



## 2010 Business Barometer

# 2010 Business Barometer:

*Is Minnesota Ready to Grow?*



## 2010 Business Barometer

### 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  $\pm$  5.3 percent



## 2010 Business Barometer

# What Has Seven Years of the Business Barometer Taught Us?

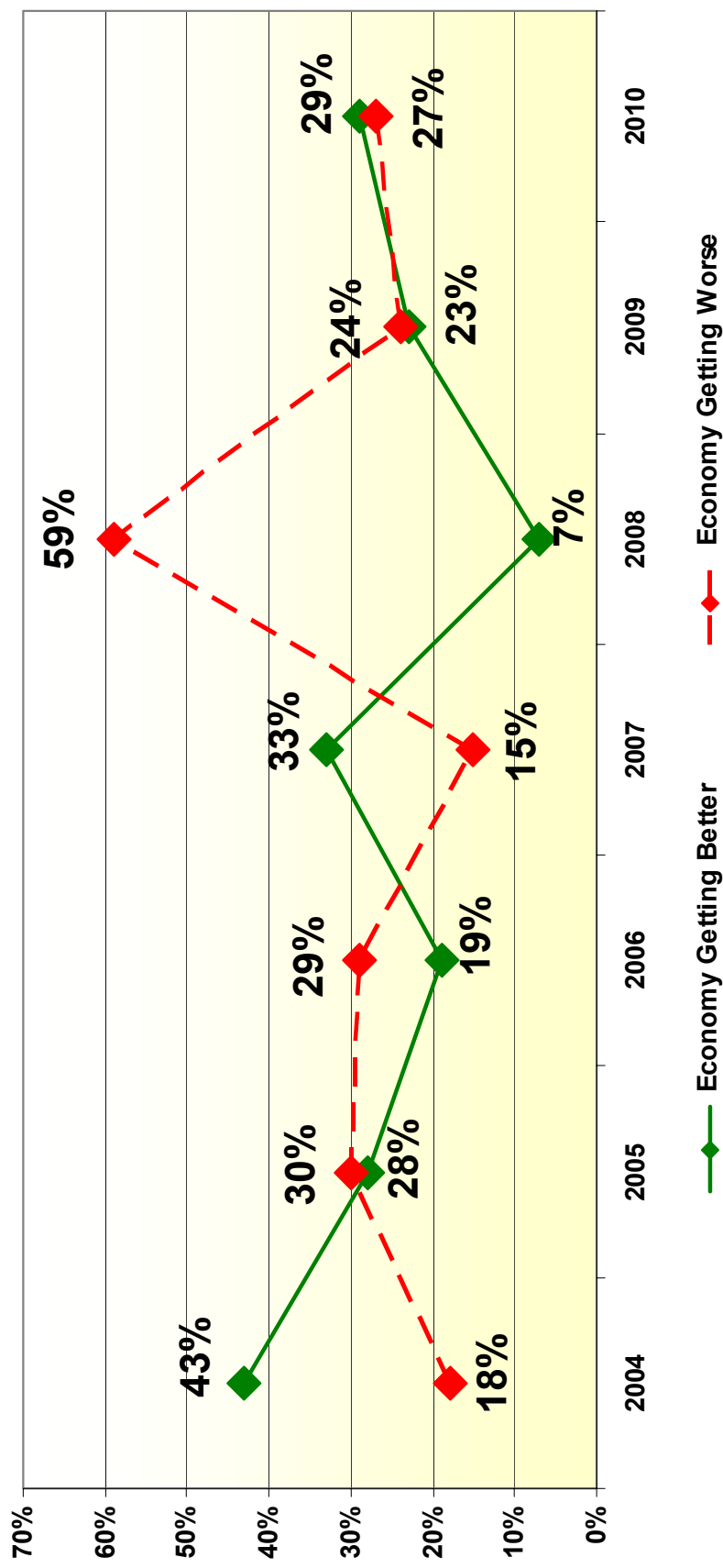
- **Minnesota employers are:**
  - *Pro-Minnesota*
  - *Fiscally conservative but open to role for government*
  - *Great predictors of economic direction*
- **Compared to other employers, Chamber members are:**
  - *More certain of their beliefs*
  - *More critical of government*
  - *More likely to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



## 2010 Business Barometer

# Optimism About Economy Continues to Lag

*All Employers*

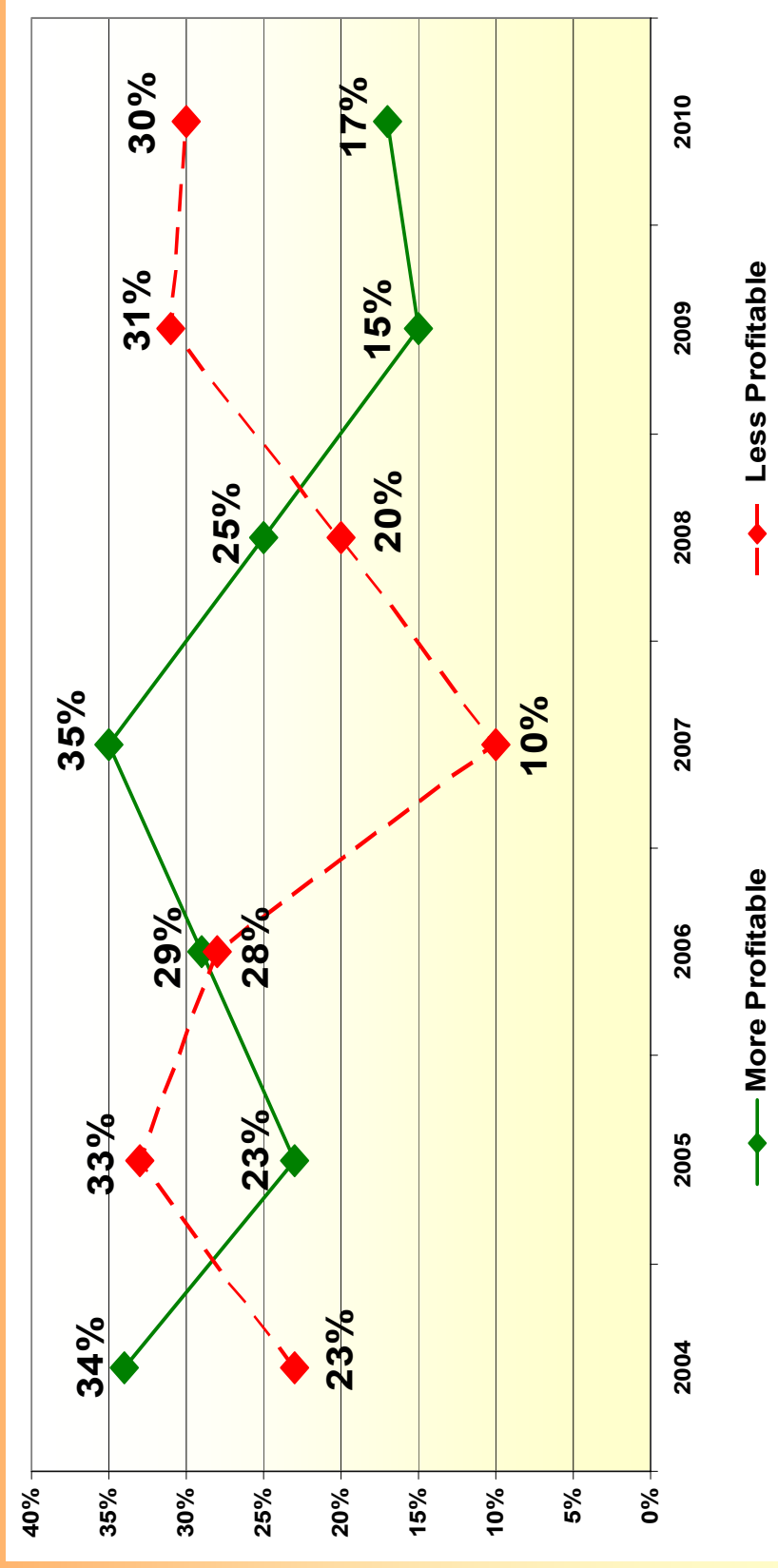




## 2010 Business Barometer

# Profitability Reports Hold Near 2009 Levels

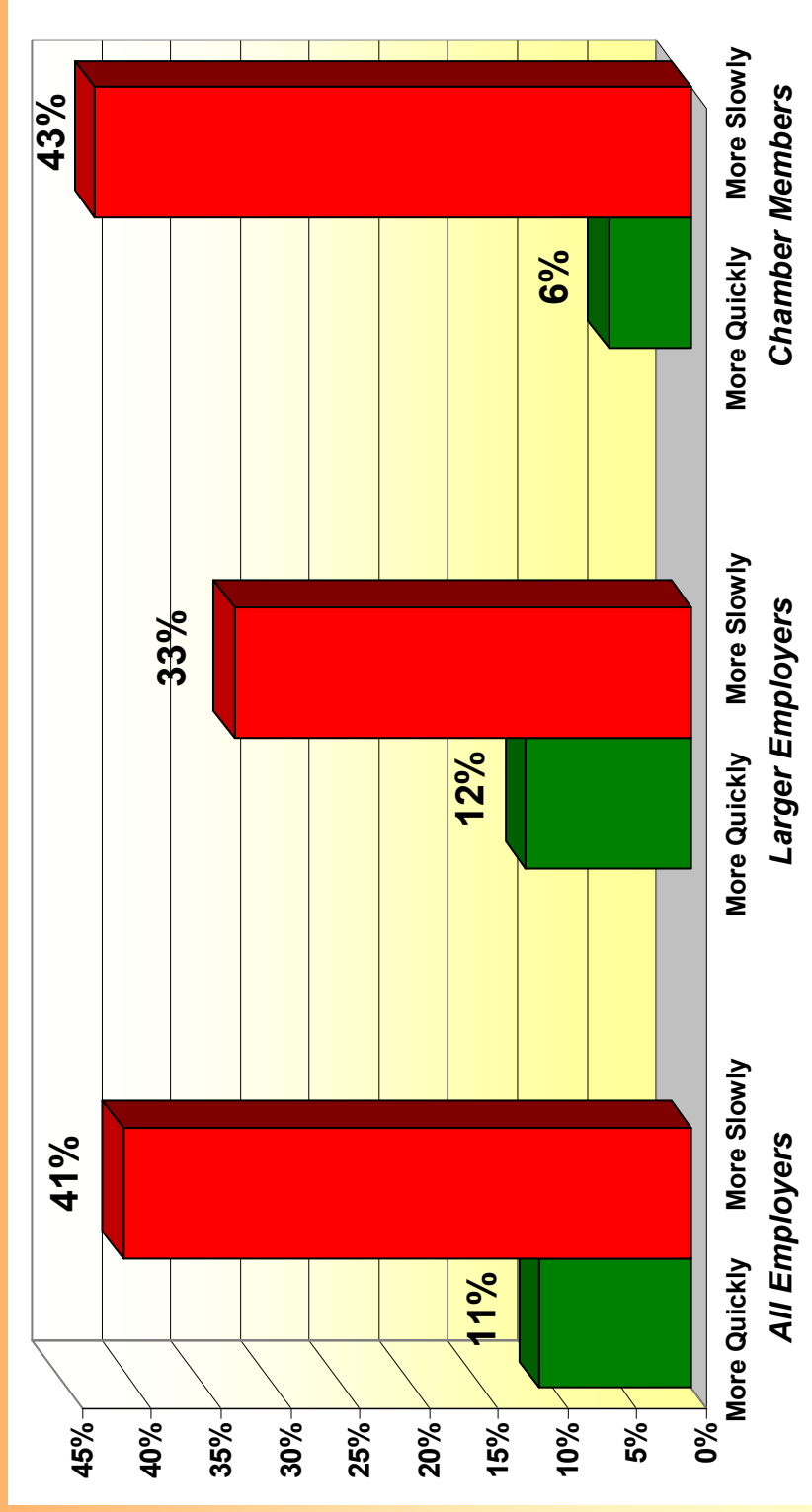
*All Businesses*





## 2010 Business Barometer

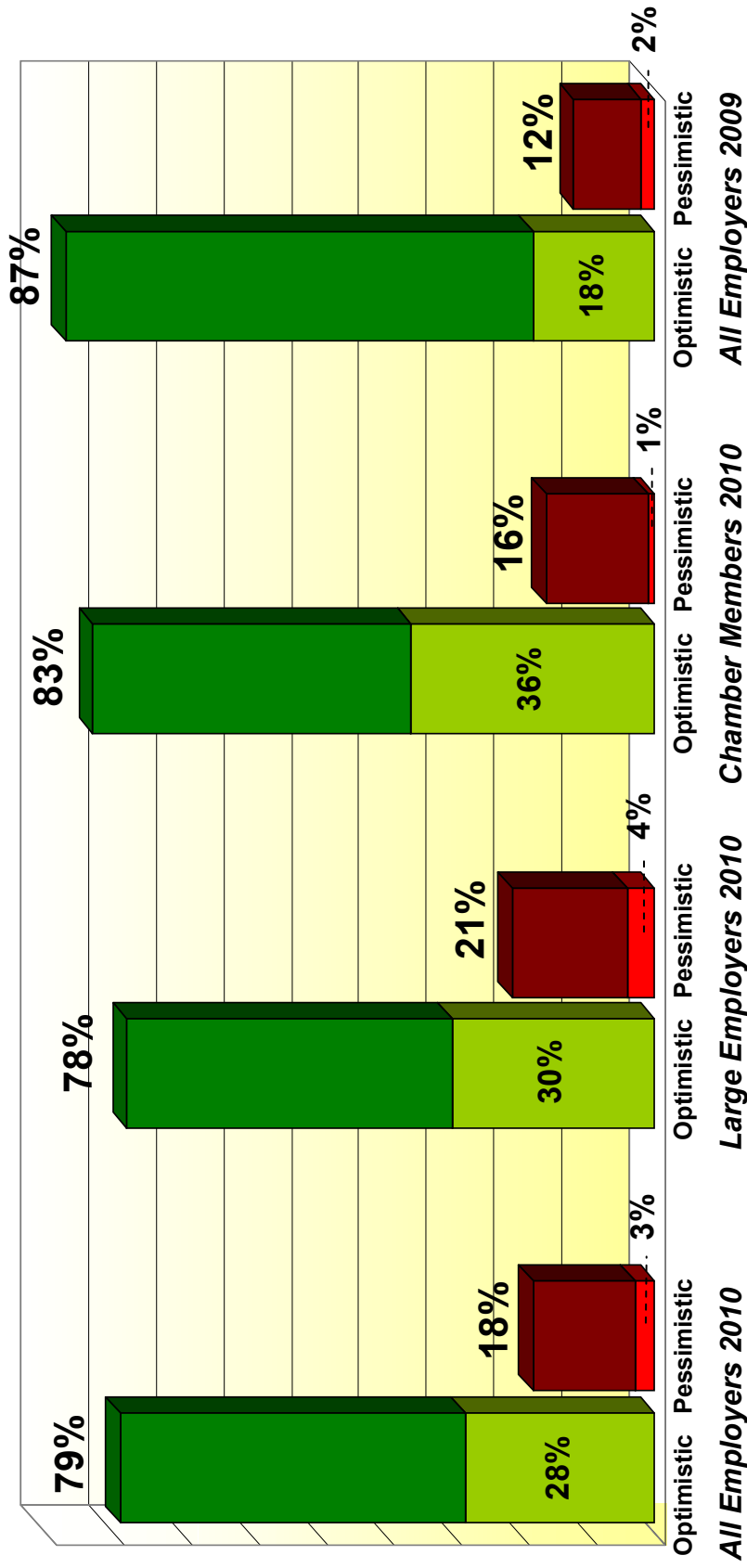
# Employers Believe MN is Emerging From the Recession More Slowly





## 2010 Business Barometer

# Confidence in Minnesota's Economic Future (10 Yrs) is Still High

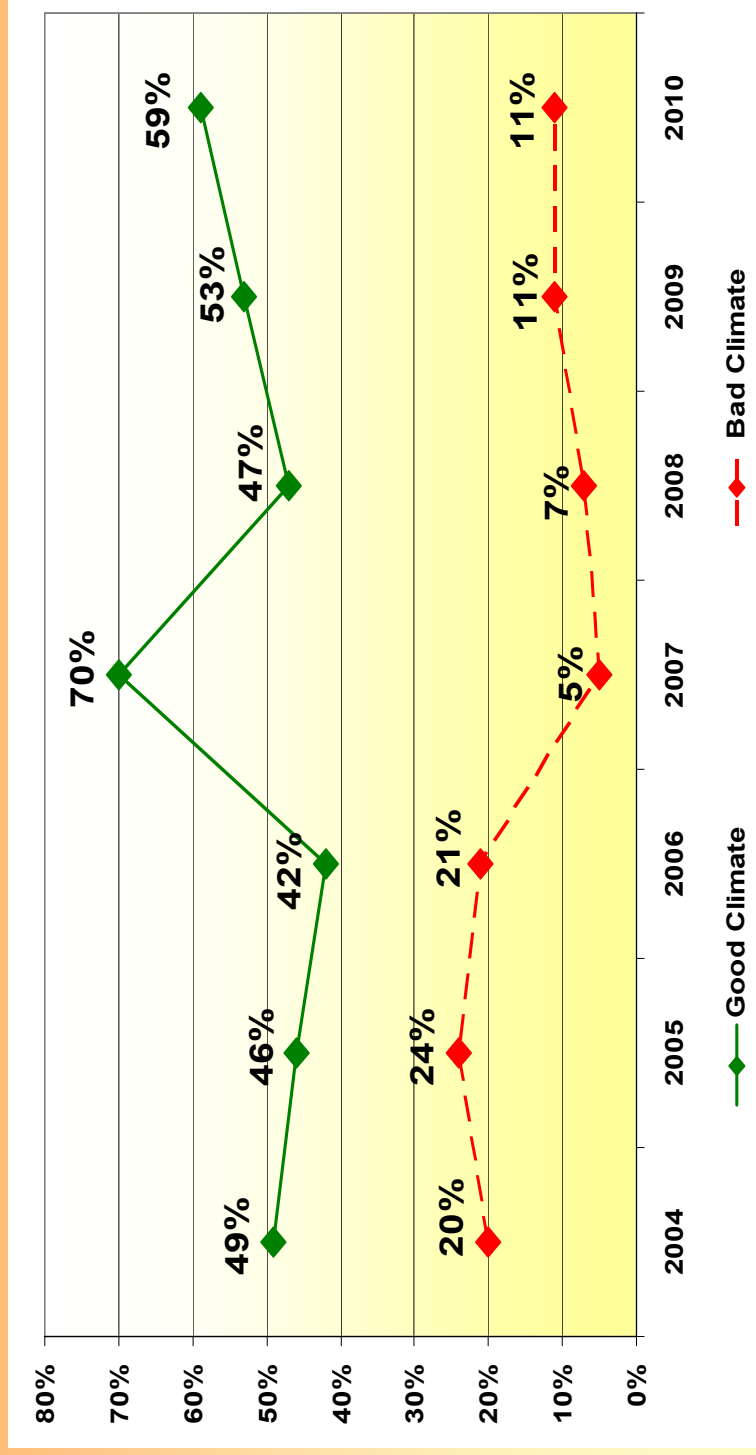




## 2010 Business Barometer

# Compared to Other States, Minnesota Is Seen as Having a Good Business Climate

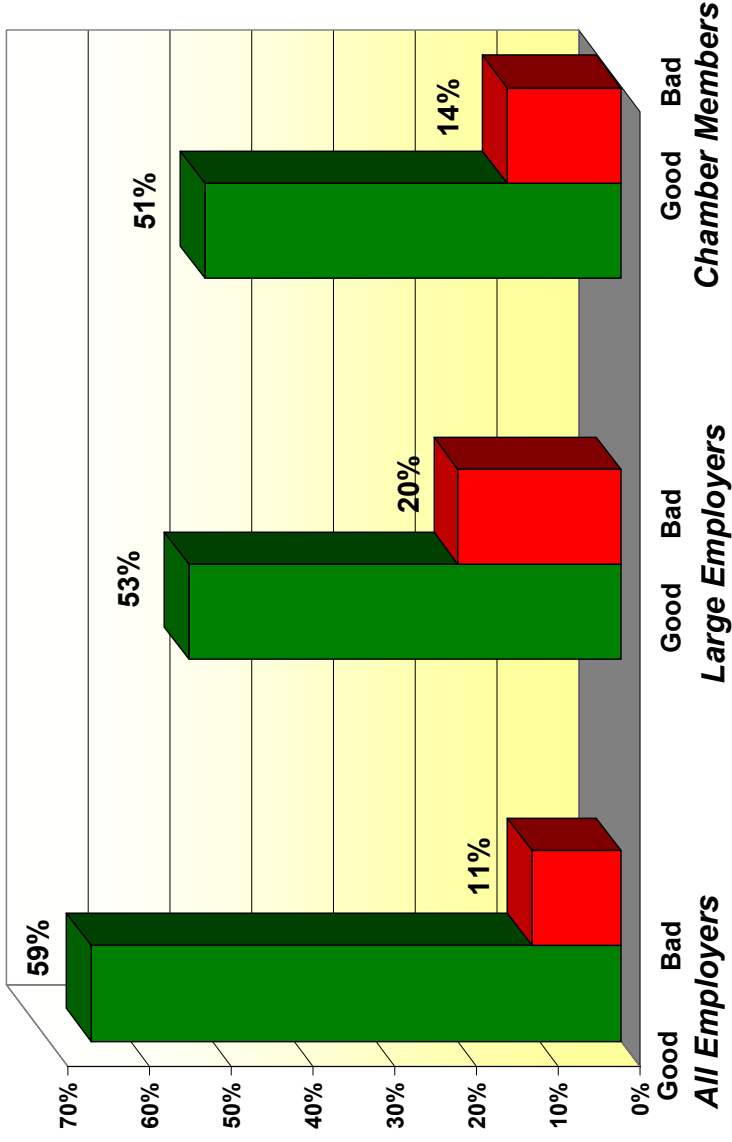
### All Businesses





## 2010 Business Barometer

# Modest Differences in Opinions About Business Climate Among Employer Types





## 2010 Business Barometer

### Summary — Business Outlook

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



## 2010 Business Barometer

# Taxes Remain the Primary Barrier to Job Creation

*All Employers — Top Two Choices*

2008	
Taxes	63%
Lower Costs in Other Countries	45%
Trained Worker	18%
Cost of Health Care	18%

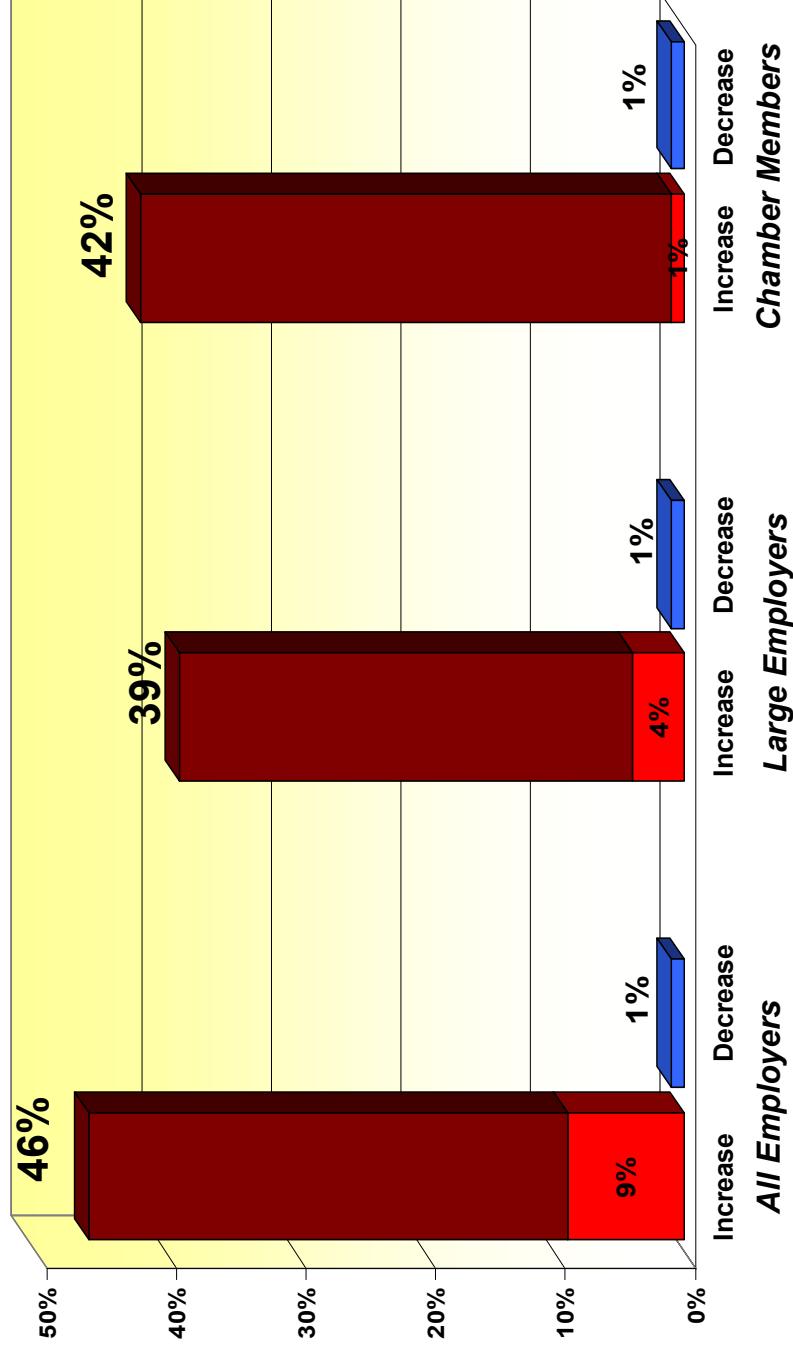
2009	
Taxes	72%
Lower Costs in Other Countries	31%
Cost of Health Care	22%
Trained Workers	18%

2010	
Taxes	64%
Cost of Health Care	29%
Trained Workers	25%
Lower Costs in Other Countries	18%



## 2010 Business Barometer

# Employers Say: “Tax Burdens Are Increasing”





## 2010 Business Barometer

# Most Important Issue For Legislature and Governor to Address

*All Employers — Top Two Choices*

2008	
Taxes/Spending	61%
Health Care	54%
Transportation	27%
Workforce	17%

2009	
Taxes/Spending	62%
Health Care	50%
Workforce	29%
Transportation	26%

2010	
Health Care	54%
Taxes/Spending	39%
Workforce	36%
Redesign Government Services	17%

Note: Health Care was #1 in 2004 - 2007



## 2010 Business Barometer

# Most Important Issue For Legislature and Governor to Address

### Top Two Choices

All Employers	
Health Care	54%
Taxes/Spending	39%
Workforce	36%
Redesign Government Services	17%

Large Employers	
Health Care	48%
Workforce	37%
Taxes/Spending	36%
Redesign Government Services	23%

Chamber Members	
Health Care	50%
Taxes/Spending	46%
Redesign Government Services	25%
Workforce	19%

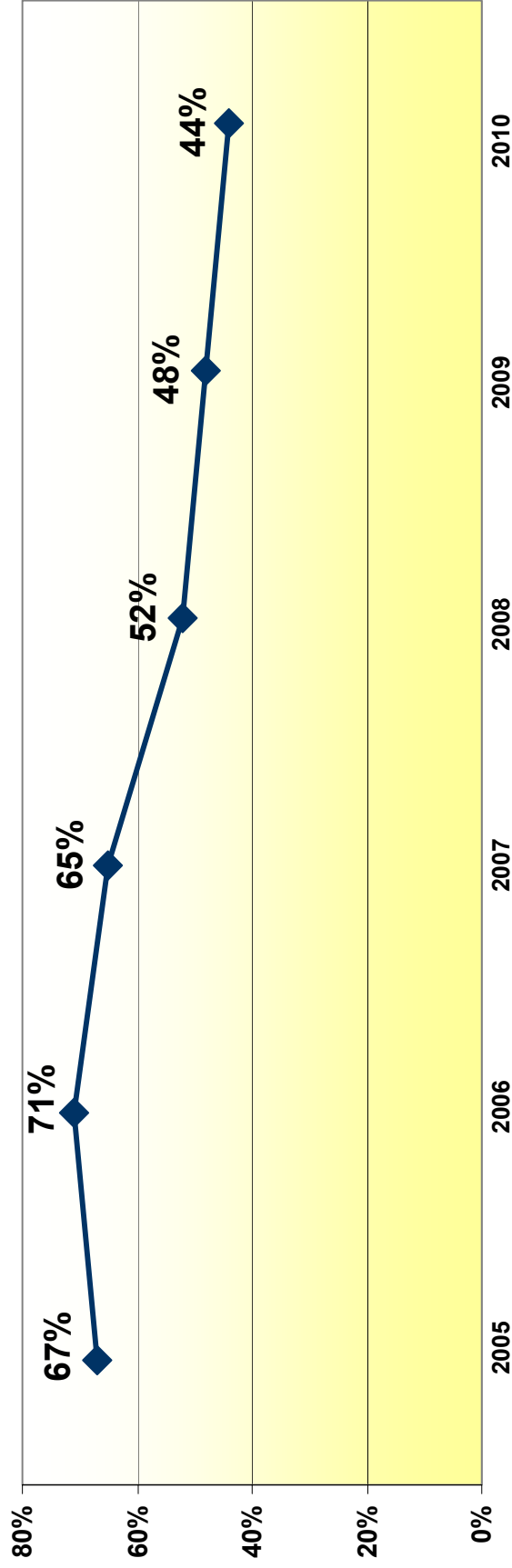
Note: Health Care was #1 choice of 48% of Chamber members



## 2010 Business Barometer

# Use of Health Insurance as a Benefit Continues to Drop

*All Employers*

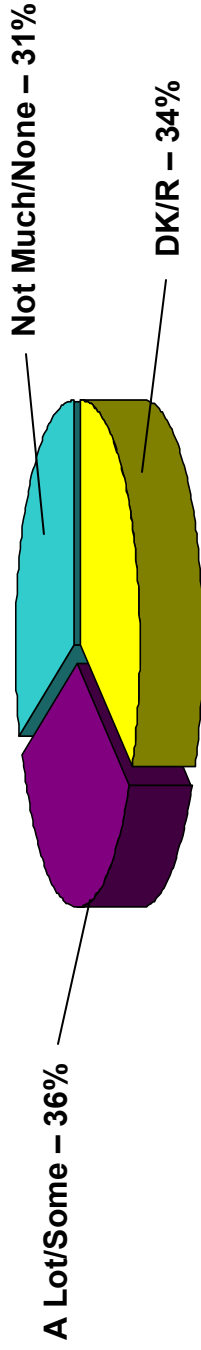




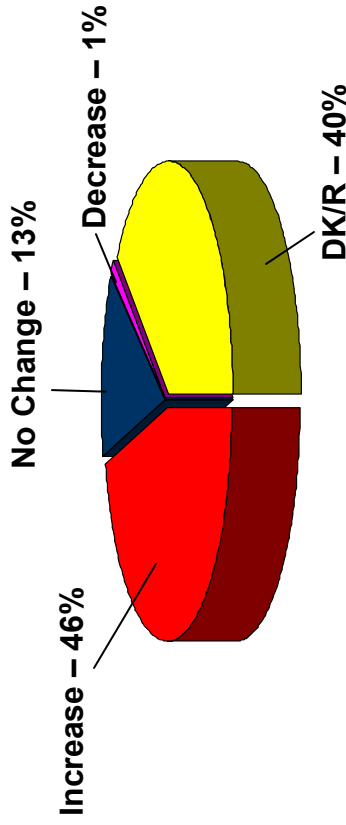
## 2010 Business Barometer

# Companies with Health Insurance Uncertain About Federal Health Care Reform

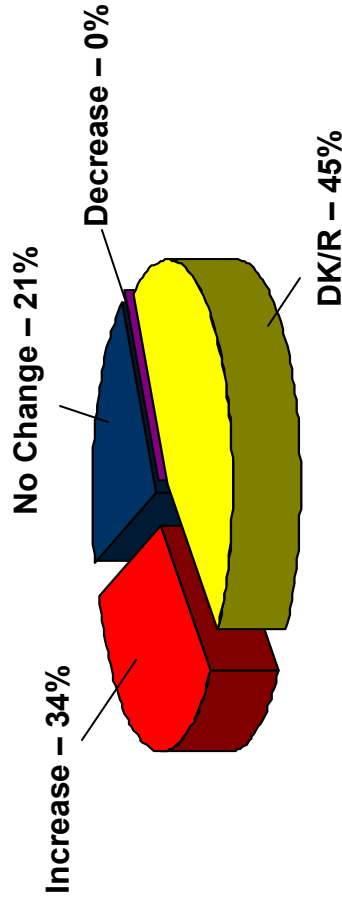
### CHANGE YOUR INSURANCE?



### IMPACT ON COST OF COVERAGE



### IMPACT ON COST OF COMPLIANCE

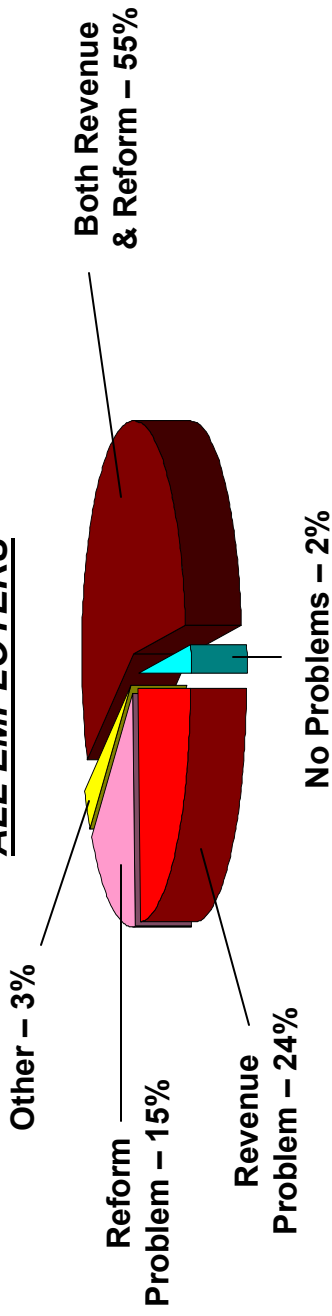




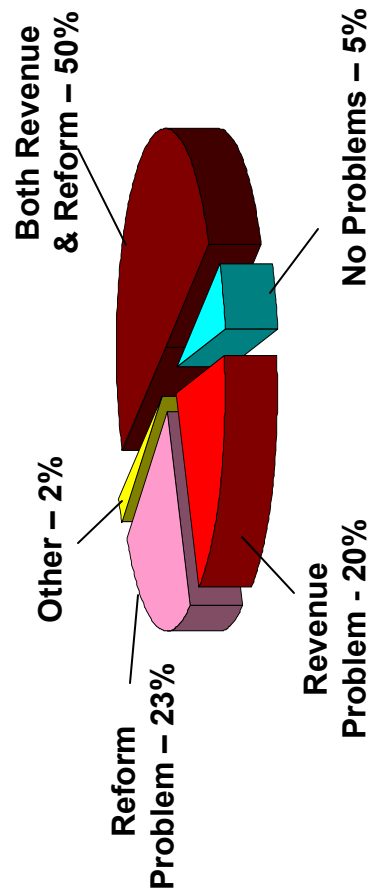
# 2010 Business Barometer

## MN Business Willing to Invest More In Schools, But Also Want Reform

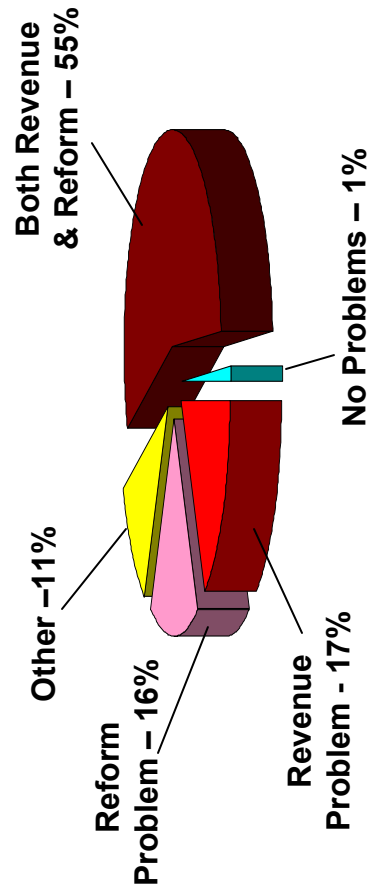
### ALL EMPLOYERS



### LARGE EMPLOYERS



### CHAMBER MEMBERS





## 2010 Business Barometer

# Business Shares Public Concern About Teacher Evaluation

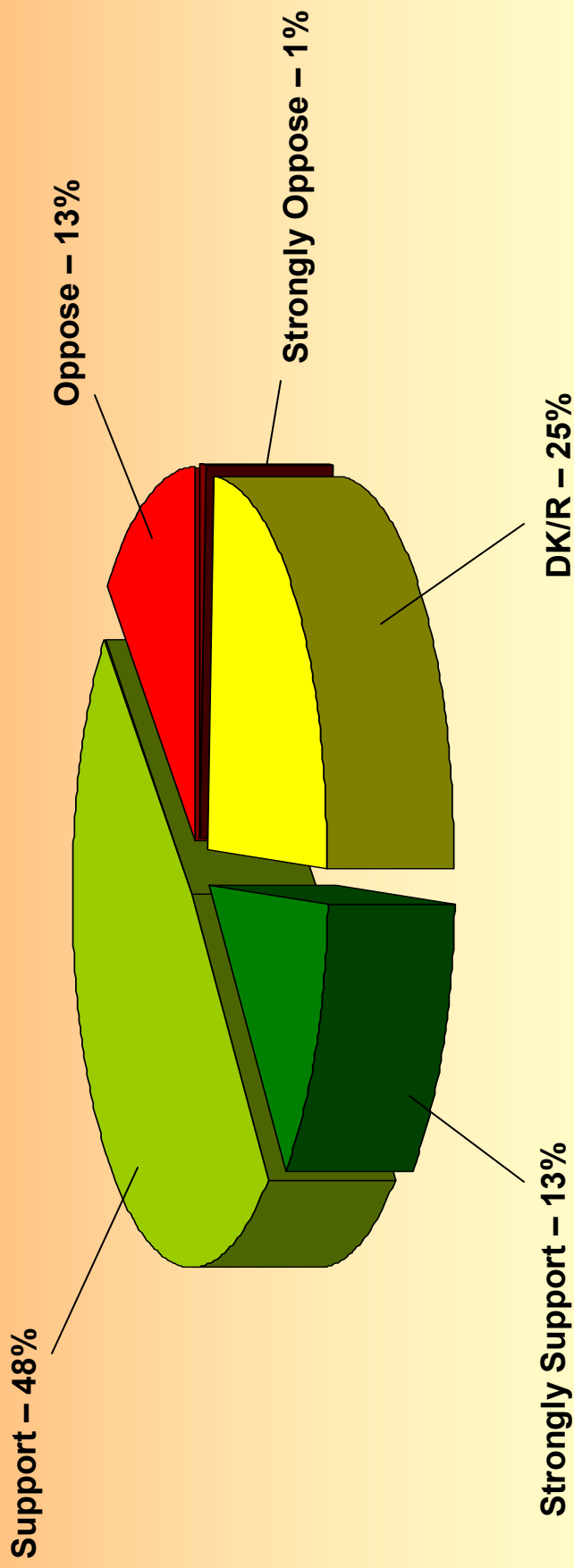
	All Employers	Chamber Members	Public
Almost all teachers highly qualified	20%	18%	8%
Most teachers are qualified, districts deal with poor teachers	16%	23%	17%
Most teachers are qualified, districts must improve work with poor teachers	45%	40%	46%
MN needs to greatly improve training & recruitment of teachers	18%	14%	26%



## 2010 Business Barometer

# Strong Support for Alternative Teacher Licensing

*All Employers*

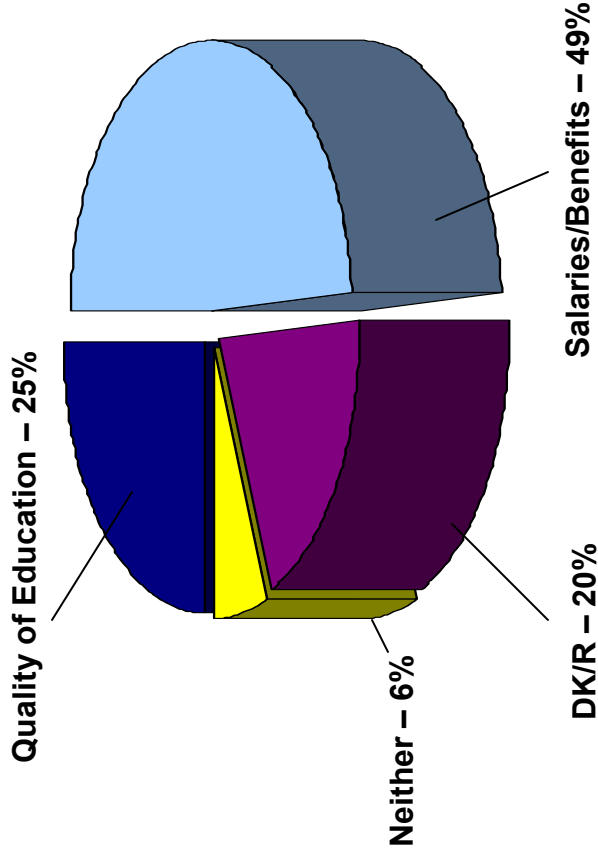




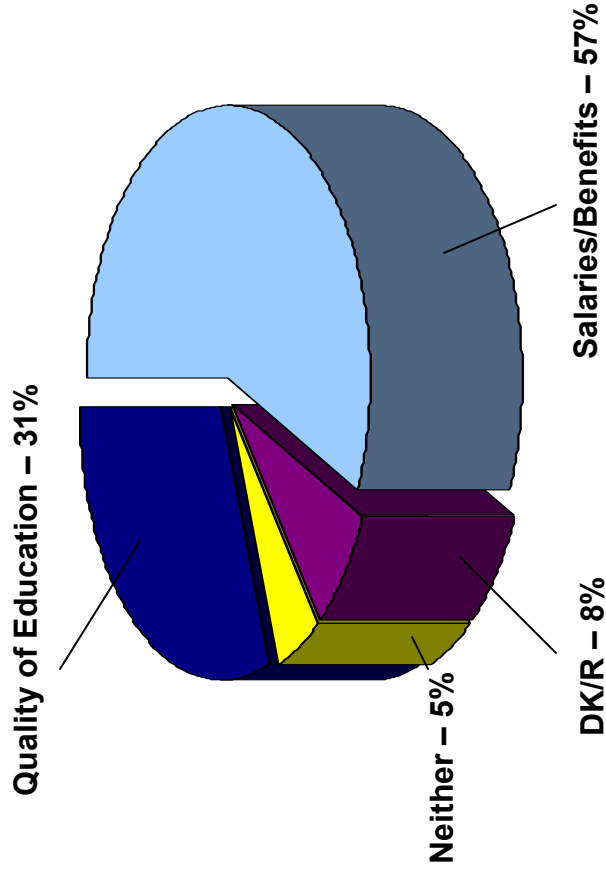
## 2010 Business Barometer

# Business, Public Agree on Education Minnesota's Role

### ALL EMPLOYERS



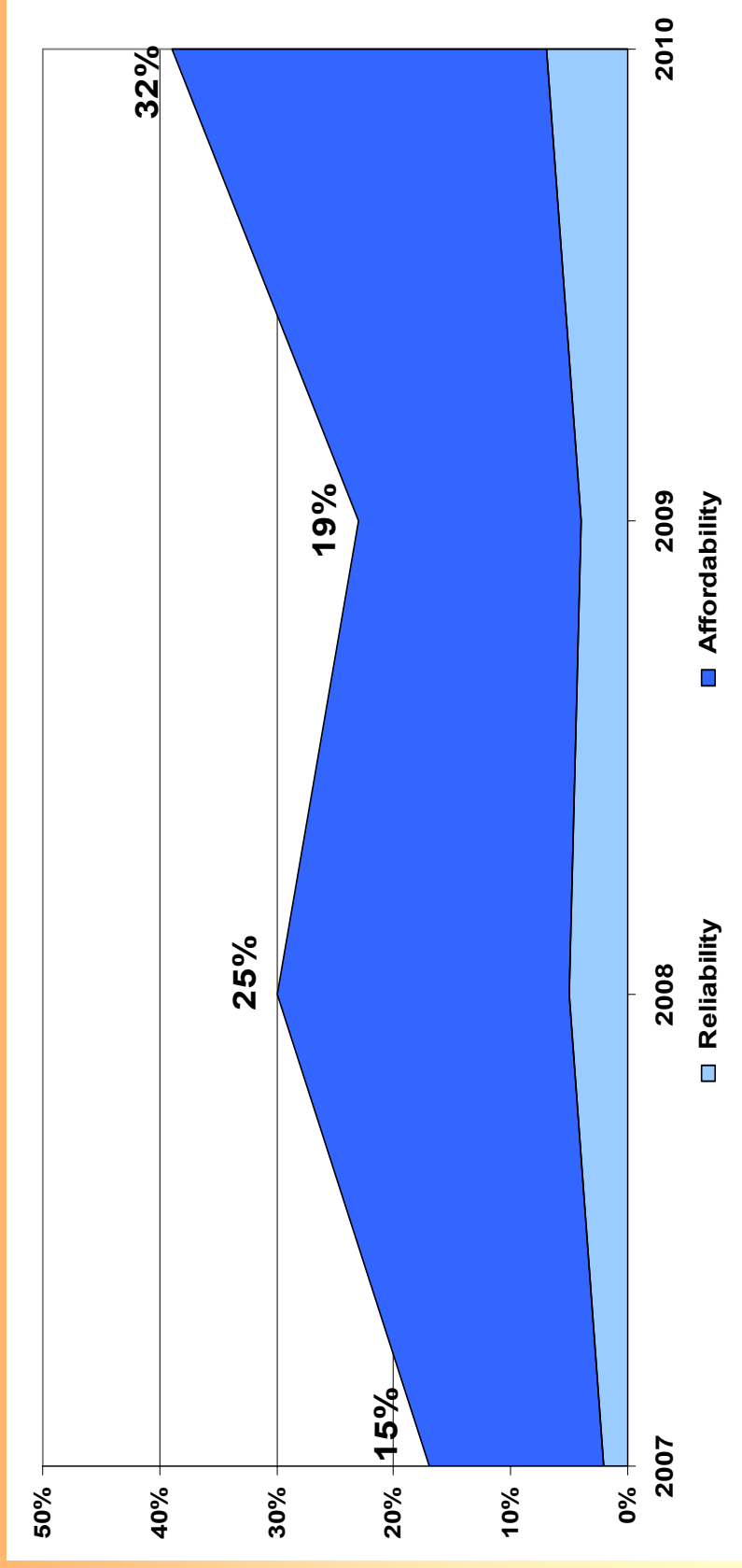
### PUBLIC





## 2010 Business Barometer

# Concerns Growing That Energy May Prevent Business Expansion





## 2010 Business Barometer

### Summary

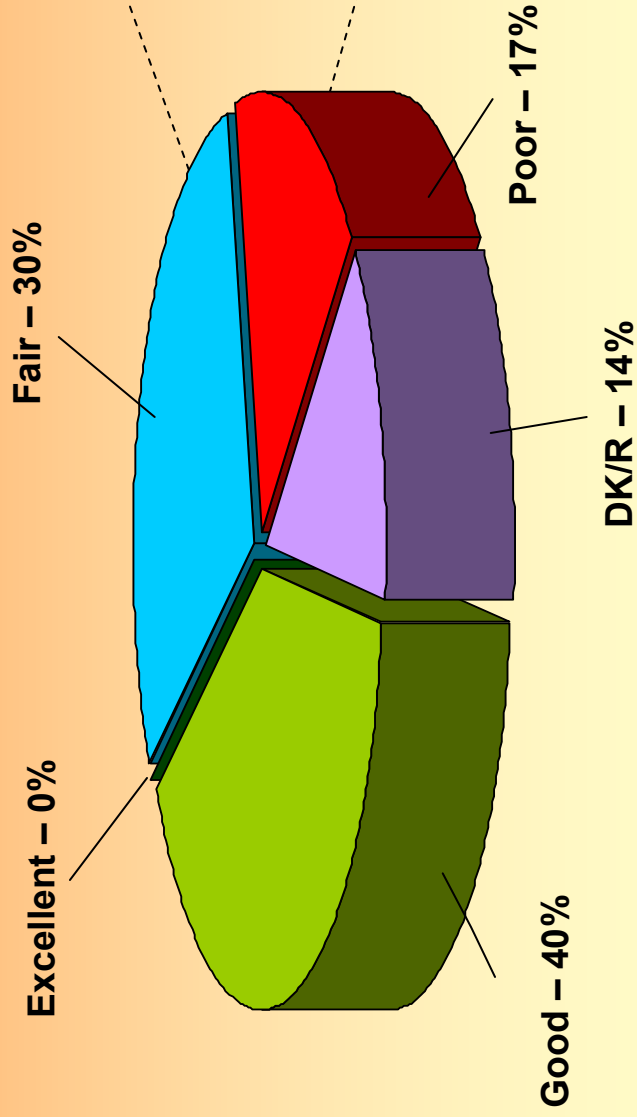
- **Key barrier to growth is still taxes**
- **Fears of impact of health care reform affecting business outlook**
- **Employers not anti-school funding — want reform to match revenue growth**
- **Keep an eye on energy costs**



## 2010 Business Barometer

# Confidence in Legislature Remains Low

*All Employers*



<u>Who Is Responsible?</u>		
DFL		15%
GOP		7%
Both		67%



## 2010 Business Barometer

# 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



## 2010 Business Barometer

# 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%



## 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**