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Michigan CEOs' confidence in economic outlook improves, but inflation, talent shortages and recession remain as risks

- *Business Leaders for Michigan survey shows 74% of executives expect the state's economic outlook to stay the same or improve over the next six to 12 months, up 20 points over last quarter*
- *Nearly 70% of executives still experiencing talent shortages, and vast majority of the leaders would hire immigrants to fill jobs*

DETROIT – Michigan's top executives have an improved outlook about Michigan's economy, but continued concerns over the availability and quality of the state's talent pool remain, according to Business Leaders for Michigan's most recent quarterly economic outlook survey.

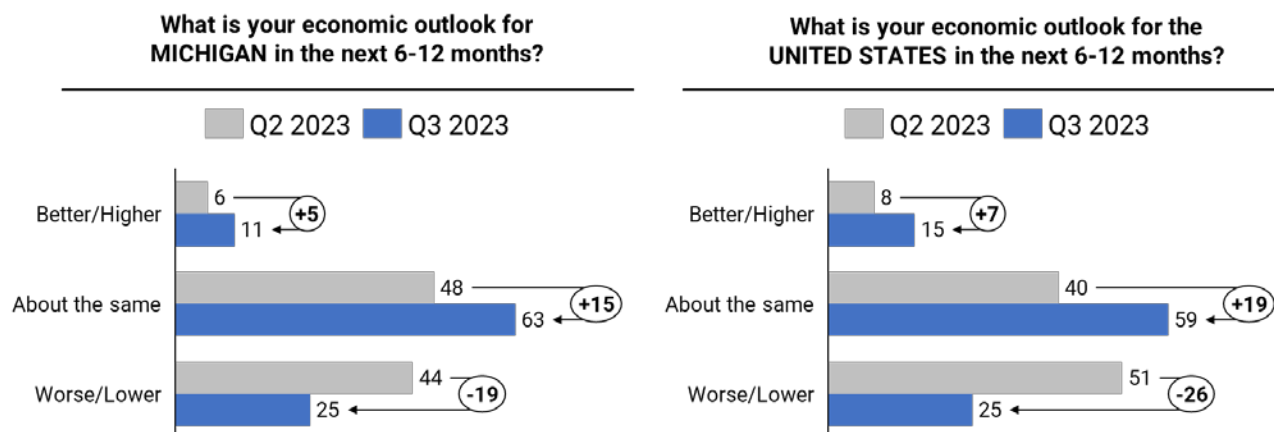
The CEO survey, conducted July 10-28, found 74% of respondents expect Michigan's economy to improve or remain the same over the next six to 12 months – a 20-point increase from the second quarter survey. Additionally, 87% expect their capital investment to stay the same or increase, compared to 78% from last quarter. While U.S. inflation ticked up in July, it's far below last year's peak, and notably, 47% of Michigan CEOs expect inflation will likely continue at the current rate, 43% expect it to come down and 9% expect it to increase in the next year. While nearly 60% say they do not expect an economic recession in the next six to twelve months, 40% still believe there is a risk.

"While the outlook for Michigan's economy has improved significantly, there's still risk to future growth," said Jeff Donofrio, president and CEO of Business Leaders for Michigan. "We need to cut red tape, drastically improve education outcomes, strengthen communities and empower people. Our state's leaders can make it easier to overcome barriers to a successful economy, but only if they focus less on the past and more on the future."

Talent recruitment continues to be a significant challenge for Michigan's top employers. While 80% of respondents say their employment will be the same or higher, 68% are having trouble filling positions, regardless of the skill and educational requirements of open jobs. When asked about immigration as a tool to fill vacant positions, 81% of survey respondents are open to hiring prospective employees with H1B visas, highly educated foreign professionals, to fill talent gaps, with strong interest in hiring for IT/software, engineering and other professional services positions.

Business Leaders for Michigan is a member of the [Michigan Compact on Immigration](#), which released [data](#) in 2018 showing immigrants held \$18.4 billion in spending power and paid \$2.1 billion in state and local taxes. The compact calls for a federal immigration system that responds to the needs of Michigan employers and workers in a time when talent attraction and retention is critical to the state's economic growth.

Economic outlook for Michigan and the U.S. improved significantly since Business Leaders' last quarterly survey



Detailed survey results:

What is your economic outlook for Michigan in the next six to 12 months:

Better: 11%
 About the same: 63%
 Worse: 25%

What is your economic outlook for the United States in the next six to 12 months:

Better: 15%
 About the same: 59%
 Worse: 25%

What is your outlook about inflation in the next six to 12 months:

Likely to come down: 43%
 Likely to continue at same rate: 47%
 Likely to continue increasing: 9%

Do you expect an economic recession in the next six to 12 months:

No: 58%
 Yes: 39%
 Other: 2%

How do you expect your company's capital investment in Michigan to change in the next six to 12 months:

Higher: 15%

About the same	72%
Lower	11%

How do you expect your company's employment in Michigan to change in the next six to 12 months:

Higher	13%
About the same	68%
Lower	18%

How do you expect your company's real estate footprint in Michigan to change in the next six to 12 months:

Increase	9%
Remain the same	90%
Decrease	0%

Are you having trouble filling positions:

Yes:	68%
No:	31%

If you answered yes, what level of education is needed for openings (choose all that apply):

High school diploma:	53%
Industry certificate or associate degree:	40%
Apprenticeship/Journeyman's Card (skilled trades):	37%
Bachelor's degree or higher	65%
Other	3%

Would your company be open to hiring people on H1B visas to fill talent needs?

Yes:	81%
No:	18%

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. Our work is guided by the [Compete to Win Plan](#), a comprehensive strategy for how government, community, education and business leaders can improve Michigan's growth. 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.