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## **Michigan business leaders confident on Michigan economy, but feel the impacts of labor shortages and inflation**

- *70% of executives say U.S. and Michigan economies will stay the same or improve over the next six to 12 months*
- *Most executives say their businesses are doing better than before the pandemic*

**DETROIT** – Concerns about labor shortages and inflation are weighing on the minds of Michigan’s business leaders, according to a quarterly economic survey released today by Business Leaders for Michigan.

Labor shortages are being felt across all job categories, including in manufacturing, office and front-line positions, with 85% of survey respondents expecting to have trouble filling positions over the next six-to-12 months.

“We must take significant steps to address the labor shortage across our state,” said Jeff Donofrio, President and CEO of Business Leaders for Michigan. “Our recent [benchmarking study](#) shows Michigan’s labor force participation rate is ranked 41<sup>st</sup> in the nation, and companies are feeling the effects. The historic state budget surplus gives Michigan a unique chance to increase the number of people with degrees and credentials and remove barriers to work, helping solve these talent gaps.”

About 49% of survey respondents expect inflation to continue at its current rate and 34% expect it to increase over the next six-to-12 months, while 16% say inflation is likely to come down. The biggest impacts of inflation are in materials and wages.

Despite the challenges, 70% of executives say their business is doing better than before the pandemic. In addition, 55% of executives say the Michigan economy will stay the same, 22% say it will improve and 24% say it will get worse in the next six-to-12 months; 43% say the U.S. economy will stay the same, 28% say it will improve and 28% expect it to get worse.

Other significant findings include:

- 94% of executives expect their company’s employment and capital investment in Michigan to stay the same or grow over the next six-to-12 months

- 75% expect their company's real estate footprint to remain the same, while 4% expect it to increase and 21% expect it to decline over the next six-to-12 months

Business Leaders for Michigan conducted the internal member survey Feb. 1-15, 2022.

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**About Business Leaders for Michigan:**

Business Leaders for Michigan, the state's business roundtable, is dedicated to making Michigan a Top 10 state for jobs, education, widely shared prosperity and a healthy economy. The organization is composed exclusively of the executive leaders of Michigan's largest companies and universities. Our members drive nearly 40% of the state's economy, generate over \$1 trillion in annual revenue and serve nearly half of all Michigan public university students. Find out more at [www.businessleadersformichigan.com](http://www.businessleadersformichigan.com).