



## FOR IMMEDIATE RELEASE

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## **Employers More Optimistic about 2012 according to Economic Trends Survey**

**January 3, 2012, GRAND RAPIDS, MICHIGAN** – “Employers are more optimistic about 2012. The *2012 Economic Trends Survey* shows employers’ optimism both for the overall economy as well as their own business,” according to Maggie McPhee of The Employers’ Association in Grand Rapids, MI. This comprehensive survey of nearly 2,000 organizations reflects a more optimistic view of 2012 by executives across the nation. Interestingly, the results did not vary significantly by region or state. One positive exception to this is that the local West Michigan data reflects a higher level of optimism regarding both the 2011 and the 2012 economic picture than the national data. Local data reflects 60% (37% nationally) of respondents felt 2011 was better than 2010, and 44% (32% nationally) expect 2012 to be better than 2011!

### **Economy & Sales: Optimistic**

An impressive 90% of the executives expect the overall economy will be about the same or better in 2012 compared to 2011 (58% about the same, 32% better). Similar to last year, respondents are more confident about their own business outlook than the overall economy. While 32% anticipate the overall 2012 economy will be better than 2011, 67% of business owners expect increases in their own sales / revenue. Not all respondents were quite as enthusiastic with 23% of respondents that anticipate flat sales / revenue and 10% that expect a decrease in sales/revenue.

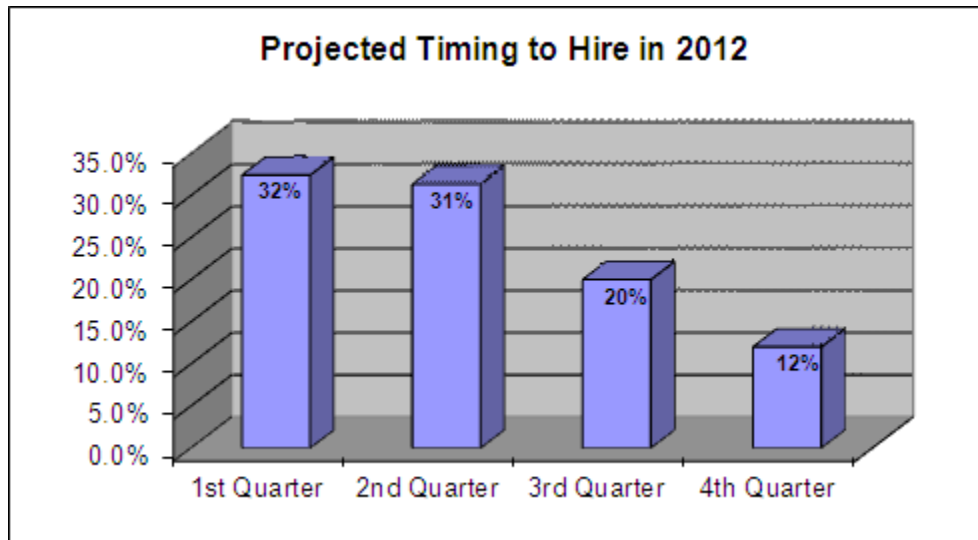
Plans for significant new investments in people, facilities and/or equipment are split. 51% say they will not make investments while an optimistic 49% of respondents plan investments to improve service capacity and/or revenue in 2012.

**Job Creation Barriers:**

The greatest barrier to job creation, according to executives, is concerns about further economic decline (59%). The next two greatest response groups said the biggest barriers are limited consumer demand (16%) and excessive government regulations (15%).

**Staff Size: Growing A Bit**

Although 54% of the organizations reporting do not plan to increase the size of their staff in 2012, nearly 36% of the respondents plan to hire additional staff, with most of those expected during the first half of 2012. These results are similar to last year.



**Compensation & Benefits Strategies:**

Employer confidence has improved over one year ago with 70% of participating organizations actually giving a pay increase in 2011. This is up from the 59% of participating organizations that planned an increase in 2011. We see a similar pattern for the 2012 forecast. Significantly fewer organizations are delaying or freezing wages (14% in 2012 vs. 20% in 2011) and nearly 66% of those surveyed are planning a pay increase in 2012 – up 7% from 2011.

A minority of the organizations surveyed, 35%, froze or reduced pay as cost cutting measures in 2011. Of the organizations that froze or reduced pay in 2011, 29% plan to completely or partially restore pay to some employees in 2012. These increases are in the form of merit, general or cost-of-living adjustment (COLA). Of the organizations that froze or reduced pay in 2011, 33% report a continuation of the pay freeze and 39% are uncertain.

### **More Cost-Cutting**

As executives continue to manage their organizations through the challenging economy, 52% plan to trim costs by focusing mainly on lean / process improvement initiatives during 2012. The top cost-cutting measures planned for 2012 are outlined below. It's significant to note that relatively few organizations plan layoffs with just 6% of respondents—comparable to 2011 results.

<i>Top Cost Cutting Measures for 2012</i>	
<i>Measures</i>	<i>Percentage</i>
<i>Lean / process improvement initiatives</i>	<i>52%</i>
<i>Shift a larger percentage of healthcare costs to employees</i>	<i>24%</i>
<i>Layoffs (permanent reduction in staff)</i>	<i>6%</i>
<i>Reduce paid time off benefits (vacations, personal days, etc.)</i>	<i>4%</i>

“Interestingly, 39% of respondents have no cost-cutting measures planned for 2012. This is a 5% decrease compared to last year’s survey results. It’s not clear if this is a barometer of employers’ optimism or if it is an indicator of how lean companies are operating after past cost-cutting measures,” said Maggie McPhee with The Employers’ Association.

### **Survey Information**

The Employer Associations of America’s data reflects national conditions. EAA surveyed 1890 companies: 45 percent were from manufacturing, 10 percent were from Professional and Business Services, 6 percent were from Health Services, and 39 percent from other industries. The survey also represents all sizes of companies, from 1-99 employees (53 percent), 100-249

employees (25 percent), 250-499 employees (12 percent), 500-999 employees (5 percent), and over 1,000 employees (5 percent). The survey data was collected in October through November of 2011.

*The Employer Associations of America (EAA) consists of 37 regional employer associations that serve 48,000 companies and over 5,600,000 employees. The EAA's mission is to advance a national presence as well the regional success of its members through collaboration, efficiency, and shared knowledge and resources.*

*The local employer associations are dedicated to serving their members and are trusted partners that help members maximize the performance of their employees and organization. The employer associations' Human Resource and Business professionals provide businesses with expertise in the areas of compliance, recruitment, retention, surveys, safety, and training and organizational development.*

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