

# MICHIGAN ECONOMIC OUTLOOK SURVEY

## 2017

01/05/17

THE DETROIT ECONOMIC CLUB

BAKER 

# 15 INFORMAL PROGRAM ADVISORS

Thank you to our informal program advisors who have been invaluable in implementing this year's study



LOGIC SOLUTIONS

ANGELA KUJAVA



EASTERN MICHIGAN UNIV.

MICHAEL TIDWELL



CFI GROUP

DAVID HAM



MOVE COMMUNICATIONS

DON HART



ANALYST

JASON CAMPBELL



LOGIC SOLUTIONS

JIMMY HSIAO



THE CURIO GROUP

JULIE TIBUS



EILER COMMUNICATIONS

LARRY EILER



BAKER STRATEGY GROUP

MARGARET BAKER



UNIVERSITY OF MICHIGAN

MATT BROWN



CAPITAL LETTERS MARKETING

CHRIS HIPPLER



DEGC

RODRICK MILLER



THE DETROIT ECONOMIC CLUB

STEVE GRIGORIAN



DENISON CONSULTING

LEVI NIEMINEN



EDINA CHAMBER

LORI SIVERSON



# 211 PARTICIPATING CHAMBERS AND ASSOCIATIONS

This year there were 211 participating chambers and associations throughout the US and Canada

Abbotsford Chamber  
Abilene Eco. Dev. Commission.  
Adams County Travel & Visitors Bur.  
Addison County Chamber of Commerce  
African American Chamber of Western PA  
Albany Chamber e  
Albert Lea-Freeborn County Chamber  
Alexandria Lakes Area Chamber  
Allegany County Ofc. of Dev.  
Allen Fairview Chamber  
Andrews Chamber & CVB  
Ann Arbor/Ypsilanti Reg. Chamber  
Ardmore Chamber  
Arlington Chamber c  
Armstrong County Dept. of Eco. Dev.  
Ashland Area Chamber  
Baldwin City Chamber  
Bayfield Chamber of Commerce and Visitor Bureau  
Beech Mountain Chamber  
Bellaire Area Chamber of Commerce  
Berne Chamber  
Blackfoot Chamber  
Blackstone Valley Chamber  
Bobcaygeon Chamber  
Bonner Springs-Edwardsville Area Chamber  
Bulverde/Spring Branch Economic Dev. Foundation  
Bulverde-Spring Branch Area Chamber  
Byrdstown-Pickett County Chamber  
Campbellsport Chamber  
Canadian- Hemphill Economic Development Corp.  
Carbon Valley Chamber  
Carey Area Chamber  
Carlsbad Dept. of Dev.  
Cedar City Area Chamber  
Central Vermont Chamber  
Centre Wellington Chamber  
Chamber of Newtown Inc.  
Champaign County Chamber of Commerce  
Cherokee Area Eco. Dev. Corp.  
Cherokee County Chamber g  
Chippewa County Eco. Dev. Corp.  
Churchill Chamber

City of Brownwood  
City of Wheat Ridge  
Clay County Partnership Chamber of Commerce  
Coldwater Country CVB  
Columbus Comm. Dev.  
Cotati Chamber  
Cowichan Lake District Chamber  
Crescent City/Del Norte County Chamber & CVB  
Cross Plains Area Chamber  
DeKalb Chamber  
Detroit Regional Chamber  
Downtown Development Authority  
East Greenwich Chamber  
Eco. Dev. Coalition of Southwest Indiana  
Economic Development Alliance for Brazoria County  
Edmond CVB  
Eiler Communications  
Ellsworth Area Chamber  
Fairmont CVB  
Fairmont Eco. Dev. Auth.  
Fayette Chamber Betterment Found.  
Fisher Branch Chamber  
Flin Flon & Dist. Chamber  
Florence County Chamber  
Franklin County Chamber a  
Fulton Eco. Dev. Corp.  
Galiano Island Chamber  
Gem County Chamber  
Glendive Chamber of Commerce and Agriculture  
Glenwood Springs Chamber Resort Association  
Gold River Chamber  
Gothenburg Area Chamber  
Granby Chamber of Commerce  
Grand Terrace Area Chamber  
Greater Albion Chamber & Visitors Bureau  
Greater Antelope Valley Eco. Alliance  
Greater Deerfield Beach Chamber  
Greater Gratiot Dev. Inc.  
Greater Hollywood Chamber  
Greater Ketchikan Chamber  
Greater Kingston Comm. Chamber  
Greater Liverpool Chamber

Greater Peterborough Chamber b  
Greater Saint Charles County Chamber  
Greater Saskatoon Chamber  
Greater Soldotna Chamber & Visitor Info. Center  
Greater Tomah Area Chamber  
Greenwich Village Chelsea Chamber of Commerce  
Haines Chamber  
Harbor City/Harbor Gateway Chamber  
Harford County Chamber  
Hazen Community Development, Inc.  
Henderson Eco. Dev. Corp.  
Hillsboro Area Chamber & CVB  
Historic Silver Valley Chamber  
Hudson Valley Gateway Chamber  
Huntington County Visitor & Conv. Bur.  
Indian Valley Chamber  
Indianola Chamber  
Jamestown Area Chamber of Commerce  
Juneau Economic Development Council  
Katy Area Chamber  
Kelso Longview Chamber  
Kent County Economic Development  
Kent-Centre Chamber  
Kings County Eco. Dev. Corp.  
Kootenay Lake Chamber  
Lake Superior Community Partnership  
Lancaster Area Chamber of Commerce  
Langley Chamber & Visitor Info. Center  
Lansing Regional Chamber of Commerce  
Laurel Highlands Visitors Bureau  
Les Cheneaux Islands Chamber  
Livermore Valley Chamber  
Logan County Comm. Improvement Corp.  
Longville Chamber  
Macomb County Chamber  
Madeline Island Chamber  
MAGIC  
Manistee Area Chamber  
Manvel Economic Development Corporation  
Marinette County Assn. for Business & Ind.  
Marysville Chamber of Commerce  
Mashpee Chamber

Mason Area Chamber  
Matawan-Aberdeen Chamber of Commerce  
Merkel Chamber & Eco. Dev. Corp.  
Michigan Works! Association  
Midlands Authority for Conventions, Sports & Tourism  
Milton Area Chamber  
Minnedosa & Dist. Chamber  
Minot Area Chamber  
Moloka'i Chamber  
Monroeville/Monroe County Chamber  
Montgomery County Chamber of Commerce  
Mora Area Chamber  
Mountain Brook Chamber  
Mt. Adams Chamber  
New Lisbon Area Chamber  
North Santiam Chamber  
Norton Area Chamber  
Oberlin Business Partnership  
Obion County Chamber  
Oil Region Alliance of Business & Ind.  
Okemo Valley Reg. Chamber  
Olney Chamber Of Commerce  
Orangeburg County Dev. Comm.  
Osage Chamber  
Pacific Area Chamber  
Pagosa Springs Area Chamber  
Paragould Reg. Chamber  
Paris Area Chamber  
Paulding Chamber  
Peabody Area Chamber  
Perris Valley Chamber of Commerce  
Pismo Beach Chamber & Visitors Info. Center  
Plano CVB  
Pocahontas Chamber  
Potsdam Chamber  
Rathdrum Area Chamber of Commerce  
Rawlins-Carbon County Chamber  
Red Bank Visitors Center  
Redwood Area Development Corporation  
Reg. Dev. Assn. of East Central Kansas  
Renton Chamber  
Rhinebeck Area Chamber of Commerce

Rockport-Fulton Chamber  
Rockwall Area Chamber  
Roseau Civic & Commerce  
Sabine County Chamber  
Salt Spring Island Chamber  
Saratoga Eco. Dev. Corp.  
Sealy Chamber  
Sechelt & Dist. Chamber  
Silver City Grant County Chamber  
South Shore Conv. & Visitors Auth.  
Spearfish Eco. Dev. Corp.  
Spruce Grove & District Chamber of Commerce  
St. Francis Area Chamber of Commerce  
Stanly County CVB  
Starke County Chamber  
Stewart County Chamber of Commerce  
Stoughton Chamber  
The Chamber of Commerce, Inc.  
The Detroit Economic Club  
Tipton County Chamber  
Torrance Area Chamber  
U.S. SBA, Montana Dist. Ofc.  
University of Illinois Ext.  
Upper Sandusky/Wyandot County Chamber  
Upper Tampa Bay Chamber  
Valley City-Barnes County Dev. Corp.  
Virden Community Chamber of Commerce  
Visit Oceanside Inc.  
Wahoo Area Eco. Dev.  
Wakarusa Chamber  
Warren County Visitors Bur.  
Warroad Area Chamber & CVB  
Waterford Chamber  
Waynoka Chamber  
Wells County Chamber  
West Richland Area Chamber  
West Suburban Chamber & Ind.  
Whitley County Chamber  
Williamsport/Lycoming Chamber  
Winnetka-Northfield Chamber  
Winnipeg Chamber  
Yadkin County Chamber  
York County Chamber of Commerce



# 14 MICHIGAN PARTNERING CHAMBERS AND ASSOCIATIONS

In Michigan, we partnered with 14 chambers and associations to distribute the survey to their members



**DIANE KELLER**  
Ann Arbor / Ypsilanti Reg.  
Chamber



**PATRICIA SAVANT**  
Bellaire Area Chamber of  
Commerce



**SANDY BARUAH**  
Detroit Regional Chamber



**AMY CLICKNER**  
Lake Superior Community  
Partnership



**TIM DAMAN**  
Lansing Regional  
Chamber of Commerce



**GRACE SHORE**  
Macomb County Chamber



**STACIE BYTWORK**  
Manistee Area Chamber



**STEVE GRIGORIAN**  
The Detroit Economic  
Club



**MARIE HAUSWIRTH**  
Waterford Chamber



**DEBRA YEE**  
Coldwater Country CVB



**DONALD SCHURR**  
Greater Gratiot Dev. Inc.



**LUANN DUNSFORD**  
Michigan Works!  
Association



**DOUG KLEIN**  
Mason Area Chamber



**AMY ROBERTSON**  
Greater Albion Chamber &  
Visitors Bureau



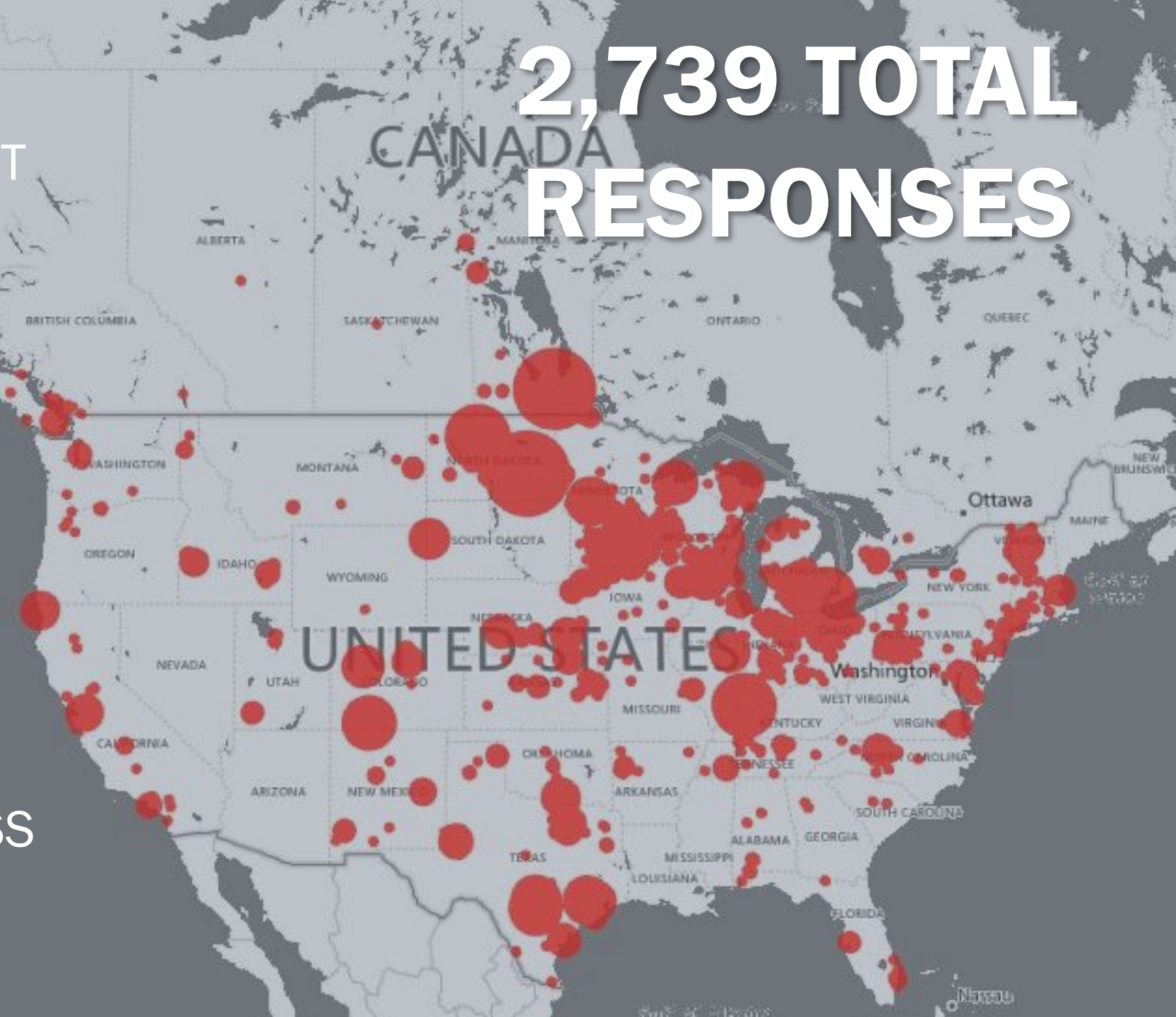
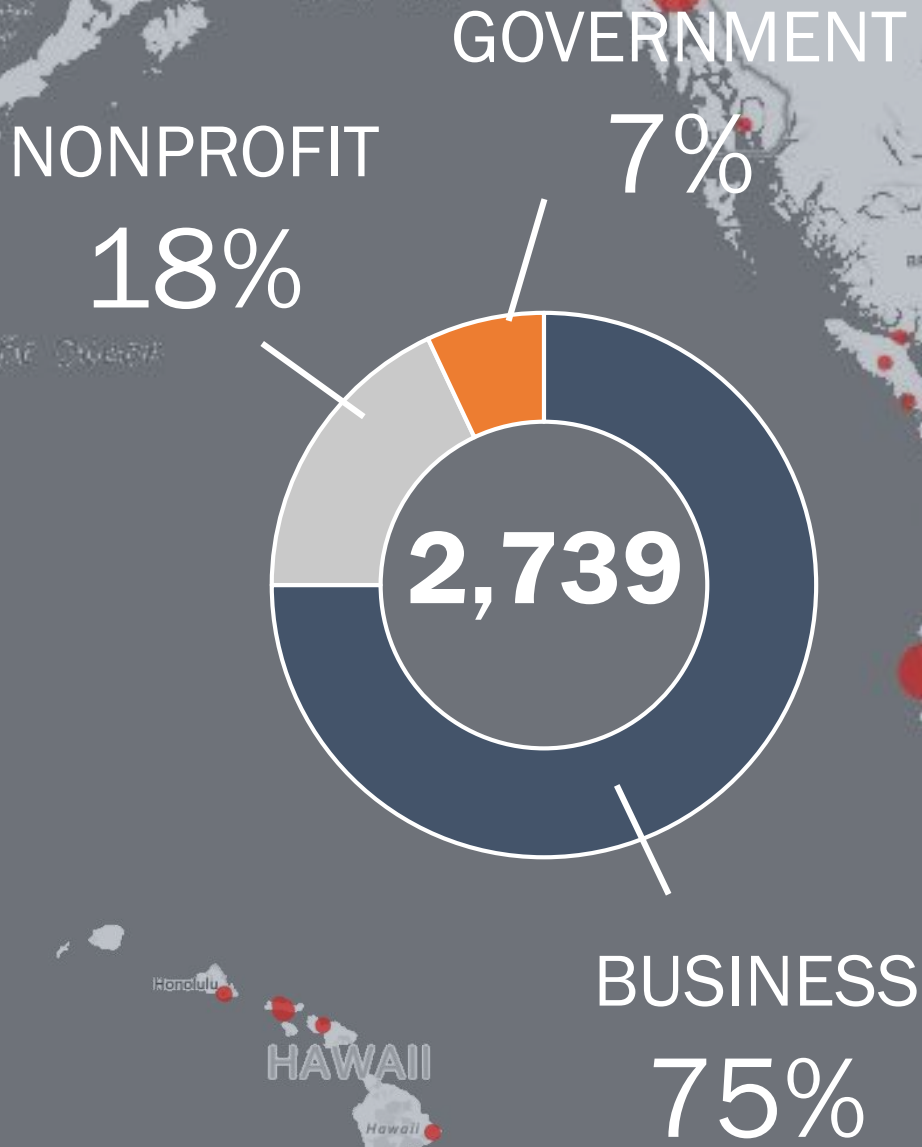
---

“A key component of our reinvention of Michigan is the setting of clear, measurable goals that serve as a catalyst for positive change . . . . That’s why independent barometers such as the Economic Outlook survey are valuable tools.”

– Governor Rick Snyder



# 2,739 TOTAL RESPONSES



# 417 MICHIGAN RESPONSES

GOVERNMENT

6%

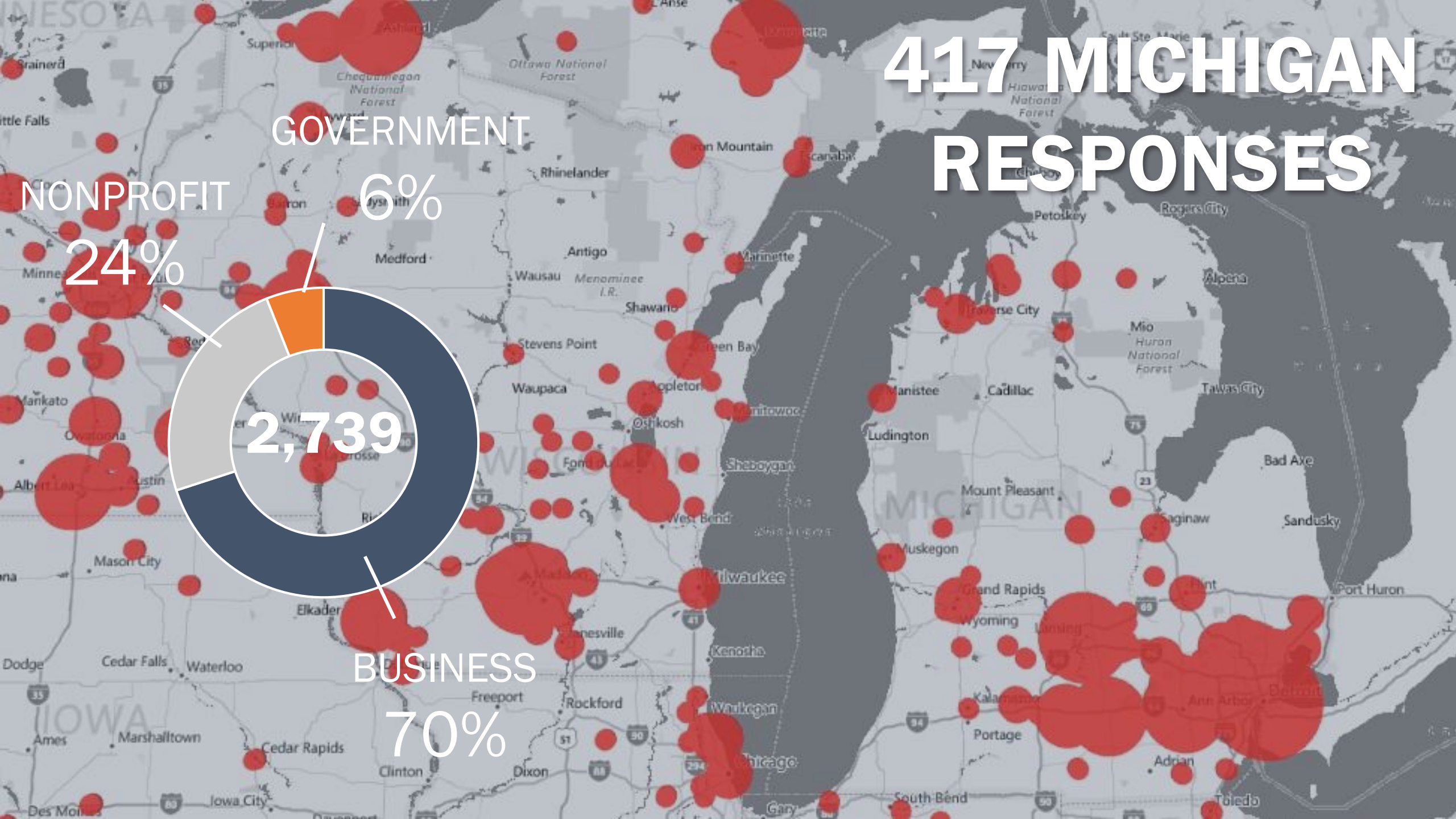
NONPROFIT

24%

2,739

BUSINESS

70%



**MICHIGAN IS UP**



## RECOMMEND AS A PLACE TO START AND GROW A BUSINESS

The Likelihood to Recommend Your Local Community, Economic Region and State or Province as a great place to start and grow a business are all up significantly from last year beyond the margin of error

### MICHIGAN

Year	2016		2017		
Sample Size	308	Δ	417	SIG	MOE +/-
Local Community	74	4	78	↑	2.9
Economic Region	74	4	78	↑	2.7
State / Province	73	3	76	↑	2.7

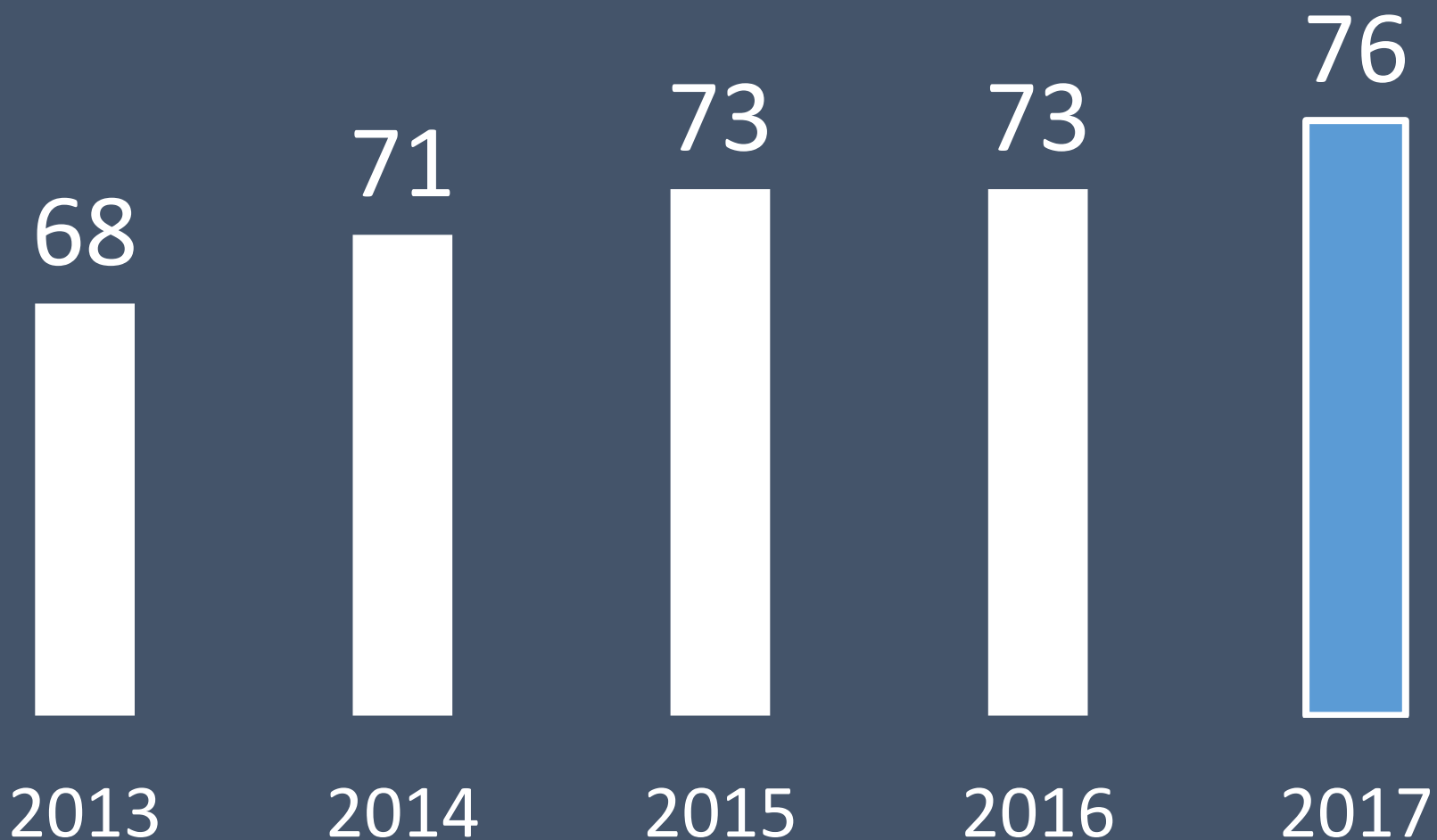


## RECOMMEND AS A PLACE TO START AND GROW A BUSINESS

And the likelihood to recommend MICHIGAN is up 3 points from last year and a robust 8 points since 2013 when we began our study

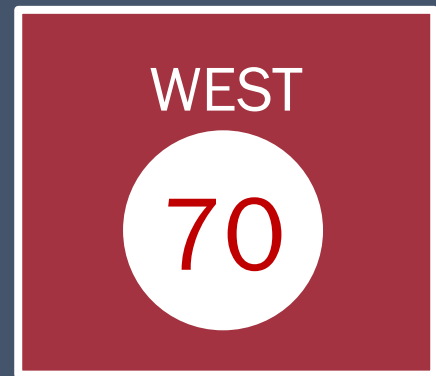
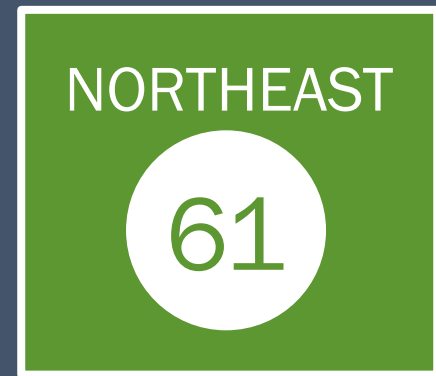
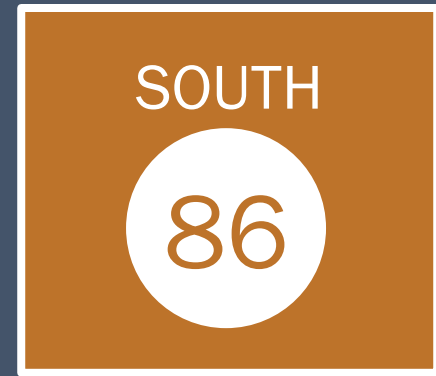
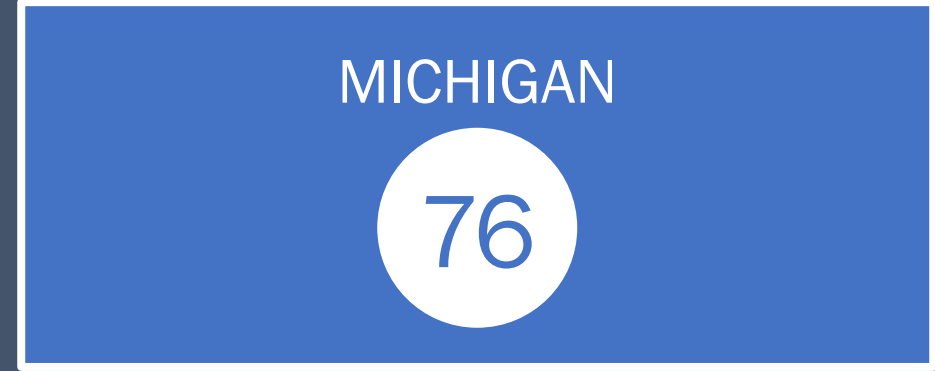
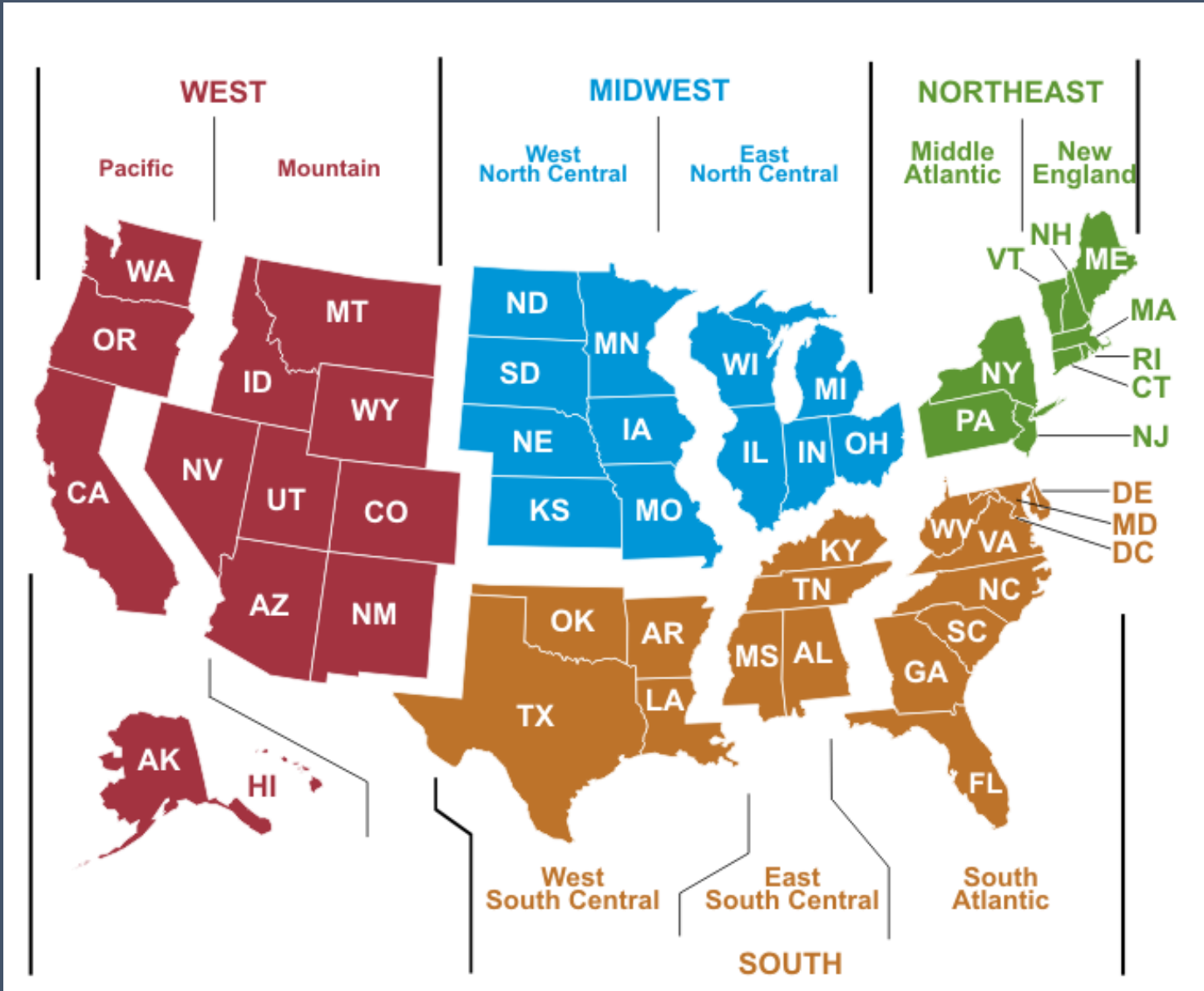


### LIKELIHOOD TO RECOMMEND MICHIGAN



# RECOMMEND AS A PLACE TO START AND GROW A BUSINESS

Michigan's 76 is on par with the Midwest region, well ahead of the Northeast and West, but lags behind the South



## STATE / PROVINCE

Michigan's responses in four key ratings that are tied to a healthy state economy are all up from last year

### MICHIGAN

Year	2016		2017		
Sample Size	308	Δ	417	SIG	MOE +/-
Great for young professionals	61	7	68	↑	3.1
Great place to grow a business	64	5	69	↑	2.8
Strong, vibrant economy	58	4	62	↑	2.7
Business-friendly	62	7	69	↑	2.6



## ECONOMIC REGION

When asked to rate their economic region within the state, respondents' scores were also significantly higher than they were last year.

### MICHIGAN

Year	2016	Δ	2017	SIG	MOE
Sample Size	308		417		+/-
Unparalleled quality of life	62	4	66	↑	3.1
Culture of entrepreneurialism	61	5	66	↑	3.0
Large pool of talent available	53	4	57	↑	3.2



## 2017 EXPECTATIONS

While the dip for “Remain in Michigan” suggests that some companies are struggling, consolidating, or considering leaving, the increase in “Grow within Michigan” indicates that on the whole, more companies expect growth this year compared to last.

### MICHIGAN

Year	2016	Δ	2017	SIG	MOE
Sample Size	308		417		+/-
Remain in MICHIGAN	85%	-3	82%		4.6%
Grow within MICHIGAN	61%	5	66%		5.4%
Hire more people	57%	1	58%		6.1%
Grow globally	21%	0	21%		5.0%



**COMPANY OUTLOOK  
IS UNCHANGED**

## OVERALL COMPANY OUTLOOK

The 6-month, 12-month, and 3-year outlook scores of 74, 76, and 75 show no real differences from 2016

### MICHIGAN

Year	2016		2017		
Sample Size	308	Δ	417	SIG	MOE +/-
Next 6 months	73	1	74		2.7
Next 12 months	77	-1	76		2.5
Next 3 years	77	-2	75		2.6





# WHAT EXPLAINS THE DISPARITY?

## PRIMARY PREDICTORS OF 12-MONTH OUTLOOK

According to Dr. Levi Niemenen of Denison Consulting, presidential vote is a small outlook predictor and the state economy is a moderate predictor outlook, but the most influential predictor is Organizational Culture

Based on the 1,409 responses from Owners, Founders, & CEOs



0.9%

PRESIDENTIAL VOTE

8.4%

STATE ECONOMY

16.1%

ORGANIZATION CULTURE

## ORGANIZATIONAL CULTURE

Michigan organizations generally have highly engage workforces and clear direction for the future, but have opportunities to be more adaptive to the marketplace and to develop efficient systems and processes

### MICHIGAN

Year	2017	MOE
Sample Size	417	+/-
Highly engaged workforce	80	1.5
Clear direction for the future	79	1.6
Adapts well to market changes	76	1.6
Efficient systems & processes	74	1.6

These four measures approximate the four key areas of Organizational Culture as defined by Ann Arbor-based Denison Consulting: MISSION, ADAPTABILITY, CONSISTENCY, AND INVOLVEMENT



## 2017 CHALLENGES

As companies seek to develop healthy organizational cultures for 2017, they face a number of challenges, which they identified. “Attracting and retaining top talent” stands well ahead of the pack as the #1 challenge for 2017

### MICHIGAN

Year	2017	MOE
Sample Size	417	+/-
Attracting & retaining top talent	67%	4%
Lower healthcare costs	47%	4%
More available skilled labor	36%	4%
Simpler regulation	33%	4%
Lower taxes	24%	3%
Better access to capital	18%	3%
Lower energy costs	14%	3%



**WHAT SHOULD WE DO?**

# RECOMMENDATIONS FOR 2017

Based on the results, we offer five recommended areas of focus for Michigan and for organizations in Michigan

---

1

## STATE LEVEL

- HELP COMPANIES FIND TOP TALENT
- ADDRESS HEALTHCARE COSTS
- CELEBRATE AND SUPPORT ENTREPRENEURIALISM

2

## ORGANIZATION LEVEL

- ARTICULATE A COMPELLING COMPANY VISION
- DEVELOP CAPABILITIES TO ADAPT TO THE MARKET



[www.outlooksurvey.com](http://www.outlooksurvey.com)