

## MICHIGAN FUTURE BUSINESS INDEX • Q4 2018 AGGREGATE REPORT

### Q1. What is your title or position with your company?

	Number	Percent
OWNER/PROPRIETOR	144	30.8 %
PRESIDENT	78	16.7 %
VICE PRESIDENT	30	6.4 %
CHAIRPERSON	2	0.4 %
CEO	31	6.6 %
PARTNER	13	2.8 %
MANAGER	93	19.9 %
DIRECTOR	32	6.8 %
ADMINISTRATOR	25	5.3 %
EXECUTIVE	12	2.6 %
ADMINISTRATIVE ASSISTANT	3	0.6 %
CONTROLLER	2	0.4 %
FINANCIAL OFFICER	1	0.2 %
SECRETARY	0	0.0 %
TREASURER	2	0.4 %
Total	468	100.0 %

### Q2. How many employees does your company have?

	Number	Percent
1 to 2	78	16.7 %
3 to 4	59	12.6 %
5 to 10	85	18.2 %
11 to 20	77	16.5 %
21 to 50	96	20.5 %
51 to 100	31	6.6 %
101 to 250	32	6.8 %
251 to 500	8	1.7 %
More Than 500	2	0.4 %
Don't know/Refused	0	0.0 %
Total	468	100.0 %

### Q3. Thinking about the economy as it affects your business, are you:

	Number	Percent
Very dissatisfied	14	3.0 %
Somewhat dissatisfied	51	11.0 %
Somewhat satisfied	269	57.8 %
Very satisfied	123	26.5 %
Undecided/ Refused	8	1.7 %
Total	465	100.0 %

**Q4. How would you rate Michigan as a market for your goods or services?**

	Number	Percent
Poor	10	2.1 %
Only fair	86	18.5 %
Pretty good	256	54.9 %
Excellent	107	23.0 %
Don't Know/Refused	7	1.5 %
<b>Total</b>	<b>466</b>	<b>100.0 %</b>

**Q5. How would you rate Michigan's tax system as it affects your business?**

	Number	Percent
Very unfair	14	3.0 %
Mostly unfair	95	20.4 %
Mostly fair	280	60.1 %
Very fair	48	10.3 %
Don't Know/Refused	29	6.2 %
<b>Total</b>	<b>466</b>	<b>100.0 %</b>

**Q6. Which of the following do you see as the single greatest challenge to your business over the next year?**

	Number	Percent
Acquiring talent	142	30.4 %
Retaining talent	38	8.1 %
Cost of health insurance	67	14.3 %
Access to capital	17	3.6 %
Finding customers	87	18.6 %
Retaining customers	33	7.1 %
Wage inflation	26	5.6 %
Other	42	9.0 %
Don't Know/Refused	15	3.2 %
<b>Total</b>	<b>467</b>	<b>100.0 %</b>

**Q7. What are you most optimistic about when it comes to your business?**

	Number	Percent
Growing/ Expanding the business	49	11.6 %
The economy/ People have jobs	53	12.5 %
My staff/ Ability to find staff	21	5.0 %
I have a good product/ Service/ Niche	20	4.7 %
Increased/stable demand for services/ product	18	4.3 %
Business is good/ Continuing as usual	26	6.1 %
Profits/ Sales/ Income	17	4.0 %
More opportunities/ Collaborations	21	5.0 %
Customers old and new	50	11.8 %
Politics/ Hope for reforms	16	3.8 %
Strong/ New/ Advanced technology	11	2.6 %
Our location/ Community	10	2.4 %
Improving business climate/market	16	3.8 %
People will always need my service/product	20	4.7 %
I love my work/ We help people	5	1.2 %
Trade and exporting	3	0.7 %
Flexible/ Being adaptable/ Innovation	14	3.3 %
Awareness/ Reputation/ Established	9	2.1 %

Weather/ Tourism	3	0.7 %
Retirement	2	0.5 %
Misc	2	0.5 %
Don't know/ Refused/ Nothing	37	8.7 %
Total	423	100.0 %

**Q8. Did your sales decrease, remain the same or increase?**

	Number	Percent
Decrease	65	13.9 %
Remain the same	133	28.5 %
Increase	229	49.1 %
Does not apply to my business	31	6.7 %
Don't Know/Refused	8	1.7 %
Total	466	100.0 %

**Q9. Did your number of employees decrease, remain the same or increase?**

	Number	Percent
Decrease	60	12.9 %
Remain the same	269	57.7 %
Increase	129	27.7 %
Does not apply to my business	8	1.7 %
Don't Know/Refused	0	0.0 %
Total	466	100.0 %

**Q10. Did the average wage level of your employees decrease, remain the same or increase?**

	Number	Percent
Decrease	8	1.7 %
Remain the same	222	47.8 %
Increase	215	46.3 %
Does not apply to my business	17	3.7 %
Don't Know/Refused	2	0.4 %
Total	464	100.0 %

**Q11. Did the profitability of your business decrease, remain the same or increase?**

	Number	Percent
Decrease	74	15.9 %
Remain the same	203	43.7 %
Increase	155	33.3 %
Does not apply to my business	24	5.2 %
Don't Know/Refused	9	1.9 %
Total	465	100.0 %

**Q12. Did your major investments in plants and equipment decrease, remain the same or increase?**

	Number	Percent
Decrease	32	6.9 %
Remain the same	212	45.6 %
Increase	115	24.7 %
Does not apply to my business	98	21.1 %
Don't Know/Refused	8	1.7 %
Total	465	100.0 %

**Q13. How would you rate your access to qualified personnel for your business?**

	Number	Percent
Poor	64	13.8 %
Only fair	161	34.7 %
Pretty good	172	37.1 %
Excellent	44	9.5 %
Does not apply to my business	21	4.5 %
Don't Know/Refused	2	0.4 %
<b>Total</b>	<b>464</b>	<b>100.0 %</b>

**Q14. Over the past year, did you have difficulty finding qualified candidates with the right skills and talent to fill fulltime positions?**

	Number	Percent
Yes, had difficulties	240	51.5 %
No, did not have difficulties	137	29.4 %
Did not have to fill positions	50	10.7 %
Does not apply to my business	39	8.4 %
Don't Know/Refused	0	0.0 %
<b>Total</b>	<b>466</b>	<b>100.0 %</b>

**Q14A. Why did you have difficulty filling those positions? Was it because...**

	Number	Percent
Not enough people were interested or applied for the positions	74	30.8 %
Not enough of the applicants were qualified for the positions	143	59.6 %
Other	23	9.6 %
<b>Total</b>	<b>240</b>	<b>100.0 %</b>

**Q14B. How did you end up filling those positions?**

	Number	Percent
Didn't fill/ Still open/ Looking	70	30.8 %
Persistence/ Kept looking	40	17.6 %
Trained under qualified people/ Compromise	26	11.5 %
Temps/ Employment agency/ Contracted out	14	6.2 %
Trained current employees	3	1.3 %
Stretched out the work load/ Restructured to do without	8	3.5 %
Went out of area/state to find them	8	3.5 %
Head hunters/ Recruiters	8	3.5 %
Word of mouth/ Referrals/ Networking	24	10.6 %
Raised wages/incentives	5	2.2 %
Online ads/ Social media	6	2.6 %
With a student/ Apprentice	11	4.8 %
Part Time Labor	3	1.3 %
Misc	0	0.0 %
Don't know/ Refused	1	0.4 %
<b>Total</b>	<b>227</b>	<b>100.0 %</b>

The next group of questions refers to your plans and expectations over the next six months. Within that timeframe...

**Q15. Do you expect your business' sales to decrease, remain the same or increase?**

	Number	Percent
Decrease	30	6.6 %
Remain the same	141	30.9 %
Increase	263	57.5 %
Does not apply to my business	21	4.6 %
Don't Know/Refused	2	0.4 %
<b>Total</b>	<b>457</b>	<b>100.0 %</b>

**Q16. Do you expect your business' profits to decrease, remain the same or increase?**

	Number	Percent
Decrease	48	10.5 %
Remain the same	163	35.6 %
Increase	224	48.9 %
Does not apply to my business	20	4.4 %
Don't Know/Refused	3	0.7 %
<b>Total</b>	<b>458</b>	<b>100.0 %</b>

**Q17. Are you planning 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?**

	Number	Percent
Planning to hire more employees	189	41.4 %
Will maintain number of employees	243	53.2 %
May have to lay off employees	16	3.5 %
Don't Know/Refused	6	1.3 %
Other	3	0.7 %
<b>Total</b>	<b>457</b>	<b>100.0 %</b>

**Q18. Are you planning to decrease wages, keep wages the same, or increase wages for your employees?**

	Number	Percent
Decrease	3	0.7 %
Keep the same	229	50.0 %
Increase	206	45.0 %
Does not apply to my business	16	3.5 %
Don't Know/Refused	4	0.9 %
<b>Total</b>	<b>458</b>	<b>100.0 %</b>

**Q19. Regarding your employees' benefit packages, are you planning to ...**

	Number	Percent
Eliminate benefits	3	0.7 %
Decrease existing benefits	11	2.4 %
Keep benefits the same (no change)	306	67.3 %
Add new benefits	28	6.2 %
Increase existing benefits	15	3.3 %
Does not apply to my business	94	20.7 %
Don't Know/Refused	3	0.7 %
Other	0	0.0 %
<b>Total</b>	<b>460</b>	

**Q20. Thinking specifically about any expected increased healthcare costs for your business, are you considering to ..**

	Number	Percent
Decrease healthcare benefits	24	5.2 %
Increase employee premiums	81	17.7 %
Absorb the costs	125	27.3 %
I don't expect any healthcare cost increases	102	22.3 %
I don't offer healthcare benefits to employees/Does not apply to my business	139	30.3 %
Don't Know/Refused	14	3.1 %
Other	0	0.0 %
<b>Total</b>	<b>485</b>	

**Q21. How many locations does your business have?**

	Number	Percent
One	322	70.5 %
Two	58	12.7 %
Three or more	77	16.8 %
Don't Know/Refused	0	0.0 %
Other	0	0.0 %
<b>Total</b>	<b>457</b>	<b>100.0 %</b>

**Q22. Over the next six months, are you planning to close business locations, keep the same number of locations, or add new business locations?**

	Number	Percent
Close business locations	7	1.5 %
Keep the same number of locations	418	91.1 %
Add new business locations	33	7.2 %
Don't Know/Refused	1	0.2 %
<b>Total</b>	<b>459</b>	<b>100.0 %</b>

**Q23. Are you planning to expand your business with a new product line or a new service in that timeframe?**

	Number	Percent
Yes, a new product line	48	10.5 %
Yes, a new service	78	17.1 %
Yes, both	50	10.9 %
No, will not expand either	274	60.0 %
Don't Know/Refused	7	1.5 %
Other	0	0.0 %
<b>Total</b>	<b>457</b>	<b>100.0 %</b>

**Q24. Are you planning to invest in employee education or training?**

	Number	Percent
Yes	282	62.0 %
No	138	30.3 %
Not sure	35	7.7 %
<b>Total</b>	<b>455</b>	<b>100.0 %</b>

**Q25. Are you planning to purchase or lease any office equipment?**

	Number	Percent
Yes	126	27.7 %
No	287	63.1 %
Not sure	42	9.2 %
Total	455	100.0 %

**Q26. And what about investing in advertising for your business?**

	Number	Percent
Yes	249	54.7 %
No	168	36.9 %
Not sure	38	8.4 %
Total	455	100.0 %

**Q27. How many of your sales of goods or services are made to large Fortune 500-type companies?**

	Number	Percent
None of them	255	56.5 %
Fewer than half of them	110	24.4 %
About half of them	28	6.2 %
Most of them	28	6.2 %
All of them	8	1.8 %
Not Sure	22	4.9 %
Total	451	100.0 %

**Q28. When seeking business opportunities, how often do you engage in the State of Michigan's procurement or bidding process?**

	Number	Percent
Never	300	66.7 %
Rarely	74	16.4 %
Sometimes	44	9.8 %
Often	12	2.7 %
Always	6	1.3 %
Not Sure	14	3.1 %
Total	450	100.0 %

**Q29. Thinking about Internet commerce, which of these is currently the most important issue to your company?**

	Number	Percent
Broadband quality	89	19.7 %
Access to broadband choices	33	7.3 %
Cybersecurity	151	33.5 %
Net Neutrality	40	8.9 %
My company doesn't engage in internet commerce	121	26.8 %
None of the above/other	17	3.8 %
Total	451	100.0 %

**Q30. Thinking about the recent tax, tariff and immigration policy reforms happening in Washington DC, using a rating scale of one to five, with one meaning "extremely negative impact" and five meaning "extremely positive impact," please indicate whether these efforts have had a negative or positive impact on your business.**

**A. 2017 Tax**

<b>Cuts &amp; Jobs Act</b>	<b>Number</b>	<b>Percent</b>
1	22	4.9 %
2	34	7.6 %
3	234	52.1 %
4	84	18.7 %
5	61	13.6 %
<u>Don't Know/Refused</u>	<u>14</u>	<u>3.1 %</u>
Total	449	100.0 %

Mean = 3.3

**B. New Federal Tariffs Imposed On Various Countries Like China and**

<b>Canada</b>	<b>Number</b>	<b>Percent</b>
1	68	15.1 %
2	83	18.4 %
3	248	55.1 %
4	20	4.4 %
5	14	3.1 %
<u>Don't Know/Refused</u>	<u>17</u>	<u>3.8 %</u>
Total	450	100.0 %

Mean = 2.6

**C. Immigration Reforms & Heightened Scrutiny of Undocumented Immigrants**

	<b>Number</b>	<b>Percent</b>
1	36	8.0 %
2	46	10.2 %
3	314	69.8 %
4	17	3.8 %
5	22	4.9 %
<u>Don't Know/Refused</u>	<u>15</u>	<u>3.3 %</u>
Total	450	100.0 %

Mean = 2.9

**Q31. For how many years has your company been in business?**

	<b>Number</b>	<b>Percent</b>
1 to 5 years	34	7.5 %
6 to 10 years	38	8.4 %
11 to 15 years	37	8.2 %
16 to 20 years	45	10.0 %
21 to 25 years	46	10.2 %
26 to 30 years	41	9.1 %
31 to 50 years	118	26.2 %
More than 50 years	90	20.0 %
Don't know/Refused	2	0.4 %
<b>Total</b>	<b>451</b>	<b>100.0 %</b>

**Q32. What type of business or industry do you operate?**

	<b>Number</b>	<b>Percent</b>
Business services	55	12.2 %
Professional services	81	18.0 %
Health care	26	5.8 %
Manufacturing or manufacturing supplier	53	11.8 %
Retail	50	11.1 %
Real estate	11	2.4 %
Insurance	19	4.2 %
Public service (Government)	8	1.8 %
Finance	10	2.2 %
Distribution/trucking	13	2.9 %
Food service	12	2.7 %
Non-profit	30	6.7 %
Telecommunications	11	2.4 %
Education	15	3.3 %
Construction	17	3.8 %
Recreation	7	1.6 %
Personal services	18	4.0 %
Childcare	4	0.9 %
Property management	4	0.9 %
Don't know/Refused	0	0.0 %
Other	5	1.1 %
<b>Total</b>	<b>449</b>	<b>100.0 %</b>

**Q33. What would you say is the gross dollar amount that your business generates per year?**

	<b>Number</b>	<b>Percent</b>
Less than \$50,000	17	3.8 %
\$50,000 to \$99,999	20	4.5 %
\$100,000 to \$249,999	36	8.1 %
\$250,000 to \$499,999	38	8.6 %
\$500,000 to \$999,999	51	11.5 %
\$1 million to \$5 million	122	27.5 %
More than \$5 million	87	19.6 %
Don't know/Refused	73	16.4 %
<b>Total</b>	<b>444</b>	<b>100.0 %</b>

<b>Q34. GENDER</b>	<b>Number</b>	<b>Percent</b>
Male	245	54.7 %
Female	203	45.3 %
Total	448	100.0 %