

**EPIC ▪ MRA**

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# **EPIC ▪ MRA**

## **ACCIDENT FUND INSURANCE COMPANY OF AMERICA**

### **Statewide Survey Of Business Plans**

**A random survey of business owners, operators, officers or  
managers in Michigan**

#### **FREQUENCY REPORT of SURVEY RESPONSES**

**MAY 2006 — 700 SAMPLE – ERROR  $\pm 3.7\%$**

**November, 2006 — 710 SAMPLE – ERROR  $\pm 3.7\%$**

**May 2007 – 614 SAMPLE – ERROR  $\pm 4.0$**

**November 2007 – 608 SAMPLE – ERROR  $\pm 4.0$**

**April 2008 – 607 SAMPLE – ERROR  $\pm 4.0$**

**November 2008 – 600 SAMPLE – ERROR  $\pm 4.0$**

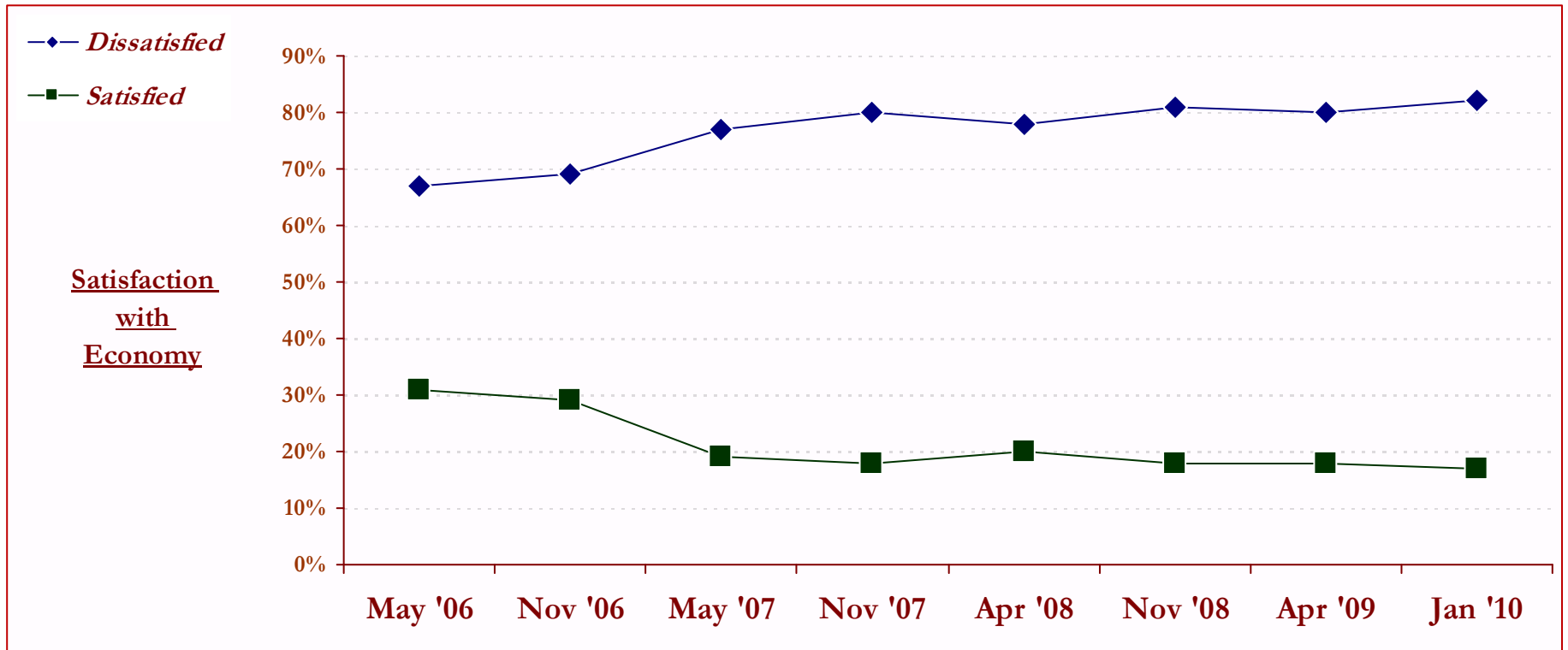
**April 2009 – 600 SAMPLE – ERROR  $\pm 4.0$**

**January 2010 – 601 SAMPLE – ERROR  $\pm 4.0$**

- Educational
- Political
- Industrial
  
- Consumer
- Market
- Research
- Analysis

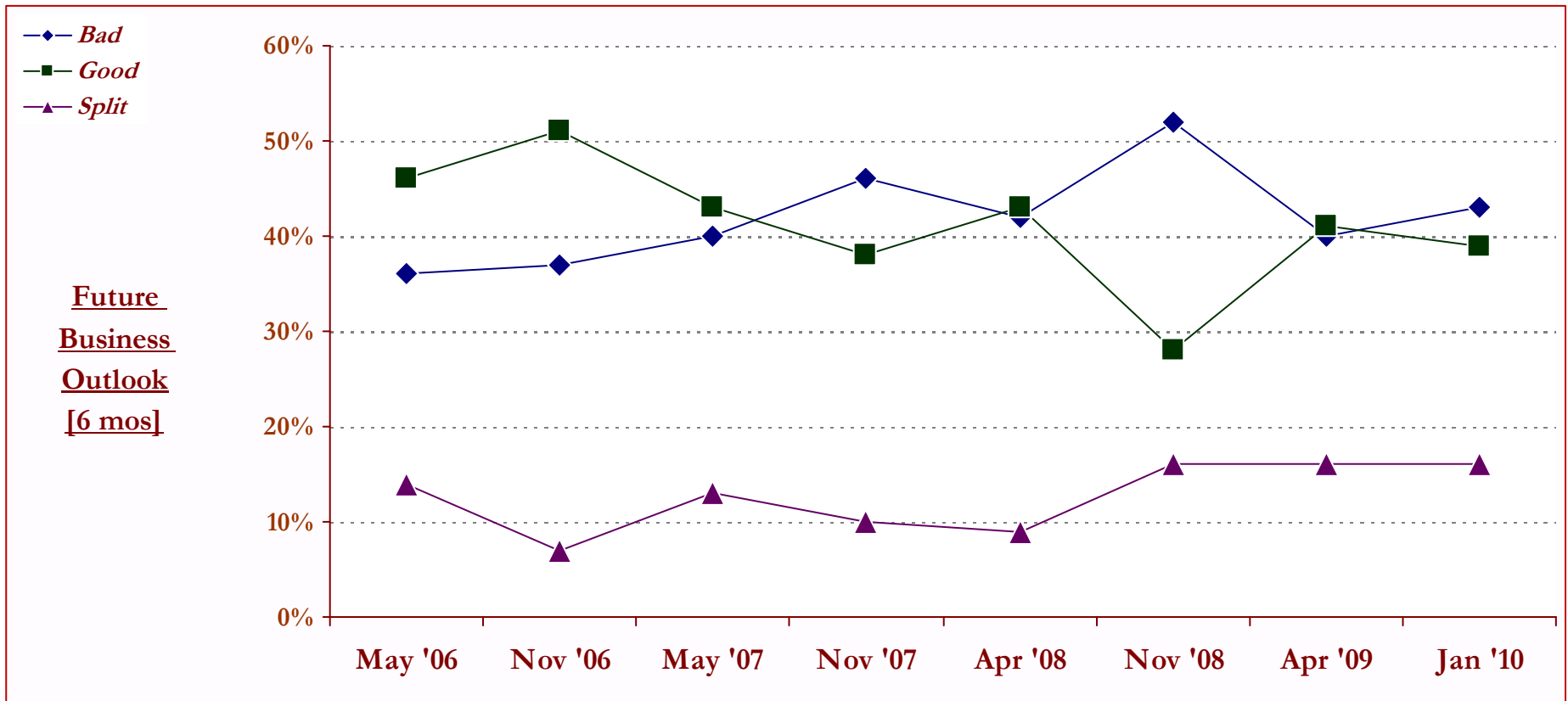
Overall, how satisfied are you with the condition of the economy as it affects your business ... ?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
5%	7%	2%	4%	5%	3%	2%	4%	very satisfied
26%	22%	18%	15%	15%	15%	16%	13%	somewhat satisfied
<b>31%</b>	<b>29%</b>	<b>19%</b>	<b>19%</b>	<b>20%</b>	<b>18%</b>	<b>18%</b>	<b>17%</b>	<b>Total SATISFIED</b>
30%	35%	30%	30%	30%	27%	34%	29%	somewhat dissatisfied
37%	34%	47%	50%	48%	54%	46%	53%	very dissatisfied
<b>67%</b>	<b>69%</b>	<b>77%</b>	<b>80%</b>	<b>78%</b>	<b>81%</b>	<b>80%</b>	<b>82%</b>	<b>Total DISSATISFIED</b>
2%	2%	3%	1%	1%	1%	2%	1%	Undecided/don't know



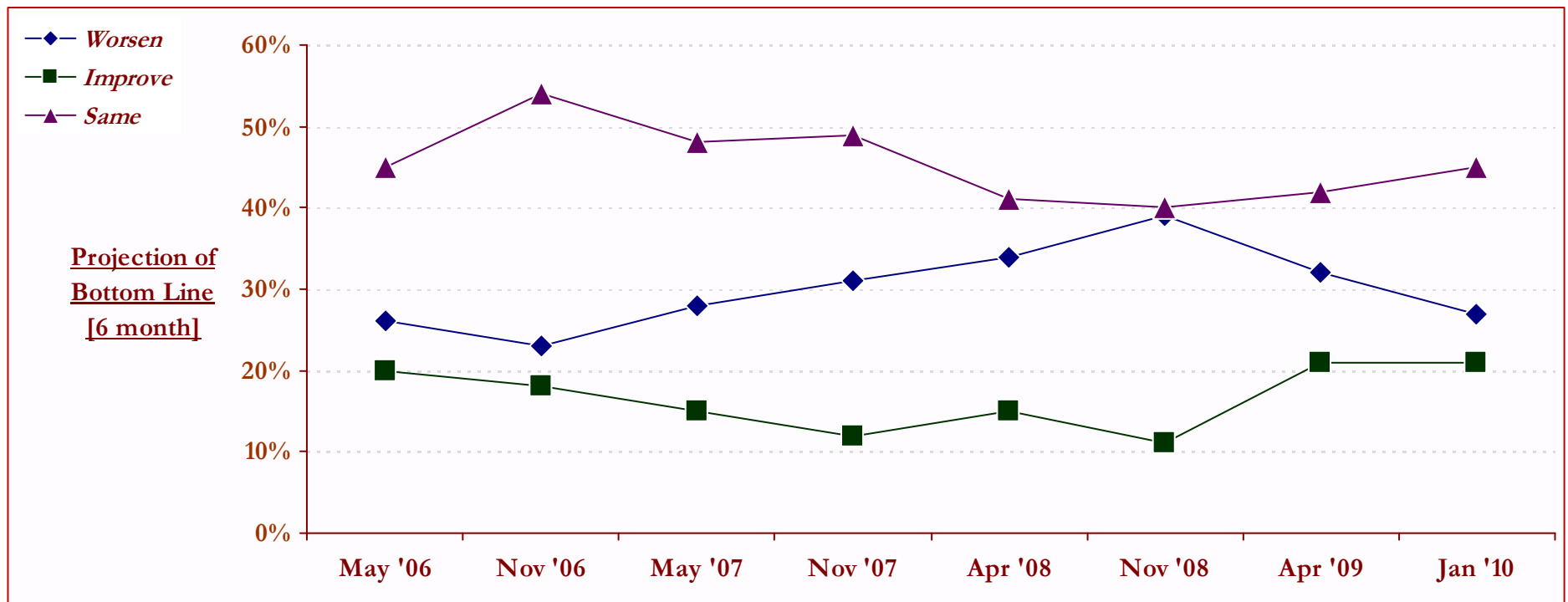
Over the next six months, would you say that your business outlook is good or bad?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
14%	14%	10%	9%	12%	6%	7%	5%	very good
32%	37%	33%	29%	31%	22%	34%	34%	somewhat good
<b>46%</b>	<b>51%</b>	<b>43%</b>	<b>38%</b>	<b>43%</b>	<b>28%</b>	<b>41%</b>	<b>39%</b>	<b>Total GOOD</b>
<b>14%</b>	<b>7%</b>	<b>13%</b>	<b>10%</b>	<b>9%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>	<b>Some ways good/some ways bad</b>
22%	22%	25%	26%	25%	29%	23%	25%	somewhat bad
14%	15%	15%	20%	17%	23%	17%	18%	very bad
<b>36%</b>	<b>37%</b>	<b>40%</b>	<b>46%</b>	<b>42%</b>	<b>52%</b>	<b>40%</b>	<b>43%</b>	<b>Total BAD</b>
4%	5%	4%	6%	6%	4%	3%	2%	Undecided/don't know



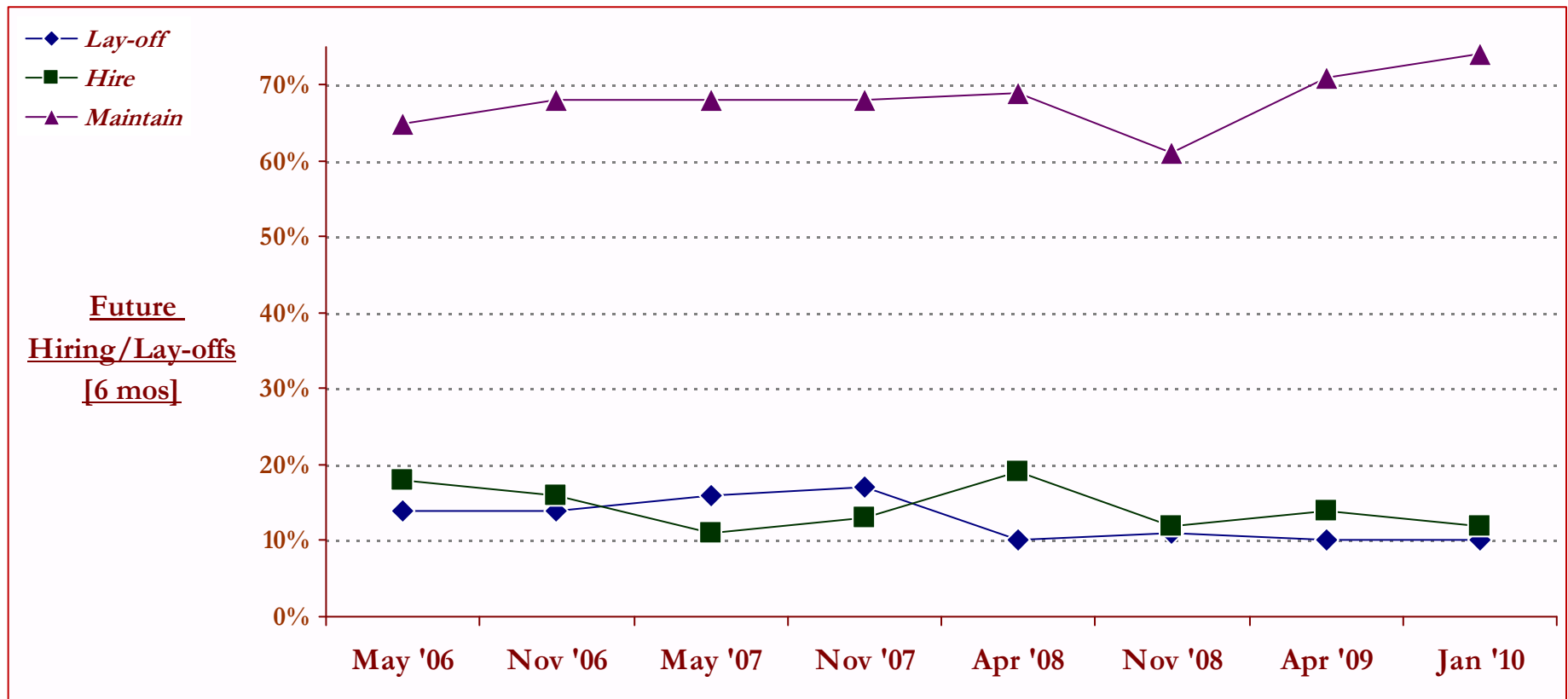
Over the next six months, do you expect your bottom line to improve with profits growing over expenses, will your bottom line worsen with costs taking a larger share of profits, (or will your bottom line) pretty much remain the same?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
4%	4%	2%	2%	3%	4%	4%	1%	improve a lot
16%	14%	13%	10%	12%	7%	17%	20%	improve somewhat
<b>20%</b>	<b>18%</b>	<b>15%</b>	<b>12%</b>	<b>15%</b>	<b>11%</b>	<b>21%</b>	<b>21%</b>	<b>Total IMPROVE</b>
4%	2%	2%	4%	4%	6%	1%	2%	Costs will exceed profits ( <i>volunteered</i> )
45%	54%	48%	49%	41%	40%	42%	45%	[costs] Bottom line will remain the same
17%	15%	21%	21%	18%	23%	24%	20%	worsen somewhat
9%	8%	7%	10%	16%	16%	8%	7%	worsen a lot
<b>26%</b>	<b>23%</b>	<b>28%</b>	<b>31%</b>	<b>34%</b>	<b>39%</b>	<b>32%</b>	<b>27%</b>	<b>Total WORSEN</b>
5%	3%	7%	4%	6%	4%	5%	5%	Undecided/don't know



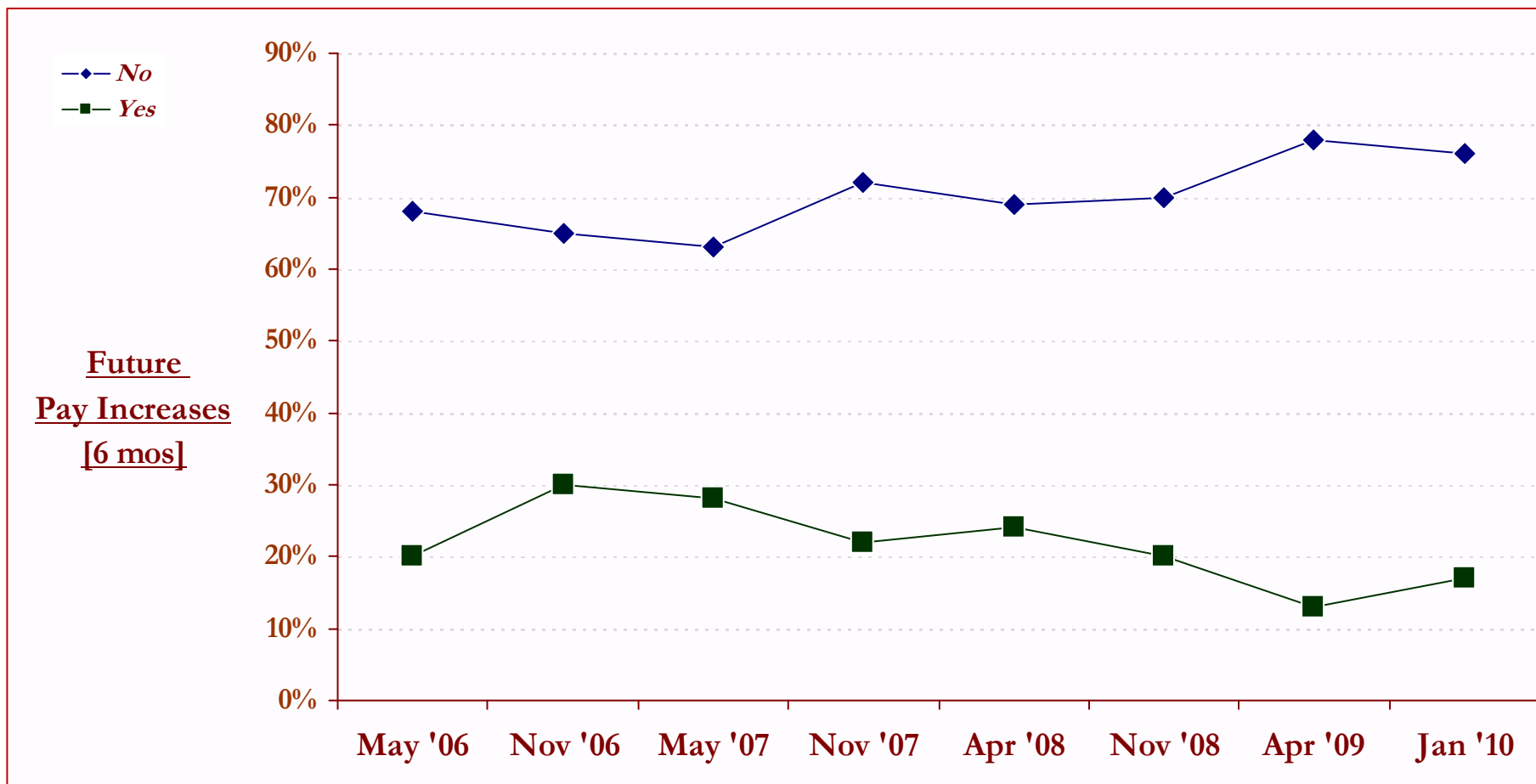
Over the next six months, do you plan to hire more employees, maintain the number of employees you have, or, do you expect that you might have to lay off some of your employees?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
9%	11%	14%	13%	19%	12%	14%	12%	Plans to hire more employees
18%	16%	11%	13%	7%	11%	10%	10%	May have to lay off employees
5%	3%	2%	4%	3%	8%	1%	2%	Will lay off employees ( <i>volunteered</i> )
65%	68%	68%	68%	69%	61%	71%	74%	Will maintain number of employees
3%	2%	5%	2%	2%	8%	4%	2%	Undecided/don't know



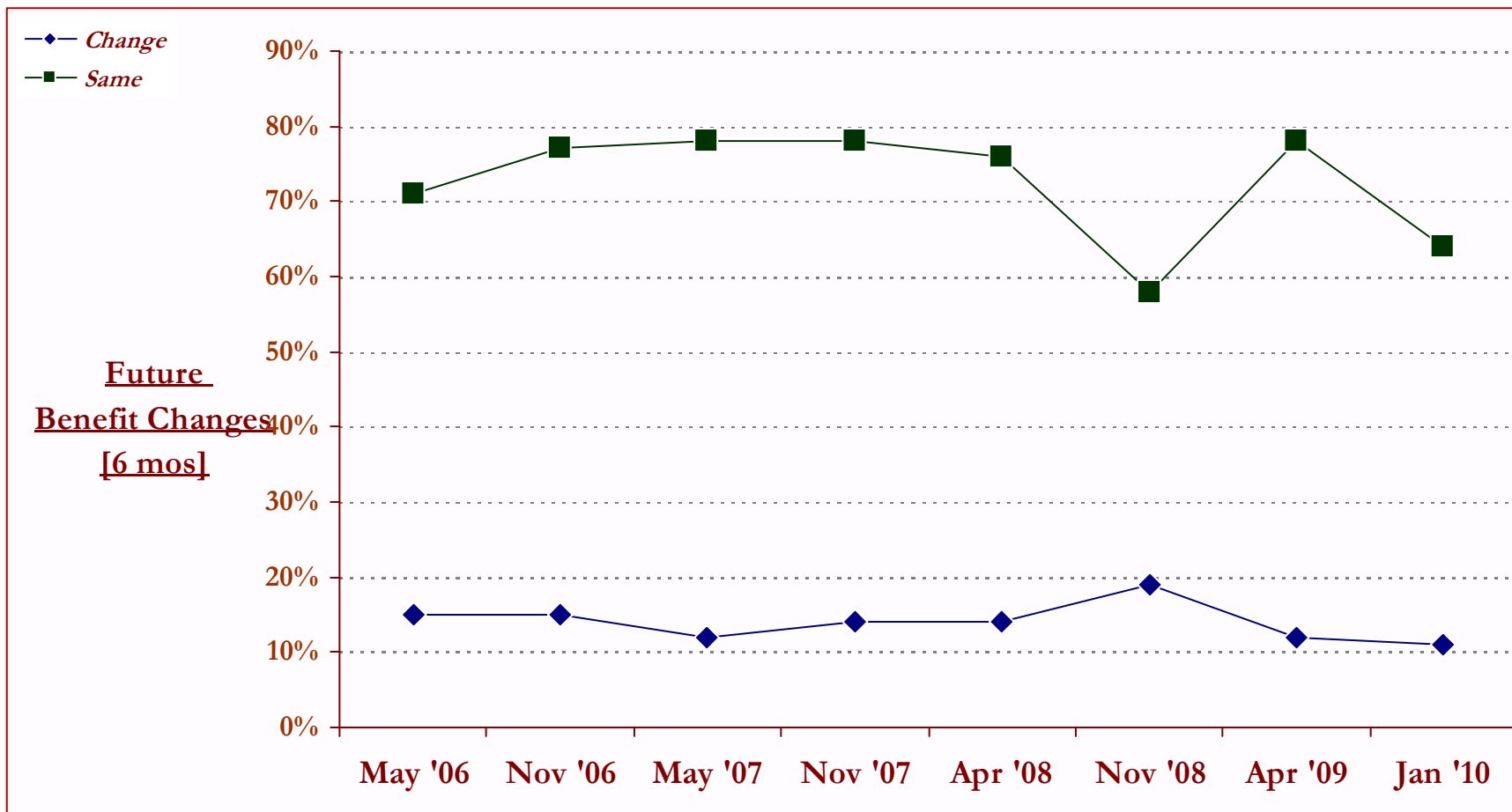
In the next six months, do you plan to increase wages for your employees?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
20%	30%	28%	22%	24%	20%	13%	17%	Yes
68%	65%	63%	72%	69%	70%	78%	76%	No
5%	—%	9%	6%	—%	—%	—%	—%	Yes for some/no for others
1%	—%	—%	—%	—%	2%	1%	1%	Will seek a decrease/wage concessions ( <i>volunteered</i> )
6%	5%	—%	—%	7%	8%	8%	6%	Undecided/don't know



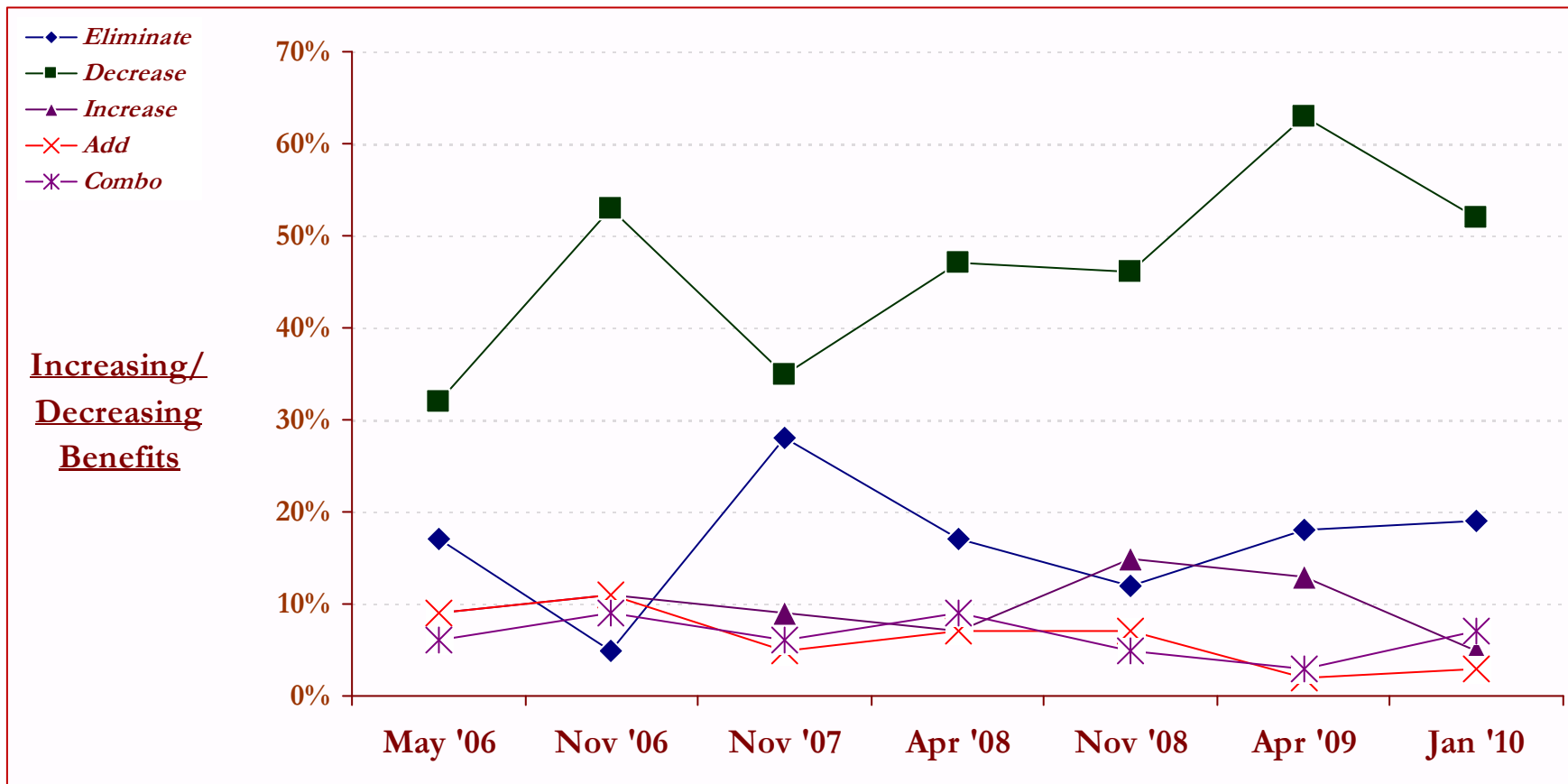
In the next six months, do you anticipate that the benefit package for your employees will stay the same or change?

<u>May '06</u>	<u>Nov '06</u>	<u>May '07</u>	<u>Nov '07</u>	<u>Apr '08</u>	<u>Nov '08</u>	<u>Apr '09</u>	<u>Jan '10</u>	
71%	77%	78%	78%	76%	58%	78%	64%	Benefits will stay the same
15%	15%	12%	14%	14%	19%	12%	11%	Benefits will change
2%	—%	1%	—%	1%	2%	1%	2%	Change for some/stay the same for others ( <i>volunteered</i> )
—%	—%	—%	—%	—%	15%	—%	19%	No Benefits ( <i>volunteered</i> )
12%	8%	9%	8%	9%	6%	9%	4%	Undecided/don't know



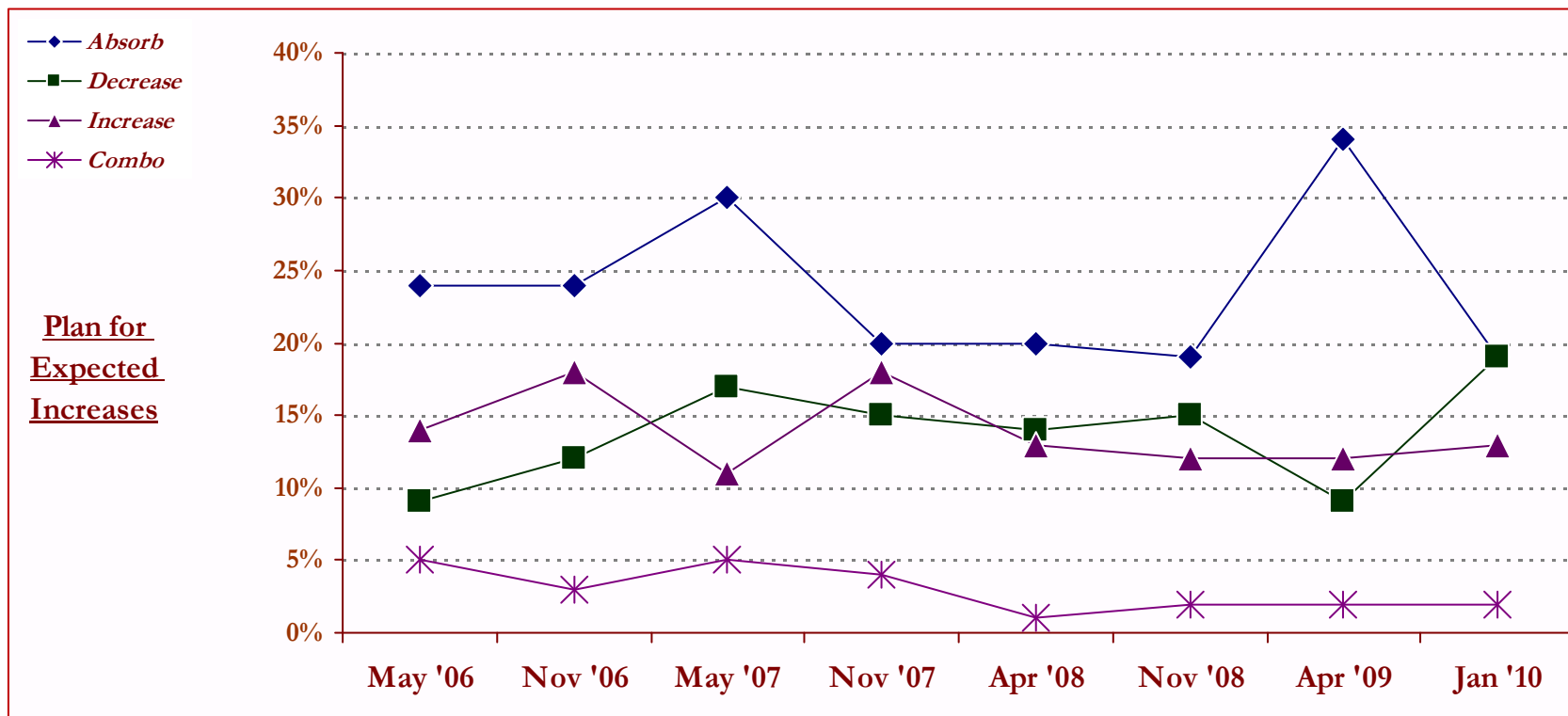
Will you be increasing existing benefits, adding new benefits, decreasing existing benefits or eliminating benefits?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
9%	11%	5%	5%	7%	2%	3%	Adding new benefits
32%	53%	35%	35%	46%	63%	52%	Decreasing existing benefits
17%	5%	28%	28%	12%	18%	19%	Eliminating benefits
9%	11%	9%	7%	15%	13%	5%	Increasing existing benefits
6%	9%	6%	9%	5%	3%	7%	Combination of above ( <i>volunteered</i> )
27%	11%	17%	13%	15%	17%	14%	Undecided/don't know



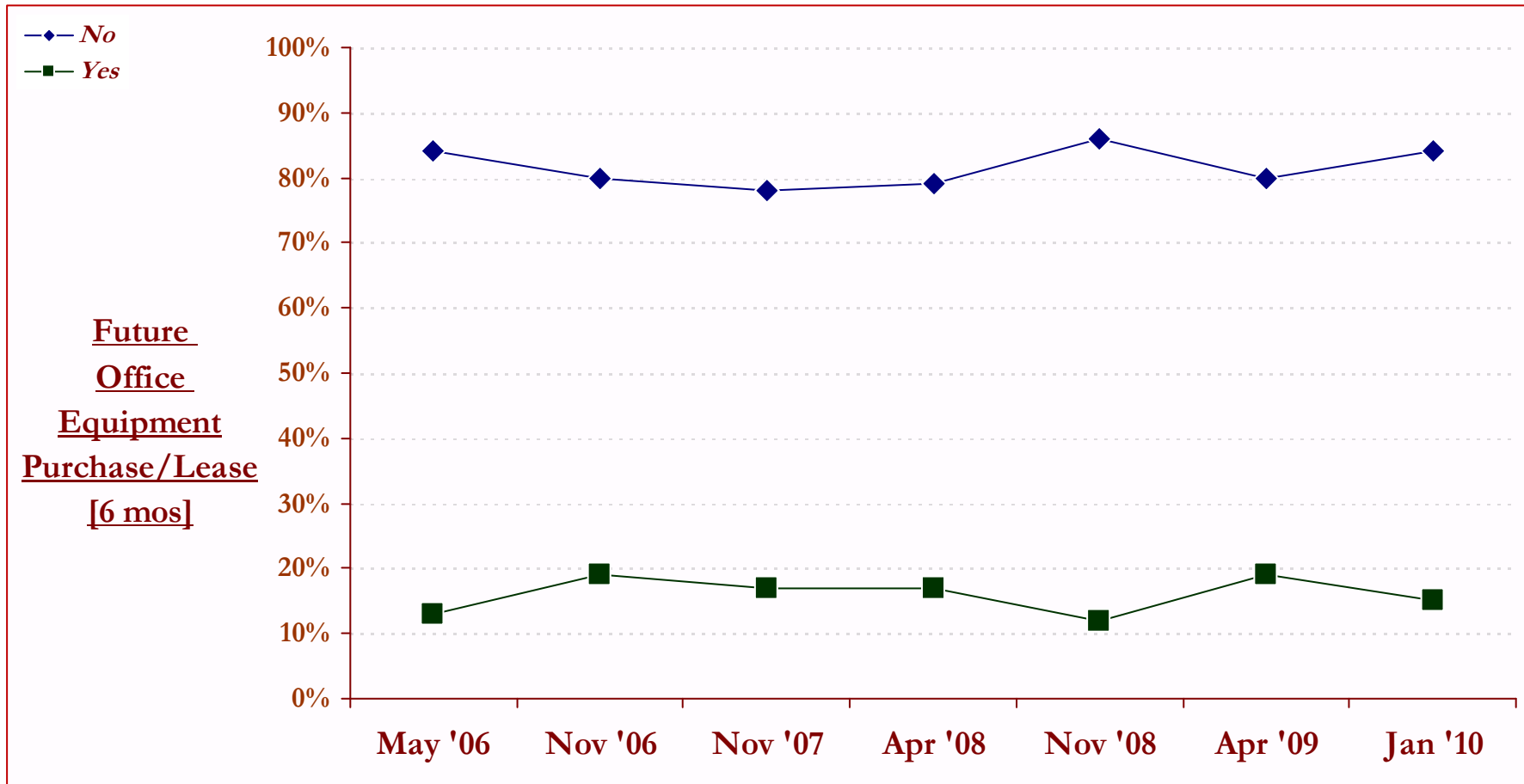
Specifically, based on any expected increased cost for healthcare for your business, do you expect to absorb those costs, increase employee premiums or decrease healthcare benefits?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
24%	24%	30%	20%	20%	19%	34%	19%	Absorb the costs
14%	18%	11%	18%	13%	12%	12%	13%	Increase employee premiums
9%	12%	17%	15%	14%	15%	9%	19%	Decrease healthcare benefits
3%	2%	2%	2%	1%	3%	2%	2%	Combination of increased premiums/decreased benefits ( <i>volunteered</i> )
2%	1%	3%	2%	5%	2%	1%	2%	Combination of all options ( <i>volunteered</i> )
7%	9%	5%	4%	4%	7%	6%	2%	No increase in costs ( <i>volunteered</i> )
29%	21%	26%	30%	28%	28%	25%	35%	[No insurance ]Don't offer healthcare ( <i>volunteered</i> )
12%	13%	6%	9%	15%	14%	11%	8%	Undecided/don't know



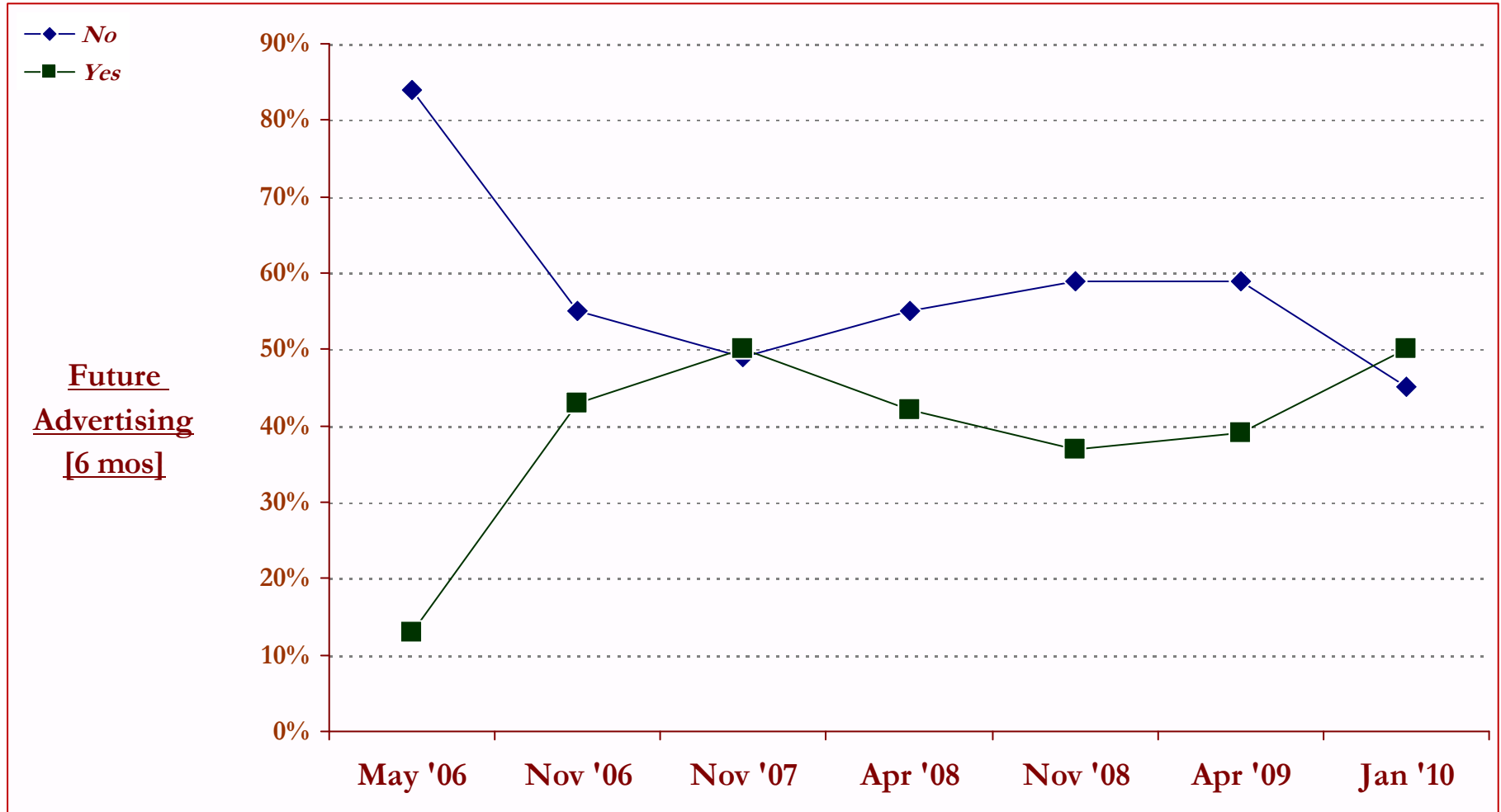
Do you plan to spend money in the next six months by either purchasing or leasing any office equipment?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
13%	19%	17%	17%	12%	19%	15%	Yes
84%	80%	78%	78%	86%	80%	84%	No
3%	1%	5%	5%	2%	1%	1%	Undecided/don't know



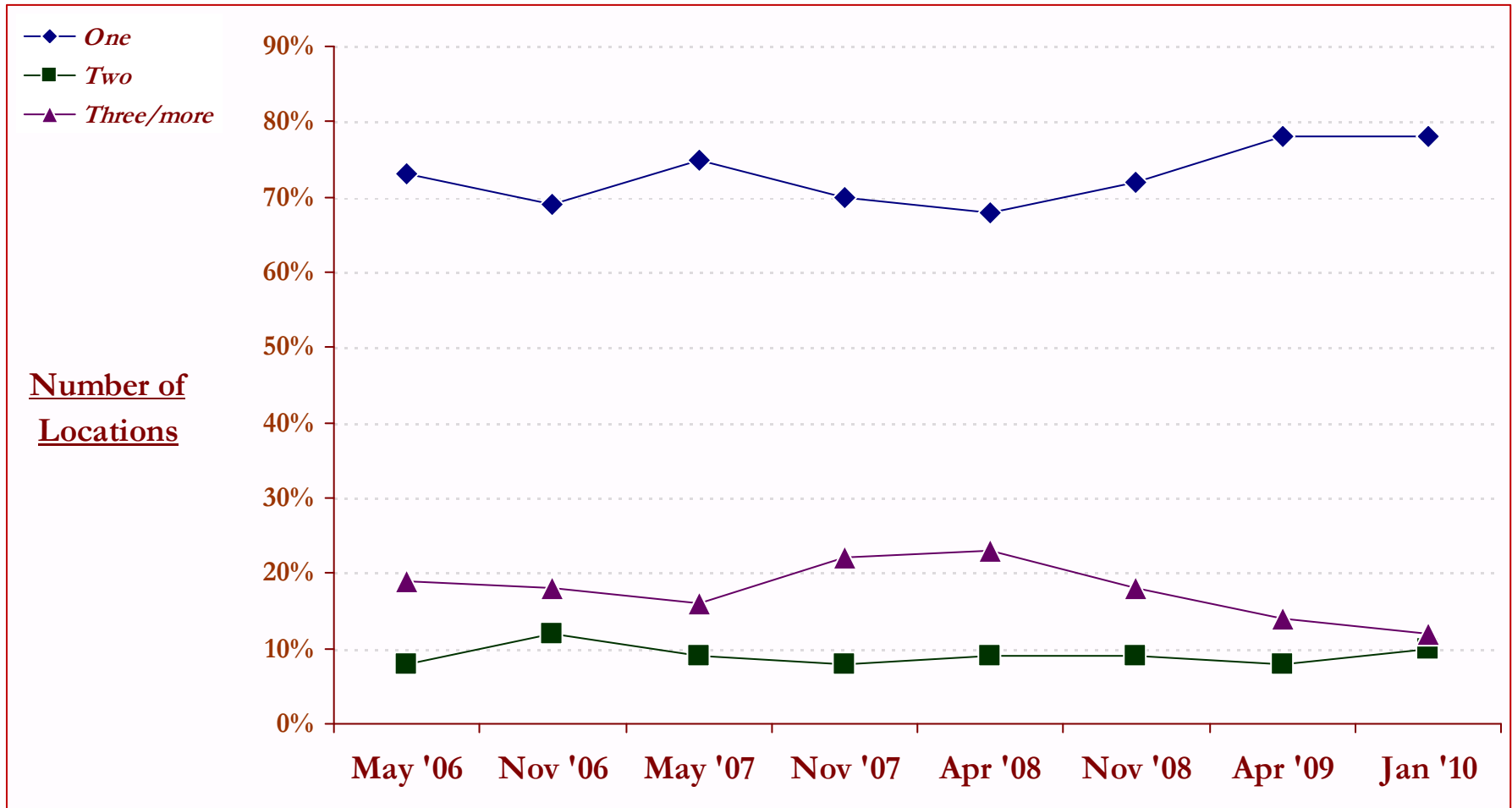
Do you plan to purchase advertising in the next six months?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
13%	43%	50%	50%	37%	39%	50%	Yes
84%	55%	49%	49%	59%	59%	45%	No
3%	2%	1%	1%	4%	2%	5%	Undecided/don't know



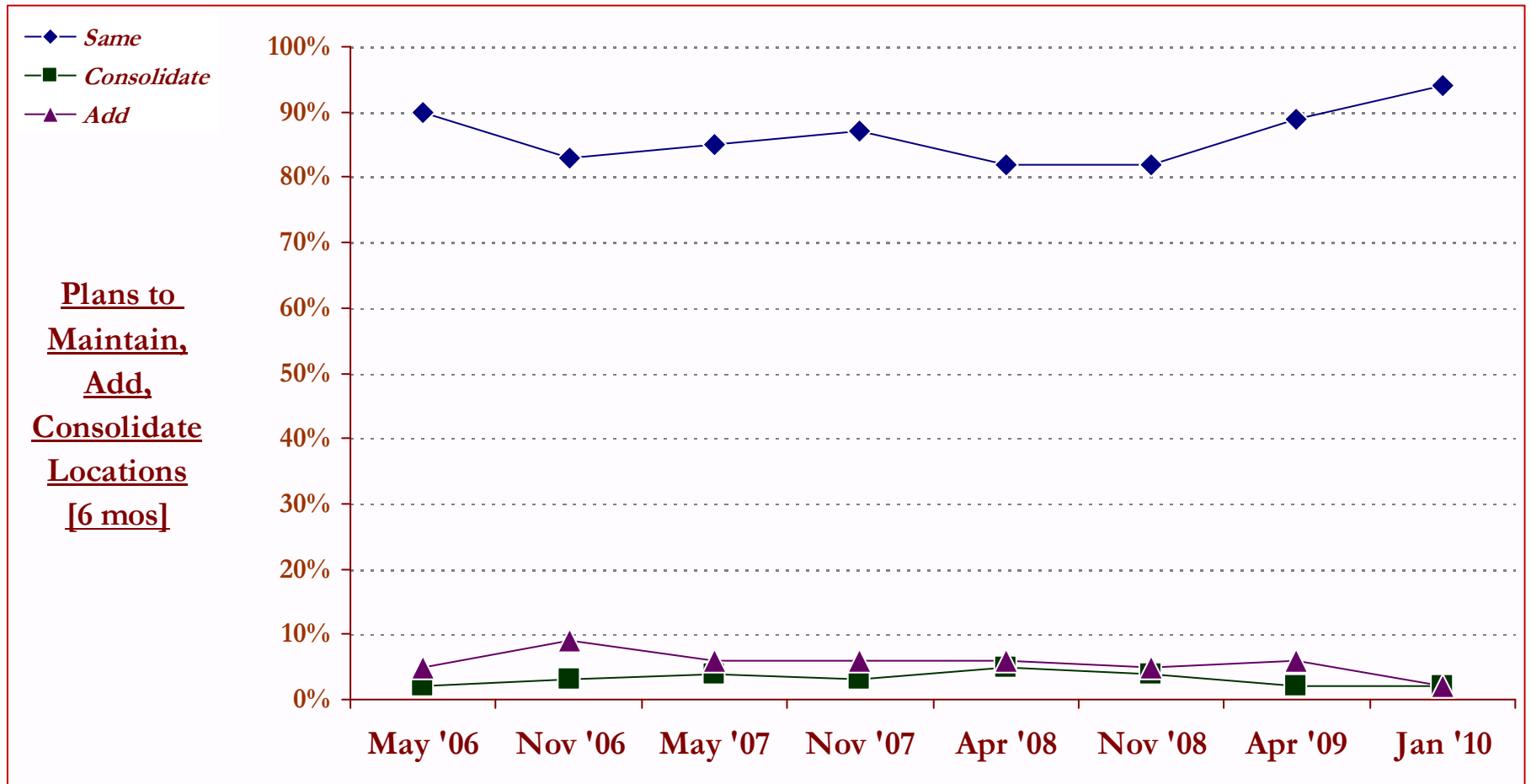
How many locations does your business have?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
73%	69%	75%	70%	68%	72%	78%	78%	One
8%	12%	9%	8%	9%	9%	8%	10%	Two
19%	18%	16%	22%	23%	18%	14%	12%	Three or more
—%	1%	—%	—%	—%	1%	—%	—%	Refused



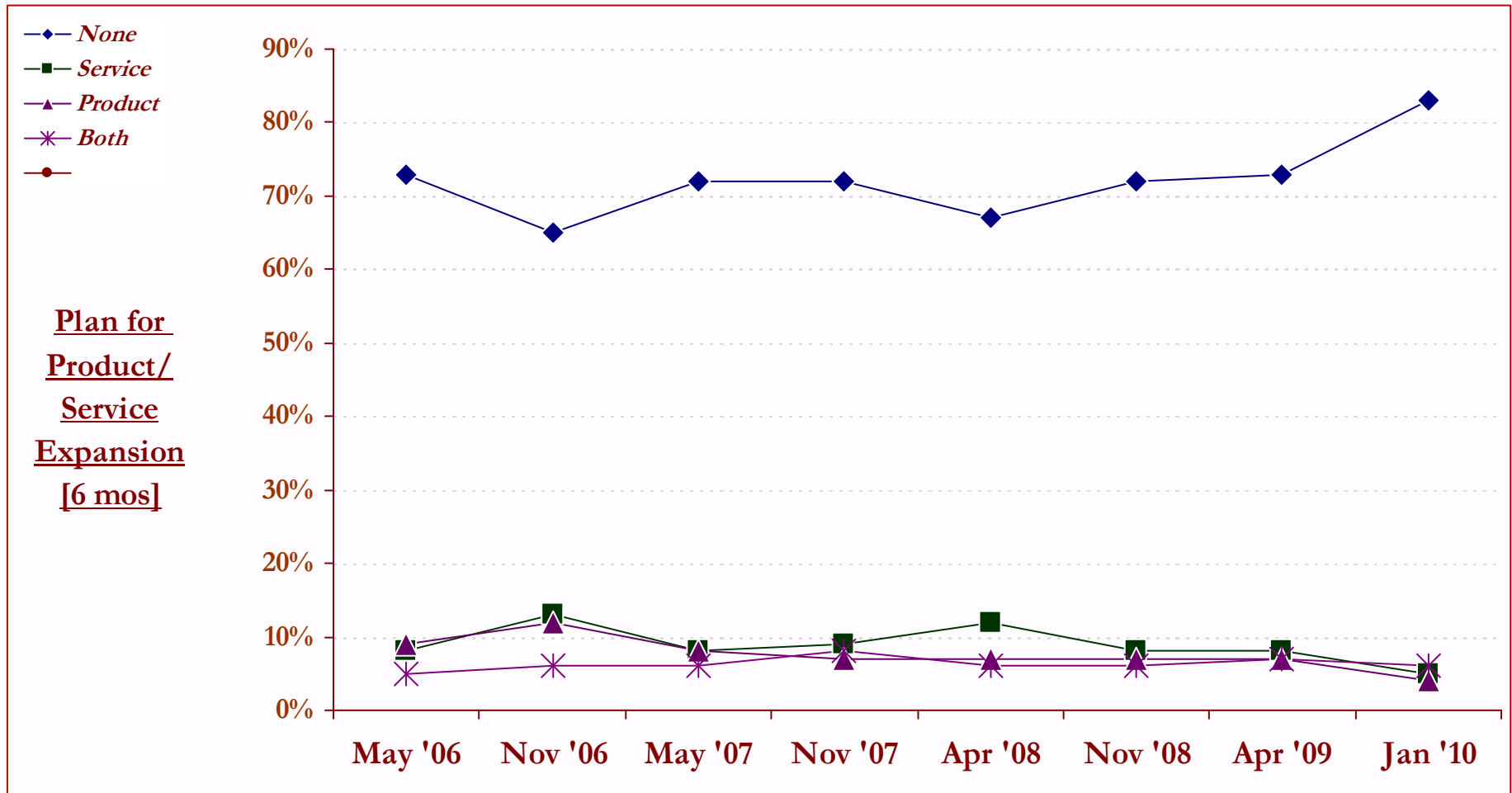
Do you plan to expand your business by adding one or more new locations in the next six months, do you expect to consolidate your business by closing one or more locations, or, will you be keeping the same number of locations?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
5%	9%	6%	6%	6%	5%	6%	2%	Will add locations
2%	3%	4%	3%	5%	4%	2%	2%	Will consolidate
90%	83%	85%	87%	82%	82%	89%	94%	Will keep the same number of locations
3%	5%	5%	4%	7%	9%	3%	2%	Undecided/don't know



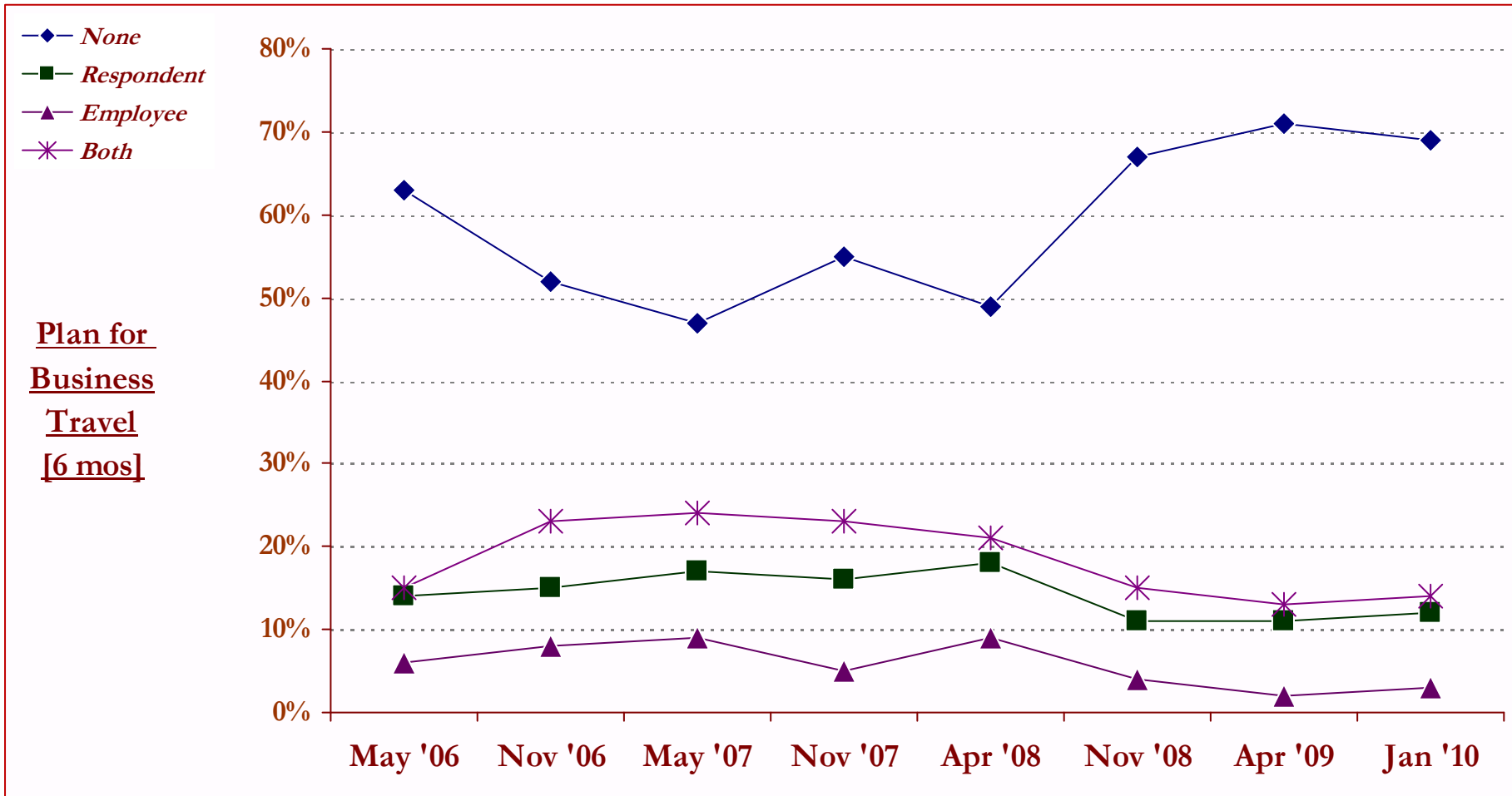
Do you plan to expand your business with a new product line or a new service in the next six months?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
73%	65%	72%	72%	67%	72%	73%	83%	No, will not expand either
8%	13%	8%	9%	12%	8%	8%	5%	Yes, a new service
9%	12%	8%	7%	7%	7%	7%	4%	Yes, a new product line
5%	6%	6%	8%	6%	6%	7%	6%	Both
5%	4%	6%	4%	8%	7%	5%	2%	Undecided/don't know



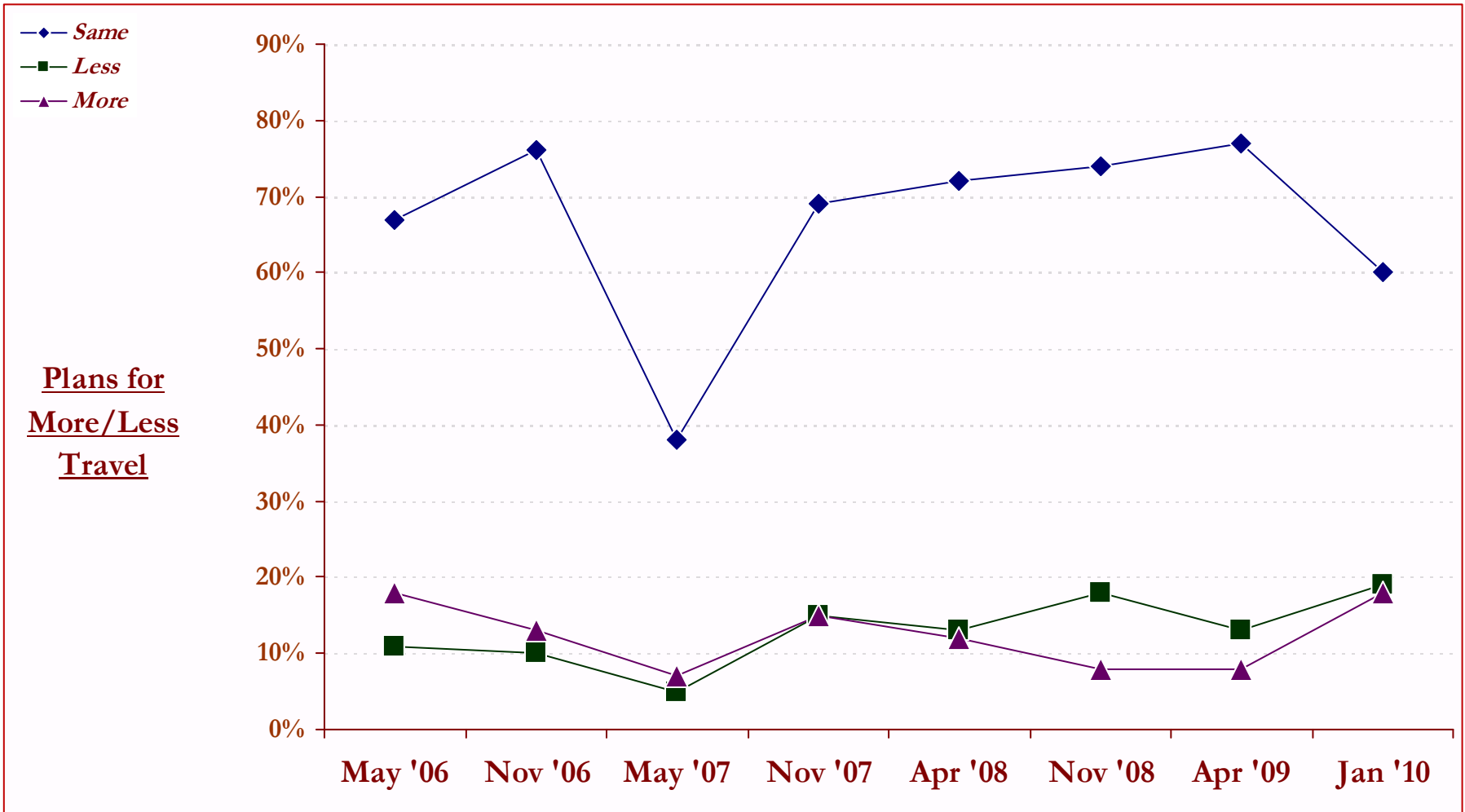
Do you plan to travel or have any of your employees travel for business purposes in the next six months?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
14%	15%	17%	16%	18%	11%	11%	12%	Yes, respondent
6%	8%	9%	5%	9%	4%	2%	3%	Yes, employees
15%	23%	24%	23%	21%	15%	13%	14%	Both
63%	52%	47%	55%	49%	67%	71%	69%	No, don't plan to travel
2%	2%	3%	1%	3%	3%	3%	2%	Undecided/don't know



Will you and/or other employees be traveling more, less or about the same as you have in the past?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
18%	13%	7%	15%	12%	8%	8%	18%	More
11%	10%	5%	15%	13%	18%	13%	19%	Less
67%	76%	38%	69%	72%	74%	77%	60%	About the same
4%	1%	50%	1%	50%	—%	2%	3%	Undecided/don't know



Thinking about your business ten years down the road, are you excited about where you think your business will be, are you encouraged, uncertain, concerned or depressed?

<u>May</u> <u>'06</u>	<u>Nov</u> <u>'06</u>	<u>May</u> <u>'07</u>	<u>Nov</u> <u>'07</u>	<u>Apr</u> <u>'08</u>	<u>Nov</u> <u>'08</u>	<u>Apr</u> <u>'09</u>	<u>Jan</u> <u>'10</u>	
16%	26%	18%	17%	18%	15%	15%	14%	Excited
27%	26%	23%	20%	25%	23%	26%	22%	Encouraged
23%	18%	23%	28%	23%	27%	28%	25%	Uncertain
20%	18%	22%	21%	19%	20%	20%	24%	Concerned
9%	7%	9%	10%	11%	10%	6%	9%	Depressed
5%	5%	5%	4%	4%	5%	5%	6%	Undecided/don't know

