



**For more information:**  
**Contact:** Kelly Chesney  
(O) 313-259-5400; (M) 313-909-8203  
kellyc@businessleadersformichigan.com

## **Michigan's Economy Now**

**2012 BLM Benchmarking Report Affirms State Economy is Improving,  
but Still Short of Top Ten Status**

**DETROIT, Mich., December 20, 2012**—Michigan has outpaced most of the nation in terms of recent economic growth and many trends are headed in the right direction, but its performance on most key indicators fall short of being a Top Ten state leaving its long-term recovery still uncertain, according to an economic benchmarking report released today by Business Leaders for Michigan (BLM).

The report continues to build on BLM's extensive, fact-based research into state-level performance trends. BLM's Michigan Turnaround Plan is developed using this benchmarking analysis.

"Our recovery is moving faster than in most states, but we also had much further to climb," said Jim Nicholson, President & CEO, PVS Chemicals Inc. and BLM Chair. "We've had some successes, particularly in the areas of responsibly managing our state finances and creating a more competitive business tax environment. The Governor, legislature and many business and community leaders deserve credit for the work of the past few years. What matters now is that we build on those successes and move even more rapidly toward lasting economic growth."

This year's report showed:

- Michigan's employment, per capita GDP and per capita personal income have grown more quickly than most of its peers since 2009, but still rank far below Top Ten states.
- Perceptions of Michigan's business climate are low and only improving slowly.
- The cost of doing business in Michigan remains high, despite business tax reforms and some other changes.
- Michigan does not have enough college graduates to keep up with future workforce demand.
- Our state's high levels of R&D go under-leveraged due to low levels of venture capital investment and entrepreneurial activity.

(more)

Nicholson further commented, “When reviewing our state’s economic growth, we consider employment, per capita GDP and per capita income as our primary output metrics. Here in Michigan, these numbers tell us we are experiencing a genuine economic recovery, but there’s no guarantee how deep or lasting this recovery will be because we’re far from being a Top Ten state on most of the critical economic benchmarks. In this race for jobs and business investment, other states are not standing still. We believe Michigan’s growth can propel our state to the front of the pack by continuing to use the steps outlined in the Michigan Turnaround Plan as a roadmap.”

BLM President & CEO Doug Rothwell was quick to point out that state tax changes have made a difference but much work remains, “Michigan’s corporate tax environment was one of the nation’s worst as recently as 2011. Recent business tax changes in 2012 have propelled our state to 7<sup>th</sup> best in the nation. We believe this will improve the perceptions of executives considering Michigan, and lead to a more favorable cost of doing business here. But the benchmarking report shows that if we move forward and tackle our property tax climate and prioritize state spending in those areas that will most promote growth, we can do even better.”

He noted the organization’s desire to prioritize state spending on higher education and transportation. “Our higher education institutions excel at producing graduates in high-demand areas, but we will need to produce more of them to meet future job demand. To meet future demand, we need to make college more affordable and that means a greater commitment from the state. Last year, Michigan took an important step by linking increased funding for higher education to performance outcomes, including producing graduates with high-demand degrees. Likewise, we need to adopt a comprehensive transportation funding strategy that connects Michigan to the global economy.”

The research and analysis for BLM’s 2012 Benchmarking Report was conducted by Anderson Economic Group, a research and consulting firm specializing in economics, finance, market analysis, and public policy.

It is available at [www.businessleadersformichigan.com/research-reports/](http://www.businessleadersformichigan.com/research-reports/).

**About Business Leaders for Michigan:**

Business Leaders for Michigan, the state’s business roundtable, is dedicated to making Michigan a “Top Ten” state for job, economic and personal income growth. The organization is composed exclusively of the chairpersons, chief executives or most senior executives of Michigan’s largest companies and universities. Our members provide over 325,000 direct jobs and 820,000 indirect jobs in Michigan, generate over \$1 Trillion in annual revenue and serve nearly one-half of all Michigan public university students. The organization’s work is defined by the Michigan Turnaround Plan, a holistic, fact based strategy to get Michigan’s economy back on track. For more information, visit [www.BusinessLeadersforMichigan.com](http://www.BusinessLeadersforMichigan.com).

###