



## Survey: Business Is Looking Up

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

May 2015

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01. Thinking about the economy of the nation as a whole, do you think the U.S. economy is getting stronger, getting weaker, or staying about the same?

56%	Getting stronger
36%	Staying about the same
7%	Getting weaker
1%	Undecided/Refused

02. Thinking about the economy of the state as a whole, do you think the Michigan economy is getting stronger, getting weaker, or staying about the same?

78%	Getting stronger
18%	Staying about the same
3%	Getting weaker
1%	Undecided/Refused

03. 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?

10%	Very satisfied
73%	Somewhat satisfied
<b>83%</b>	<b>TOTAL SATISFIED</b>
<b>15%</b>	<b>TOTAL DISSATISFIED</b>
12%	Somewhat dissatisfied
3%	Very dissatisfied
2%	Undecided/Refused

04. In the next twelve months, 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?

58%	Will maintain number of employees
36%	Plans to hire more employees
1%	May have to lay off employees
---	Will lay off employees ----- <b>(VOLUNTEERED)</b>
5%	Undecided/Refused



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

**MEAN: 25.5**

**MEDIAN: 4.0**

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

**MEAN: 2.5**

**MEDIAN: 2.5**

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

48%	Increase wages
44%	Leave wages unchanged
---	Reduce wages
8%	Undecided/Refused

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

15%	Much too high
20%	Somewhat too high
<b>35%</b>	<b>TOTAL TOO HIGH</b>
1%	Too low
46%	About right
18%	Undecided/Refused

09. How important is it to the economic well-being of the State of Michigan as a whole, for Detroit to be successful in improving its economy – is it essential to Michigan's economic future for Detroit to be successful economically, very important, is it only somewhat important, or, would you say that it is not really important at all and that the Michigan economy can improve without a significant improvement in the economy of Detroit?

46%	Essential
36%	Very important
14%	Only somewhat important
3%	Not important at all
1%	Undecided/Refused



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10. For the past couple of years, Governor Snyder and others in the public and private sector have given attention to what they have referred to as a “talent” or, “skills” gap in Michigan’s workforce. By this they mean a lack of qualified job applicants for an increasing number of available positions. Last month, J.P. Morgan Chase & Company released a report which focused on what they saw as a “middle-skills” gap in Southeast Michigan, describing middle skill workers as those with more than a high school diploma but less than a four-year college degree. Based on your own experience or what you know or have heard or read, would you say, in general, the “middle skills” gap currently faced by employers in Southeast Michigan is more severe than it has been in the past, less severe than it has been before or, do Southeast Michigan employers face about the same difficulties they always have had in filling positions requiring employees with “middle skill” qualifications?

26%	Much More Severe
26%	Somewhat More Severe
<b>52%</b>	<b>TOTAL MORE SEVERE</b>
35%	About the same
<b>6%</b>	<b>TOTAL LESS SEVERE</b>
5%	Somewhat Less Severe
1%	Much Less Severe
7%	Undecided/Refused

11. The J.P. Morgan Chase skills gap study is part of a five-year \$100 million commitment to Detroit’s economic recovery. The study reported that among residents age 25 years and older in the six county Southeast Michigan region, unemployment and poverty rates are much higher for residents of Detroit than they are for the rest of the region, as are the proportion of residents who lack a high school education or its equivalent. To address what they identify as a skills gap, particularly among Detroit residents, the report makes several recommendations, many of which involve tailoring taxpayer-funded programs and services – such as workforce development programs, adult education and GED classes, public school vocational education classes and community college curriculum – to employer recommended needs, especially in the health care and manufacturing sectors. In order to close the “skills gap”, would you support or oppose the use of state and local tax dollars to instruct primarily Detroit residents in course work and training designed or approved by area employers and specifically aimed at filling those employers’ workforce needs?

33%	Strongly Support
34%	Somewhat Support
<b>67%</b>	<b>TOTAL SUPPORT</b>
<b>27%</b>	<b>TOTAL OPPOSE</b>
8%	Somewhat Oppose
19%	Strongly Oppose
6%	Undecided/Refused



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12. Presuming the efforts recommended by the J.P. Morgan Chase study are successful in producing a pool of qualified middle skills workers residing in Detroit, observers point out that for many, transportation to a place of employment would still remain a major stumbling block for otherwise qualified job applicants. To address this long standing transportation issue, would you favor or oppose a plan to create a bus rapid transit system to connect Detroit with surrounding communities as a way to help fill the middle skills gap of Metro Detroit employers?

55%	Strongly favor
25%	Somewhat favor
<b>80%</b>	<b>TOTAL FAVOR</b>
<b>18%</b>	<b>TOTAL OPPOSE</b>
6%	Somewhat oppose
12%	Strongly oppose
2%	Undecided/Refused

13. For a bus rapid transit system to be funded, it would likely require approval of a property tax increase, approval of additional vehicle registration fees, on top of existing state vehicle registration fees, that would be charged to vehicle owners in areas served by the transit service, or a combination of both funding ideas to build a bus rapid transit system. Knowing this, let me ask you again -- do you favor or oppose the idea of a bus rapid transit system connecting Detroit with surrounding metro communities?

37%	Strongly favor
24%	Somewhat favor
<b>61%</b>	<b>TOTAL FAVOR</b>
<b>34%</b>	<b>TOTAL OPPOSE</b>
10%	Somewhat oppose
24%	Strongly oppose
5%	Undecided/Refused

Now I would like to ask your opinion about a couple of other important topics ...

14. If Proposal 1 is rejected by voters how important is it for Governor Snyder and the Michigan Legislature to develop an alternative road funding plan as soon as possible -- is it essential, very important but not essential, somewhat important or not important at all?

67%	Essential
24%	Very important
6%	Only somewhat important
2%	Not important at all
1%	Undecided/Refused



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15. Governor Snyder, the Michigan Legislature, and experts in the field of road improvement planning estimate that Michigan needs to invest at least \$1.2 to \$1.3 billion dollars more per year to make needed repairs to Michigan's roads and bridges. To come up with that amount of additional funding for roads, do you think it will be necessary to raise state taxes, fees, or both as part of any road funding plan, or, do you think Governor Snyder and Michigan Legislature can raise the needed funding just by cutting existing state programs and services?

56%	It will be necessary to raise state taxes, fees or both
31%	Funding can be raised just by cutting existing state programs and services
4%	Combination of both cuts and new taxes ( <b>VOLUNTEERED</b> )
10%	Undecided/Refused

16. To raise all – or even a portion – of the 1.3 billion dollars more per year for Michigan's roads and bridges the Governor Snyder and the Legislature would have to make deep spending cuts in other state programs and services and there only a few areas where enough money can be found to make a difference. Would you favor or oppose . . . .

		<b>STRG FAVOR</b>	<b>TOTAL FAVOR</b>	<b>TOTAL OPPOSE</b>	<b>STRG OPPOSE</b>	<b>UND D/K</b>
17.	Major cuts in support for Michigan's universities and community colleges to pay for roads?	20%	<b>44%</b>	<b>54%</b>	30%	2%
18.	Major cuts in state support for revenue sharing that local governments use to pay for local police and firefighters to pay for roads?	13%	<b>26%</b>	<b>70%</b>	46%	4%
19.	Major cuts in support for health care for low-income women, children, the disabled and senior citizens to pay for roads?	7%	<b>15%</b>	<b>81%</b>	59%	4%
20.	Major cuts in K-12 education and schools to pay for roads?	5%	<b>14%</b>	<b>84%</b>	73%	2%

Apart from cutting other areas of the state budget, several specific ideas and proposals that have been discussed as ways to raise all, or a significant portion of, the \$1.2 to \$1.3 billion dollars per year to fund transportation improvements. For each proposal I describe, please tell me if you favor or oppose each one. The **(First/Next)** proposal is...



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21. [One/Another] possibility would be to increase the state sales tax for the first time in 21 years, by one penny and specify in the constitution that all new revenues from the penny increase must go to roads, bridges and transportation.

41%	Strongly favor
21%	Somewhat favor
<b>62%</b>	<b>TOTAL FAVOR</b>
<b>36%</b>	<b>TOTAL OPPOSE</b>
8%	Somewhat oppose
28%	Strongly oppose
2%	Undecided/Refused

22. [One/Another] way to fund transportation improvements would be to raise the 19-cents per gallon state gas tax for the first time in 18 years. Raise it by 11 cents a year for each of the next 3 years, and then tie its growth to inflation, and also raise annual vehicle registration fees for passenger and commercial vehicles, including heavy trucks. Would you favor or oppose this proposal?

25%	Strongly favor
24%	Somewhat favor
<b>49%</b>	<b>TOTAL FAVOR</b>
<b>49%</b>	<b>TOTAL OPPOSE</b>
10%	Somewhat oppose
39%	Strongly oppose
2%	Undecided/Refused

23. [One/Another] plan would be to raise business taxes. Under the business tax reform enacted in 2011, the current 6 percent Michigan business tax applies only to "C" corporations. This means that many businesses currently pay no state business tax all. If the 6 percent business tax rate were expanded to include all businesses, it would raise an estimated \$1.3 billion which would entirely fund the transportation improvements. Would you favor or oppose a proposal to expand the Michigan business tax beyond "C" corporations to include the roughly 100,000 commercial enterprises in the state that currently pay no business tax?

25%	Strongly favor
22%	Somewhat favor
<b>47%</b>	<b>TOTAL FAVOR</b>
<b>45%</b>	<b>TOTAL OPPOSE</b>
7%	Somewhat oppose
38%	Strongly oppose
8%	Undecided/Refused



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24. Thinking about the four potential alternatives to funding road and bridge repair in Michigan that I just read to you, which one would you prefer the most?

36%	Increasing the state sales tax by 1 penny, from 6 to 7 cents on the dollar, and guarantee in the constitution that all of the funding must go to transportation, roads and bridges
24%	Raising the gasoline tax by 11 cents a gallon per year for the next three years and limit future increases to the rate of inflation or 5%, whichever is less.
17%	Raising taxes on Michigan businesses.
11%	Making deep budget cuts in other state programs, including funding for public schools, universities and community colleges, healthcare, and local police and firefighters
---	A combination of the alternatives
12%	Undecided/Refused

On another topic . . .

25. Recently there has been renewed debate over whether or not state and local governments should continue to offer tax and other business incentives through organizations such as the Michigan Economic Development Corporation. Supporters of business incentives argue they are vital and necessary tools that all states employ to retain the businesses as well as attract new ones and it would be economically disastrous to suddenly stop making them available here in Michigan; Opponents of incentives maintain their cost greatly outweighs any net economic benefits they might have and besides, it's not the proper role of state government to select winners and losers in a what is supposed to be a free marketplace.. What do you think, should Michigan

59%	Continue to offer business incentives as a means to improve the state's economy
27%	Phase out offering business incentives over the course of the next three-to-five years
7%	Discontinue the availability of business incentives as quickly as possible
7%	Undecided/Refused



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

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

15%	Sells a product
66%	Provides a service
19%	Both ( <i>volunteered</i> )
---	Undecided/Refused

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

**MEAN: \$81,205,306.60**

**MEDIAN: \$4,000,000.00**

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

**MEAN: 3638.5**

**MEDIAN: 15.0**

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

17%	Business services
15%	Professional services
12%	Manufacturing or manufacturing supplier
7%	Real Estate
7%	Retail
6%	Construction
6%	Finance
6%	Health care
5%	Education
5%	Non-profit
4%	Distribution/trucking
4%	Food service
3%	Public service
2%	Hospitality
1%	Property Management
---	Other/Undecided/Refused



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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.

33%		Yes, release my phone number
67%		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 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?

64%		Release information about how respondent answered questions
36%		DO NOT release information

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

69%		Male
31%		Female