

Business looks ahead to 2010

Crain's Detroit Business/Honigman survey conducted by Epic-MRA

01. 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?

2%	Very satisfied	—————>	13% TOTAL SATISFIED
11%	Somewhat satisfied		
32%	Somewhat dissatisfied		
55%	Very dissatisfied	—————>	87% TOTAL DISSATISFIED
---	Undecided/Don't know/Refused		

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

24%	Improve
28%	Get worse
47%	Remain about the same
1%	Undecided/Don't know/Refused

03. 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?

37%	Improve
16%	Get worse
46%	Remain about the same
1%	Undecided/Don't know/Refused

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

24%	Customer Base	2%	Competition
10%	Taxes	2%	Consumer Confidence
7%	The Economy	2%	Keeping Employees
5%	Funding – Finances	2%	Labor Costs
5%	Government Policies	2%	No New Business in MI
5%	Health Care Costs	2%	Profits
4%	Businesses Closing – Leaving MI	2%	Quality Employees
4%	Loan Availability	2%	Unemployment Rates
4%	Rising Costs	1%	Advertising – Marketing
3%	Cash Flow	1%	Auto Industry
3%	Client Non-payment	1%	No Concerns
3%	Growth	1%	Property Values
3%	Survival		

05. 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?

- 16% Plans to hire more employees
- 69% Will maintain number of employees
- 11% May have to lay off employees
- 2% Will lay off employees → (VOLUNTEERED)
- 2% Undecided/Don't know/Refused

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

- 22% Containing costs
- 45% Increasing revenue with existing products and/or services
- 15% Marketing and/or advertising
- 14% Developing new products and/or services
- More than one
- 4% Undecided/Don't know/Refused

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

- 13% Increase wages
- 6% Reduce wages
- 77% Leave wages unchanged
- 4% Undecided/Don't know/Refused

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

- 13% Getting better
- 36% Getting worse
- 51% Staying about the same
- Undecided/Don't know/Refused

Tax credits have become an important topic of discussion in recent talks about the state budget. Which of the following industries do you think should get tax credits for investment in Michigan?

	YES	NO	UND/DK
09. Grants or tax credits through MEGA, the Michigan Economic Growth Authority, which would be targeted to keep businesses from moving out of Michigan	75%	16%	9%
10. Life sciences	62%	28%	10%
11. The film industry	63%	32%	5%
12. Alternative energy	79%	16%	5%
13. Manufacturing	77%	17%	6%
14. Battery technology companies	77%	17%	6%

15. Are there one or two other kinds of businesses I didn't mention, that you think should be provided tax credits or incentives to locate or invest in Michigan?

73%	No - None	1%	Green Technology
3%	Any Type of Business	1%	Information Technology
2%	All Small Business	1%	Medical – General
2%	Tourism	1%	Medical Research
1%	Automotive	1%	Military – Defense
1%	Construction	1%	Small Business Retail
1%	Education	1%	Technology – General
1%	Environmental	2%	Other (<i>less than 0.4% each</i>)
1%	Financial Industry	6%	Undecided/Don't Know/Refused

16. Generally speaking, are you satisfied or dissatisfied with the health insurance system in the United States?

13%	Very satisfied	—————▶	46% TOTAL SATISFIED
33%	Somewhat satisfied		
23%	Somewhat dissatisfied		
30%	Very dissatisfied	—————▶	53% TOTAL DISSATISFIED
1%	Undecided/Don't know/Refused		

17. Thinking about your own situation, specifically health insurance coverage for you and your family, are you satisfied or dissatisfied with your own coverage?

39%	Very satisfied	—————▶	80% TOTAL SATISFIED
41%	Somewhat satisfied		
10%	Somewhat dissatisfied		
9%	Very dissatisfied	—————▶	19% TOTAL DISSATISFIED
1%	Undecided/Don't know/Refused		

18. Again thinking about your own situation, but this time in regard to health insurance coverage offered to employees through your business, are you satisfied or dissatisfied with the coverage provided?

26%	Very satisfied	—————▶	65% TOTAL SATISFIED
39%	Somewhat satisfied		
9%	Somewhat dissatisfied		
9%	Very dissatisfied	—————▶	18% TOTAL DISSATISFIED
16%	Don't offer health coverage to employees (volunteered)		
1%	Undecided/Don't know/Refused		

19. Generally speaking, based on what you know or have heard or read about the changes that have been proposed for the health insurance system in the United States, which are currently under discussion in Congress, do you favor or oppose the proposed efforts to reform the current system?

19%	Strongly Favor	—————▶	37% TOTAL FAVOR
18%	Somewhat favor		
13%	Somewhat oppose		
43%	Strongly oppose	—————▶	56% TOTAL OPPOSE
7%	Undecided/Don't know/Refused		

20. Specifically, do you favor or oppose having a government option as part of the health insurance reform proposal that would compete with private insurance companies for health insurance customers?

20%	Strongly Favor	—————▶	38% TOTAL FAVOR
18%	Somewhat favor		
10%	Somewhat oppose		
48%	Strongly oppose	—————▶	58% TOTAL OPPOSE
4%	Undecided/Don't know/Refused		

21. As an alternative, would you favor or oppose single payer health insurance system fashioned after Medicare, that would be funded by the government or subsidized by the government, and would provide coverage for everyone?

14%	Strongly Favor	—————▶	33% TOTAL FAVOR
19%	Somewhat favor		
12%	Somewhat oppose		
48%	Strongly oppose	—————▶	70% TOTAL OPPOSE
7%	Undecided/Don't know/Refused		

Turning to state issues...

22. Thinking about the state budget situation in Lansing, who do you think is most responsible for the failure to pass a state budget by the October 1st deadline?

30%	Governor Jennifer Granholm
12%	The Republican Majority in the State Senate
7%	The Democratic Majority in the State House of Representatives
42%	All of the above (Volunteered)
9%	Undecided/Don't know/Refused

23. The debate on how to balance the state budget has prompted much discussion. Based on what you know or have heard or read about that debate, which of the following ways to balance the state budget do you think is the best approach?

- 31% The state budget should be balanced by cutting existing programs and services ALONE, with no increase in any state taxes or fees;
- 21% The state budget should be balanced by MOSTLY relying on cuts in state programs and services, but also by relying on SOME increases in taxes and fees to raise revenue;
- 31% The state budget should be balanced by relying EQUALLY on cuts in state programs or services, AND also increasing some taxes and fees to raise revenue;
- 6% The state budget should be balanced by MOSTLY increasing taxes, and but also relying on SOME cuts in programs and services;
- 4% The state budget should be balanced by increasing taxes and fees ALONE with no further cuts in state programs or services.
- 7% Undecided/Don't know/Refused

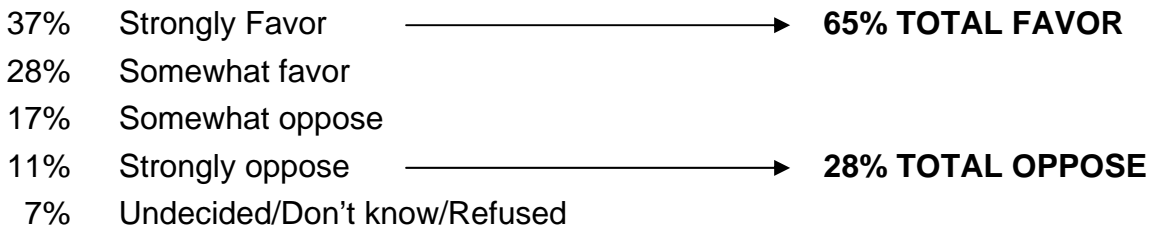
For each of the following proposals for cutting the cost of government or increasing revenues, please tell me if you favor or oppose that proposal?

	Strong Favor	TOT Favor	TOT Oppose	Strong Oppose	Undec D/K
24. Change state law to require the Governor and the Legislature to approve of a two year budget instead of a one year budget.	29%	57%	34%	17%	9%
25. Expanding the current 6 cent sales tax so that it applies to the purchase of services as well as products.	10%	27%	70%	51%	3%
26. Reducing the number of state four-year colleges and universities, and then increasing funding for the ones that remain.	9%	32%	60%	40%	8%
27. Reducing the current 6 cent sales tax to 5 cents, but applying it to the purchase of services as well as products.	10%	29%	66%	45%	5%
28. Changing Michigan's criminal sentencing laws so that they are more like the laws in neighboring states to reduce the cost of the state corrections budget, which is higher than surrounding states.	33%	68%	18%	12%	14%
29. Put a graduated income tax in place where the tax rate would increase for those with higher income brackets, but would lower the rate for lower income people.	25%	46%	49%	33%	5%
30. Reduce the number of school districts by consolidating smaller or more rural school districts into larger districts.	38%	64%	30%	17%	6%

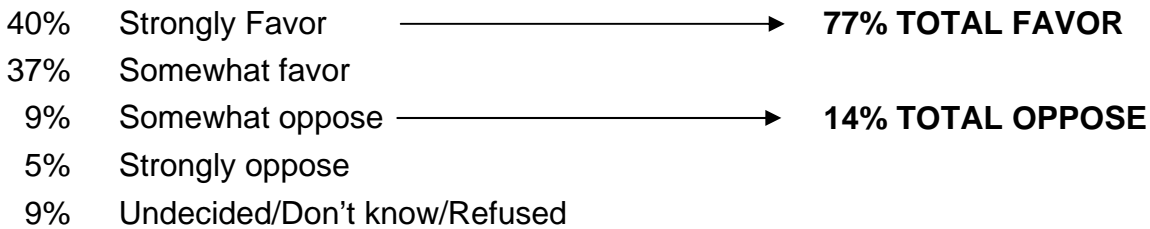
For each of the following proposals for cutting the cost of government or increasing revenues, please tell me if you favor or oppose that proposal?

	Strong Favor	TOT Favor	TOT Oppose	Strong Oppose	Undec D/K
31. Reducing the size of the state work force by 5 to 10 percent to save costs.	44%	69%	24%	12%	7%
32. Reducing the number of townships in Michigan by consolidating smaller townships and more rural townships with larger ones.	35%	59%	33%	16%	8%
33. Eliminating tax breaks, exemptions, and loopholes from the state taxes corporations must pay, which could generate about \$600 million per year.	28%	57%	30%	16%	13%

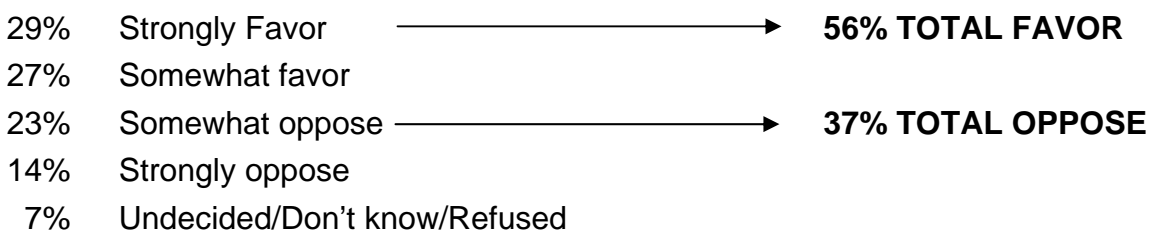
34. Another suggestion for addressing the state budget deficit is to reduce employee compensation for state employees to the average of state workers working in all 50 states, or the average of private sector employees in the state, which would reduce the cost to fund state government below current levels. Do you favor or oppose this proposal?



35. State employees say that they have already made wage concessions of more than half a billion dollars over the past five years to help the state balance the budget, and a recent study of state employee compensation compared to state employees in other states, and private sector workers, shows that that they are not over paid. They also say that Michigan will not be able to attract the best and the brightest state employees if their income is tied to a national average that factors in public employee wages in states such as Mississippi, Wyoming and New Mexico. When compared to surrounding states in the Great Lakes region, Michigan's public employees are in the middle of pack, being paid, on average, more than their counterparts in Indiana, but less than state employees in Minnesota. Thinking about this, let me ask you again -- Do you favor or oppose this proposal?



Q.34/Q.35 COMBINED:



36. Another suggestion concerning the state budget is to reduce employee health insurance and pension benefits, and also increase insurance premium co-pays that they must contribute, to the average employee benefits received and insurance co-pays paid by either the average of all public employees in all states, or the average provided to private sector employees in Michigan, thereby reducing the cost of employee benefit in Michigan. Do you favor or oppose this proposal?

44%	Strongly Favor	—————▶	67% TOTAL FAVOR
23%	Somewhat favor		
14%	Somewhat oppose		
14%	Strongly oppose	—————▶	28% TOTAL OPPOSE
5%	Undecided/Don't know/Refused		

37. State employees say that they have already made health insurance concessions, including reduced benefits, higher deductibles, higher co-pays and higher insurance premiums over the past few years. They also say that insurance coverage should not be changed until we see what happens with the health insurance reform legislation that Congress is currently debating. Thinking about this, let me ask you again -- Do you favor or oppose this proposal?

52%	Strongly Favor	—————▶	79% TOTAL FAVOR
27%	Somewhat favor		
8%	Somewhat oppose		
3%	Strongly oppose	—————▶	11% TOTAL OPPOSE
10%	Undecided/Don't know/Refused		

Q.36/Q.37 COMBINED:

37%	Strongly Favor	—————▶	57% TOTAL FAVOR
20%	Somewhat favor		
19%	Somewhat oppose	—————▶	36% TOTAL OPPOSE
17%	Strongly oppose		
7%	Undecided/Don't know/Refused		