



# Survey: Looking at Current Business Issues

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

November 2013

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

63%	Owner
17%	Manager
8%	Operator
4%	Officer
2%	President
1%	Administrator
1%	Vice President
4%	Other
---	Unsure/Refused

**02.** Overall, how satisfied are you with the condition of Michigan's economy as it affects your business today; Are you Very satisfied, Somewhat Satisfied, Somewhat Dissatisfied or Very Dissatisfied?

11%	Very satisfied
55%	Somewhat satisfied
<b>66%</b>	<b>TOTAL SATISFIED</b>
<b>32%</b>	<b>TOTAL DISSATISFIED</b>
22%	Somewhat dissatisfied
10%	Very dissatisfied
2%	Undecided/Refused

**03.** Over the next six months, would you say the outlook for your business is good or bad?

29%	Very good
40%	Somewhat good
<b>69%</b>	<b>TOTAL GOOD</b>
15%	Some ways good/some ways bad
<b>12%</b>	<b>TOTAL BAD</b>
8%	Somewhat bad
4%	Very bad
4%	Undecided/Refused



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**04.** What's the one reason you say your business outlook for the next six months is good?

- 53% Increase Sales-Customers
- 13% Economy Improving
- 6% Auto Industry Improving
- 2% Government-Business Climate Improving
- 2% New Product Line
- 2% Real Estate-Demand
- 1% Company is Stable
- 1% Corporate Merger
- 1% Cut Our Costs
- 1% Detroit Downtown Development
- 1% Funding Approved
- 1% Global Economy
- 1% Low Interest Rates
- 1% Marketing-Advertising
- 1% Mortgage Rates Low
- 1% Moved Our Location
- 1% New Detroit Leadership
- 1% Opening New Locations
- 1% Our Budget is Balanced
- 1% Quality Employees
- 1% Regional Employment-Hiring
- 1% Stock Market Up
- 1% Strong Business Relationships
- 1% Tourism Increase
- 1% We are More Competitive
- 1% We are Optimistic in General
- 1% We Have Strategic Plan
- 1% Undecided/Refused



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05. What's the one reason you say your business outlook for the next six months is bad?

26%	Economy Poor
20%	Lack of Customers
17%	Health Care-Obamacare
6%	Right to Work
3%	Banks Not Lending
3%	Business Taxes High
3%	Closing Locations
3%	Detroit Bankruptcy
3%	Exports-Foreign Economies
3%	Going Out of Business
3%	Lack of Funding
3%	Lost our Suppliers
3%	Political Unrest
4%	Undecided/Refused

06. What about Michigan's overall economic health affecting all businesses in the state, do you believe the economy in Michigan as it is today ...

81%	Has already bottomed out and is starting to improve
10%	Is at the bottom but is not yet getting any better
6%	Has not yet bottomed out and will still get worse
3%	Undecided/Refused



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07. **A-B.** The first three years of Governor Snyder's administration has seen laws enacted that have been heavily pushed by the business community, including enacting \$1.8 billion in business tax cuts and the passage of Right to Work legislation. Still, unemployment remains higher than the national average and many businesses continue to struggle. What are the one or two top business issues you think state government should address in order to improve the state's economic condition?

15%	Business Tax Cuts
12%	Attract Business-Incentives
8%	Job Creation
6%	Health Care
6%	Job Training
5%	Education-Schools
5%	Personal Tax Cuts
5%	Reduce Regulations
2%	Detroit City Incentives
2%	Expand Right to Work
2%	Increase wages
2%	Lower Insurance Rates
2%	Repeal Right to Work
2%	Roads
1%	Balance Detroit Budget
1%	Diversify Business
1%	Government Reform
1%	Infrastructure
1%	Manufacturing Expand
1%	Retain College Grads
1%	Stop Jobs From Going Overseas
1%	Welfare Reform
18%	Other/Undecided/Refused



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Turning to some national issues . . .

**08.** Thinking about the economy of the nation as a whole, especially since the recession beginning in 2008, do you think the U.S. economy is getting stronger, getting weaker, or staying about the same?

49%	Getting stronger
38%	Staying about the same
12%	Getting weaker
1%	Undecided/Refused

**09.** Last month, all Federal functions that were not directly related to protecting lives or property were shut down for 16 days. This partial shutdown of Federal functions idled about 800,000 government employees and caused delays in processing mortgages, applications for veterans' benefits, payments on government contracts and dozens of other daily functions involving commerce. How big of an impact did the partial Federal shutdown have on your business – either in the short-term or longer term; Would you say that the shutdown had a Direct Major Impact, a Minor Direct Impact, an Indirect Impact, No Direct or Indirect Impact At All or, would you say you are Unable to Assess the Impact the Partial Shutdown had or will have on your business At This Time?

6%	Major Direct Impact
16%	Minor Direct Impact
<b>22%</b>	<b>TOTAL DIRECT IMPACT</b>
16%	Indirect Impact
51%	Neither Direct nor Indirect Impact At All
11%	Unable to Assess at this time
---	Undecided/Refused



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Now I would like to ask about some state and local issues:

10. Now that we are nearly three years into Governor Rick Snyder's administration, which of the following statements best describes your view?

42%	Governor Snyder has taken strong steps toward making Michigan more economically competitive, and these steps are paying off.
27%	I believe the jury is still out on whether or not the policies of the Snyder administration will ultimately be good for the long-term economic health of the state.
22%	I like what Governor Snyder has done so far, but I had hoped for more results by this time.
7%	I'm not at all happy with the economic policies of the Snyder administration.
2%	Undecided/Refused

11. Based on what you know or have heard or read about a proposal to build a bus rapid transit system for southeast Michigan, which would connect Detroit to other cities and suburbs, and also connect communities outside of Detroit to each other, do you favor or oppose the idea of such a bus rapid transit system?

43%	Strongly favor
26%	Somewhat favor
<b>69%</b>	<b>TOTAL FAVOR</b>
<b>19%</b>	<b>TOTAL OPPOSE</b>
7%	Somewhat oppose
12%	Strongly oppose
12%	Undecided/Refused



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12. For a bus rapid transit system to be funded, it would require approval of a property tax increase, approval of additional vehicle registration fees, in addition to state vehicle registration fees, that would be charged to vehicle owners in Wayne, Oakland, Macomb, Washtenaw, Monroe and St. Clair counties, or a combination of both funding ideas. Knowing this, let me ask you again -- do you favor or oppose the idea of a bus rapid transit system?

33%	Strongly favor
22%	Somewhat favor
<b>55%</b>	<b>TOTAL FAVOR</b>
<b>39%</b>	<b>TOTAL OPPOSE</b>
15%	Somewhat oppose
24%	Strongly oppose
6%	Undecided/Refused

Turning to the City of Detroit . . .

13. During his campaign for office and now into his administration, Governor Snyder has said that the economic success of the City of Detroit is directly tied to how successful the State of Michigan will be as a whole and that without a successful Detroit, the state can never fully recover economically. Thinking about Governor Snyder's statements about the importance of Detroit to the state's economic success, would you say that you Agree or Disagree with the governor's assessment that as Detroit goes, so goes the State of Michigan?

50%	Strongly Agree
30%	Somewhat Agree
<b>80%</b>	<b>TOTAL AGREE</b>
<b>18%</b>	<b>TOTAL DISAGREE</b>
11%	Somewhat Disagree
7%	Strongly Disagree
2%	Undecided/Refused



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14. Do you favor or oppose the decision by Governor Snyder to appoint Kevyn Orr to serve as emergency manager with the authority to manage Detroit finances for up to 18 months, or until the city budget is balanced?

64%	Strongly favor
18%	Somewhat favor
<b>82%</b>	<b>TOTAL FAVOR</b>
<b>11%</b>	<b>TOTAL OPPOSE</b>
2%	Somewhat oppose
9%	Strongly oppose
7%	Undecided/Refused

15. Overall, how would you rate the job being done by Emergency Manager Kevyn Orr – would you give him a Positive rating of Excellent or Pretty Good, or a Negative rating of Just Fair or Poor.

16%	Excellent
45%	Pretty good
<b>61%</b>	<b>TOTAL POSITIVE</b>
<b>21%</b>	<b>TOTAL NEGATIVE</b>
17%	Just Fair
4%	Poor
18%	Undecided/Refused

16. Do you think it was necessary for Kevyn Orr to begin bankruptcy proceedings to resolve the financial crisis in the City of Detroit or, do you think the Detroit financial crisis could be resolved without declaring bankruptcy?

77%	Bankruptcy was necessary to resolve financial crisis
12%	Financial crisis could be resolved without declaring bankruptcy
11%	Undecided/Refused





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17. Governor Snyder and Kevyn Orr have both testified that measures could have been taken to protect retired city workers' pension benefits during bankruptcy, but they elected not to exclude those benefits from the list of liabilities because it could delay a final resolution to Detroit's financial crisis. Do you Approve or Disapprove of the decision to expose retired city workers pension benefits to reduction in bankruptcy proceedings?

25%	Strongly Approve
19%	Somewhat Approve
<b>44%</b>	<b>TOTAL APPROVE</b>
<b>46%</b>	<b>TOTAL DISAPPROVE</b>
12%	Somewhat Disapprove
34%	Strongly Disapprove
10%	Undecided/Refused

18. Last week, Detroit voters elected Mike Duggan as their next mayor. Overall, thinking about the interests of people doing business in the Southeast Michigan region, were you pleased with the election of Mike Duggan as the city's chief executive, would you have preferred to have seen Benny Napoleon elected or, do you believe that ultimately, it is of little consequence to businesses in Southeast Michigan who sits in the Detroit mayor's office?

82%	Pleased with the election of Duggan
1%	Would have preferred Napoleon
12%	Doesn't matter – Little Consequence
5%	Undecided/Refused

19. When Mike Duggan has completed his first term as mayor in a little over four years, do you think the actions of his administration will result in an improvement in city services, will those actions make city services worse, or, do you think city services will not be significantly different from what they are today?

81%	Improve city services
---	Make city services worse
10%	Stay the same
9%	Undecided/Refused



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20. Putting aside your answer to the previous questions, how would you rate your outlook toward the City of Detroit and its ability to rebuild itself economically within the foreseeable future . . . would you say that you are:

23%	Very Optimistic
58%	Somewhat Optimistic
<b>81%</b>	<b>TOTAL OPTIMISTIC</b>
<b>18%</b>	<b>TOTAL PESSIMISTIC</b>
13%	Somewhat Pessimistic
5%	Very Pessimistic
1%	Undecided/Refused

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

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

68%	Provides a service
12%	Sells a product
18%	Both ( <i>volunteered</i> )
1%	Undecided/Refused

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

**MEAN: \$38,506,390.80**

**MEDIAN: \$1,000,000.00**

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

**MEAN: 1392.6**

**MEDIAN: 7.0**



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**24. What type of business or industry do you operate?**

24%	Professional services
20%	Business services
11%	Manufacturing or manufacturing supplier
8%	Real Estate
7%	Finance
5%	Construction
5%	Health care
4%	Non-profit
4%	Public service
4%	Retail
2%	Distribution/trucking
2%	Education
2%	Food service
1%	Hospitality
1%	Property Management
---	Other/Undecided/Refused

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

69%	Male
31%	Female