



## Michigan Businesses Seeing Signs of Improvement in Continued Tough Economy

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LANSING, MI – While the economy remains tough across the state, a growing number of Michigan’s small- and mid-sized business owners believe things are beginning to move in the right direction, according to a recent survey. The survey further indicated that Michigan business owners are expressing less concern over the challenges they have been facing that impact their ability to sell their products and services, provide employee benefits and make a profit.

These findings come from the semi-annual Future Business Index study, commissioned by Lansing-based Accident Fund Insurance Company of America and conducted by Marketing Resource Group, Inc. (MRG) in June 2011. A total of 600 Michigan business owners, operators, officers and managers were interviewed for this survey.

This survey yielded some positive results despite the lingering sluggish economic conditions. The most significant change noted in the survey was with regard to investments going back into business, specifically investments in facilities and equipment, moving up eight percentage points to 20 percent from the immediately preceding survey reading of 12 percent in October 2010. Additionally, 14 percent of businesses surveyed said they increased employee wages, a significant improvement over the October 2010 survey when it was at 10 percent, while 12 percent of businesses said they increased the number of employees.

“I am excited to see from these surveys that the business climate continues to improve for Michigan businesses,” Mike Britt, president of Accident Fund Insurance Company of America, said. “Many of our customers are small- and mid-sized businesses, so we would like nothing better than to see Michigan businesses grow and prosper. A healthy business climate in Michigan is good for everyone.”

Other positive results from the survey include:

- **Six-month business outlook.** A majority (54 percent) of respondents said that the business outlook for the next six months is good, with 38 percent saying it is “somewhat good.” Forty-three percent of small business owners said they expect sales to increase in the next six months. That is an 11 percent increase from October 2010, when only 32 percent said they expected sales to increase.

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- **Six-month “bottom line” expectations.** Thirty-eight percent of those surveyed said they expect their profits to increase over the next six months, a six percent improvement over the October 2010 survey when 32 percent said profits would rise.
- **Hiring and layoffs.** The survey shows a slight, but steady, improvement in the number of new jobs projected to become available in the next six months, with 16 percent saying they plan to hire more employees in the next six months. Additionally, 20 percent of those surveyed said they plan to increase wages.

“I am increasingly encouraged by the results of the statewide Future Business Index survey,” Chris Holman, CEO of the Michigan Business Network and publisher of the Greater Lansing Business Monthly, said. “It is heartening to see that over time, more and more of our hard-working business owners are showing less concern about their economic future. The fact that they are making investments in their businesses and planning to make new hires over the next six months is a testament to their resiliency and continuing to improve Michigan’s business climate.”

***Accident Fund Insurance Company of America***

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