



2010 Business Barometer: *Is Minnesota Ready to Grow?*



Methodology

- Co-sponsored by MN Chamber & Himle Horner since 2004
- Conducted June 28 - August 3, 2010
- 350 randomly selected owners & managers
 - Balloon 50+ employees to 100
 - Balloon Chamber members to 100
- Sample reflects Minnesota's business community
 - Size
 - Location
 - Business category — retail, service, manufacturing
- Margin of error ± 5.3 percent



What Has Seven Years of the Business Barometer Taught Us?

- Minnesota employers are:
 - Pro-Minnesota
 - Fiscally conservative but open to role for government
 - Great predictors of economic direction
- Compared to other employers, Chamber members are:
 - More certain of their beliefs
 - More critical of government
 - More likely to identify emerging issues



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Summary — Business Outlook

- Business sees economy as stuck in neutral
- Short-term: unlikely to accelerate
- Long-term: optimism about MN's future continues

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2010 Business Barometer

Taxes Remain the Primary Barrier to Job Creation

All Employers — Top Two Choices

2008		2009		2010	
Taxes	63%	Taxes	72%	Taxes	64%
Lower Costs in Other Countries	45%	Lower Costs in Other Countries	31%	Cost of Health Care	29%
Trained Worker	18%	Cost of Health Care	22%	Trained Workers	25%
Cost of Health Care	18%	Trained Workers	18%	Lower Costs in Other Countries	18%

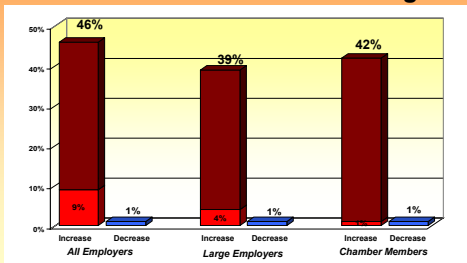
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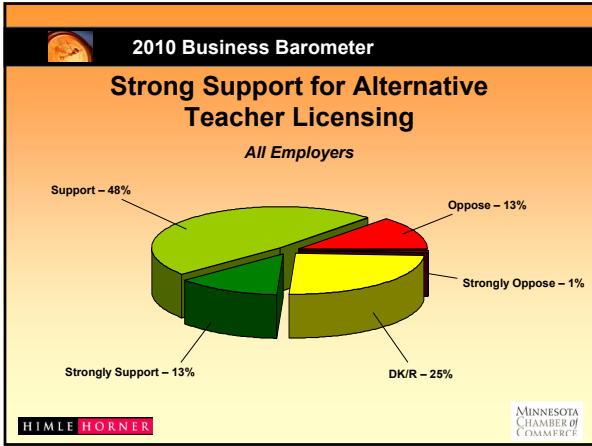
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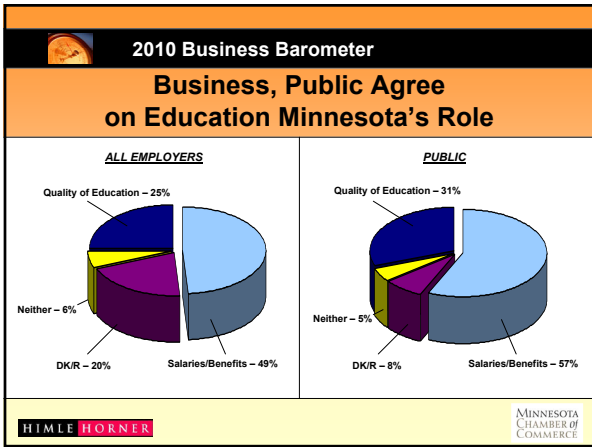
Employers Say: "Tax Burdens Are Increasing"

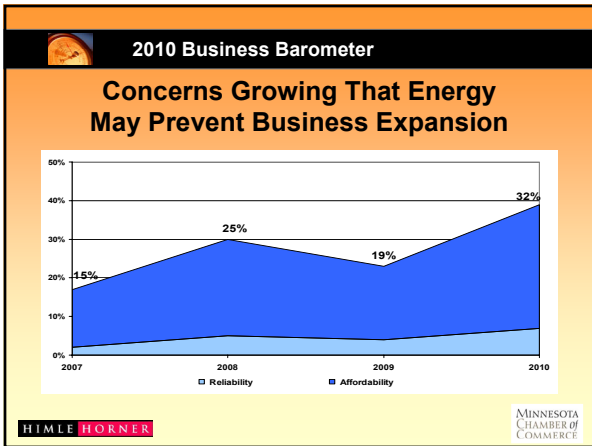


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Summary

- Key barrier to growth is still taxes
- Fears of impact of health care reform affecting business outlook
- Employers not anti-school funding — want reform to match revenue growth
- Keep an eye on energy costs

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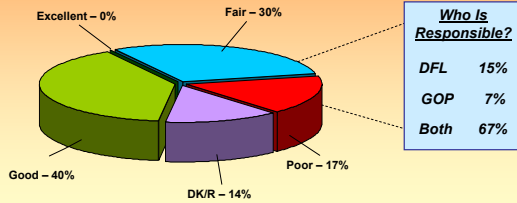
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Confidence in Legislature Remains Low

All Employers



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Legislature Looking More Like Congress All the Time

All Employers

	Agree	Disagree	Intensity
Out of touch	50%	45%	+10
Listen to special interests first	56%	32%	+19
Too much time arguing	62%	32%	+19
Problem is all incumbents, not one party	66%	26%	+25

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Employers recognize the role MN Chamber plays in shaping the election agenda.

- All Employers — 77%
- Large Employers — 76%
- Chamber Members — 86%

What Do Chamber Members React To?

- Request to call/write elected officials — 71%
- Chamber policy positions — 68%
- Local articles/letters — 65%
- Endorsements — 52%

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2010 Business Barometer

Conclusions

- **Employers are not ready to push on the accelerator**
- **Remain very cost-conscious**
– *While taxes lead, health care cost concerns growing*
- **Not viewing the Legislature as a trusted partner**
- **Government reform emerging as an important issue**

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