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Michigan CEO Survey: Economic outlook for the state improves, though talent remains a concern

- *Business Leaders for Michigan quarterly survey shows leaders expect hiring to remain the same or increase but the state needs to improve its competitiveness to attract talent*

DETROIT – Michigan's top executives say their economic outlook for both Michigan and the country has improved slightly, but the optimism is tempered by concerns about the state's talent pool, according to Business Leaders for Michigan's most recent quarterly economic outlook survey released today.

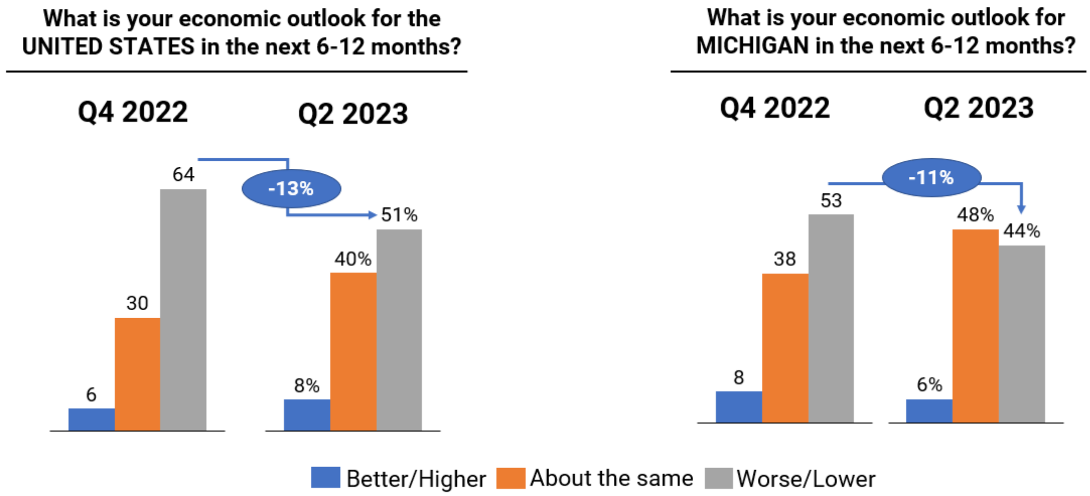
A majority of the respondents, 54%, expect Michigan's economy to remain the same or improve in the next six to 12 months, compared to 46% in the fourth quarter of 2022; 48% say the U.S. economy will remain the same or improve, compared to 36% in the fourth quarter of 2022. In addition, 57% expect inflation to decline, compared to 52% at the end of last year, a potential economic boost. Michigan's top executives expect their state operations to remain steady, with 82% expecting hiring to remain the same or increase this year and 88% expecting their capital investment to stay the same or increase.

About 85% of survey respondents cite the lack of necessary skills as a major factor when it comes to hiring. Also, 70% of survey respondents say they expect to have trouble filling positions in the next six to 12 months and nearly 75% say Michigan needs to improve its competitiveness to attract talent.

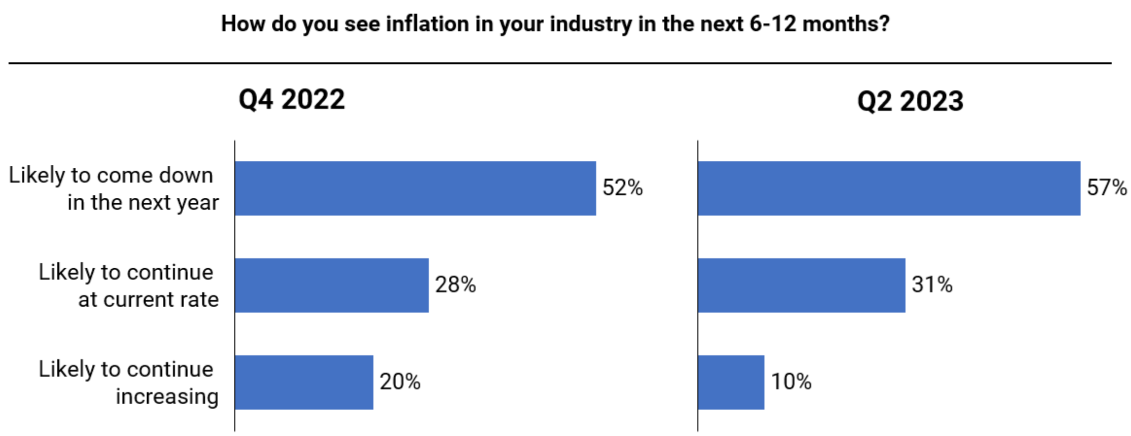
Business Leaders for Michigan, the state's business roundtable, conducted the internal member survey from March 21 – April 3.

"While there's an improved outlook on Michigan's economy, we still have a lot to do to be competitive for talent. To be a differentiator for talent in the future, we need to make key investments now on ways to grow, attract and retain highly qualified individuals to our state," said Jeff Donofrio, president and CEO of Business Leaders for Michigan. "The state has an opportunity to accelerate our talent growth through this budget cycle by strengthening higher education outcomes, driving degree completions and improving talent attraction and retention strategies."

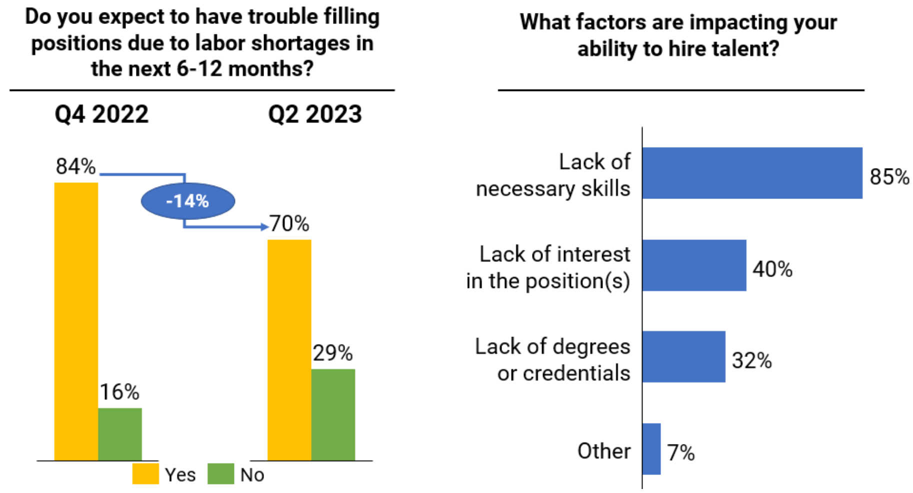
Q2 Survey: Outlook for U.S. and Michigan economies improves slightly



Outlook on inflation continues to improve



Businesses having trouble filling positions fell from 84% to 70%, likely due to declining demand



Detailed survey results:

Economic outlook for the United States in the next six to 12 months:

Better:	8%
About the same:	40%
Worse:	51%

Economic outlook for Michigan in the next six to 12 months:

Better:	6%
About the same:	48%
Worse:	44%

Outlook regarding inflation in the next six to 12 months:

Likely to come down:	57%
Likely to continue at same rate:	31%
Likely to continue increasing:	10%

Expectations for your company's capital investment in Michigan over the next six to 12 months:

Higher	21%
About the same	57%
Lower	21%

Expectations for your company's employment in Michigan to change in the next six to 12 months:

Higher	17%
About the same	65%
Lower	17%

Expectations for your company's real estate footprint in Michigan in the next six to 12 months:

Increase	14%
Remain the same	76%
Decrease	8%

Do you expect to have trouble filling positions in the next six to 12 months:

Yes:	70%
No:	29%

Factors impacting your ability to hire talent (choose all that apply):

Lack of applicants with the necessary skills:	85%
Lack of applicants with the necessary degrees/credentials:	32%
Lack of interest in the position:	40%
Other (salary, work from home policies, etc.)	7%

How would you characterize Michigan's competitiveness to attract talent?

Michigan is more competitive than other states	0%
Michigan is about the same	25%
Michigan is less competitive than other states	74%

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, 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.