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## **Michigan executives optimistic about their businesses despite concerns the economy is softening**

- *90% of those surveyed expect to have the same or increased employment in Michigan in the next 6-12 months*
- *52% expect inflation to come down*
- *84% of Michigan business leaders struggle to fill jobs*

**DETROIT** –The state’s top executives are optimistic about their business in Michigan even as the state and nation face economic headwinds and labor shortages remain significant, according to a quarterly economic survey released today by Business Leaders for Michigan.

About 86% of those surveyed expect their businesses to increase their capital investment or keep it the same in Michigan and 90% anticipate having the same or increasing their employee ranks over the next six-to-12 months. And while the future of work may look different with many companies continuing a hybrid in-office/work-from-home model, 90% of executives expect their real estate footprint to remain the same or increase.

Eighty-four percent of Michigan’s business leaders surveyed expressed concerns over filling jobs due to labor shortages. While all jobs are in demand, most companies need office and skilled trade workers, and business leaders cite applicants not having necessary skills as a primary challenge.

Additionally, while executives in Michigan share some of the same concerns as national experts about the economy as a whole, they are more bullish about Michigan, with 46% expecting the state’s economy to stay the same or improve in the next six- to 12-months compared to 36% for the U.S economy.

“Michigan’s businesses are working every day to maintain and grow jobs in our state, even with inflation and workforce shortages. Making sure they can continue to do so in the future will take smart policies and investments by our state,” said Jeff Donofrio, President and CEO of Business Leaders for Michigan. “With a softening economic outlook, more than ever, Michigan will need to find ways to upskill its workforce and become more competitive for business and job creation.”

Michigan business leaders also shared their current workplace policy in the recent survey, with

most companies having in-office work requirements. Over half of the respondents' companies have a structured hybrid office environment and about a third are using an employee-choice hybrid model.

Third quarter survey results by the numbers:

- 70% of executives expect to keep their business' employment in Michigan the same, 20% expect to increase it and 10% expect to decrease it
- 60% expect to keep their capital investment in Michigan about the same, 26% expect to increase it and 14% expect to decrease it
- 74% expect to keep their real estate footprint about the same, 16% expect to increase it and 10% expect to decrease it
- 84% of Michigan business leaders struggle to fill jobs and 67% say candidates lack the necessary skills
- 87% of member companies are in a hybrid setting, with 55% having designated days for employees to be in office
- 46% expect the state's economy to stay the same or improve in the next six- to 12-months, 53% expect it to go down
- 36% expect the U.S. economy to stay the same or improve, 64% expect it to go down
- 52% of survey respondents expect inflation to come down in the next year, about 28% expect inflation to continue at the current rate and 20% expect it to increase

Business Leaders for Michigan recently released ["Compete to Win: Michigan's Path to Top 10,"](#) a plan that lays out a strategy for Michigan to become a leading state for economic growth. Business Leaders for Michigan's [benchmarking study](#) released in January informed "Compete to Win," which placed Michigan at 29<sup>th</sup> in the nation for economic competitiveness. "Compete to Win" outlines key recommendations to become a Top 10 state through doing better by our kids, investing in people, accelerating our economy and getting the fundamentals right.

Business Leaders for Michigan conducted the internal member survey July 25- Aug. 12, 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 40% of the state's economy, employ more than 540,000 people in Michigan, generate over \$1 trillion in annual revenue and serve more than half of all Michigan public university students. Find out more at [www.businessleadersformichigan.com](http://www.businessleadersformichigan.com).