICH
11%	Herman Cain
3%	LEAN toward Cain
14%	TOTAL CAIN
5%	Rick Perry
1%	LEAN toward Perry
6%	TOTAL PERRY
4%	Ron Paul
1%	LEAN toward Paul
5%	TOTAL PAUL
2%	Michelle Bachmann
1%	LEAN toward Bachmann
3%	TOTAL BACHMANN
2%	John Huntsman
1%	LEAN toward Huntsman
3%	TOTAL HUNTSMAN
1%	Rick Santorum
---	LEAN toward Santorum
1%	TOTAL SANTORUM
23%	Undecided/Refused



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Turning to some other state issues...

- 31. The personal property tax paid by Michigan businesses on the value of their industrial and commercial machinery and equipment generates about \$1.27 billion a year statewide. About 60% of this tax revenue goes to the cities, villages and townships where the businesses are located and the other 40% goes to local public school districts. Since many states do not have a personal property tax, some people have argued that if Michigan eliminates this tax, it would provide an incentive for businesses to locate in the state and it would encourage businesses already in the state to invest in new machinery and equipment, which would create more jobs. Would you favor or oppose a proposal to totally eliminate the personal property tax on Michigan businesses?**

33%	Strongly favor	38%	TOTAL OPPOSE
22%	Somewhat favor	20%	Somewhat oppose
55%	TOTAL FAVOR	18%	Strongly oppose
7%	Undecided/Refused		

- 32. If the personal property tax on businesses is repealed, it would eliminate about \$770 million in revenue that currently goes to cities, villages and townships, and about \$500 million that currently funds local public school districts. Elimination of this local revenue source could result in major cuts in police and fire protection, as well as other local government services such as street repair and snow removal. It could also require many local public school districts to lay off teachers and support staff, as well as cut existing programs to balance their budgets. Knowing this, let me ask you again, would you favor or oppose a proposal to totally eliminate the personal property tax on Michigan businesses?**

43%	Strongly favor
25%	Somewhat favor
68%	TOTAL FAVOR
19%	TOTAL OPPOSE
12%	Somewhat oppose
7%	Strongly oppose
13%	Undecided/Refused



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Q.31/Q.32 COMBINED:

- 27% Strongly favor
- 15% Somewhat favor
- 42% TOTAL FAVOR**
- 50% TOTAL OPPOSE**
- 28% Somewhat oppose
- 22% Strongly oppose
- 8% Undecided/Refused

- 33. If the personal property tax on businesses is eliminated, more than 400 cities, villages and townships in all areas of Michigan – urban, rural and suburban – would lose 10 percent or more of their total property tax revenue, with some communities losing more than 50% of their property tax revenue. These cuts would be on top of about \$4 billion in cuts to local governments and roughly a billion dollars in cuts to local public schools in recent years. Knowing this, if the proposal to eliminate the personal property tax on Michigan business machinery and equipment is approved by Governor Snyder and the Legislature, do you think the revenue lost should be completely replaced with another source of state tax revenue, should it mostly be replaced, should only some of it be replaced, or should none of the funding be replaced?**

- 33% All of the revenue lost should be replaced
- 23% Most of the revenue lost should be replaced
- 22% Only some of the revenue lost should be replaced
- 13% None of the revenue lost should be replaced
- 9% Undecided/Refused



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On another topic,

34. **The state of Michigan, and the Province of Ontario, have been planning a new bridge between the U.S. and Canada that would originate in the Del Ray neighborhood in southwest Detroit. Michigan's share of the project would be paid for by the Canadian government; an amount that would trigger the necessary matching funds from the federal government to complete the project. A private company would operate the structure and assume the financial risk for operational losses.**

At the same time, the private owner of the Ambassador Bridge is planning to build a twin span next to the existing Ambassador Bridge that would be built with private funds.

Supporters of the public bridge believe infrastructure such as cross-border bridges provide the most reliability and security when owned and managed by government units.

Supporters of building a twin span next to the Ambassador Bridge say that the region has been served by a privately owned bridge in the past and can continue to be served by a privately owned project.

Given this information, do you favor or oppose building of publicly owned bridge, at a cost of about \$1 billion?

35%	Strongly favor
11%	Somewhat favor
46%	TOTAL FAVOR
44%	TOTAL OPPOSE
13%	Somewhat oppose
31%	Strongly oppose
10%	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?**

17%	Sells a product
65%	Provides a service
18%	Both (volunteered)
---	Undecided/Refused



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

MEAN \$60,711,015.10

MEDIAN \$2,000,000.00

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

MEAN 2451.993

MEDIAN 10.0

38. Based on how the business is doing, are you currently looking for another job, or do you expect to be looking for another job in the next year or so?

11% Yes

84% No

5% Undecided/Refused/Does not Apply

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

18% Business services

17% Professional services

13% Finance

13% Manufacturing or manufacturing supplier

9% Construction

7% Real Estate

5% Retail

4% Health care

3% Distribution/trucking

3% Public service

2% Education

2% Hospitality

2% Non-profit

2% Telecommunications

1% Food service

1% Other/Undecided/Refused

(please note: totals may not equal 100% due to rounding)



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- 40. 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.**
- 30% Yes, release my phone number
69% No, do not release phone number
1% Undecided/Refused/Refused
- 41. Could you please tell me your first name so the reporter will know who participated in the survey from your business?**
- 42. 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 let Crain's Detroit Business know 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?**
- 72% Release information about how respondent answered questions
28% DON'T release information
- 43. Sex of respondent (by observation only)**
- 64% Male
36% Female