



Michigan Entrepreneurship Scorecard 2019:

Empowering Michigan Entrepreneurs

BRIAN CALLEY, SMALL BUSINESS ASSOCIATION OF MICHIGAN



SMALL BUSINESS
Association of MICHIGAN
Focusing the power of small business.



The Michigan Entrepreneurship Score Card, 15th Edition



Key Score Card Results

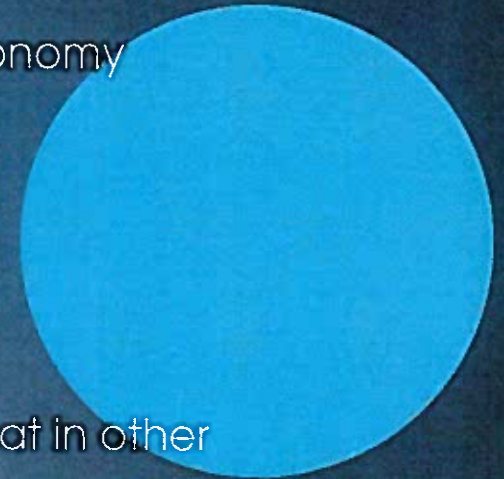


CLIMATE: The factors that support the entrepreneurial economy

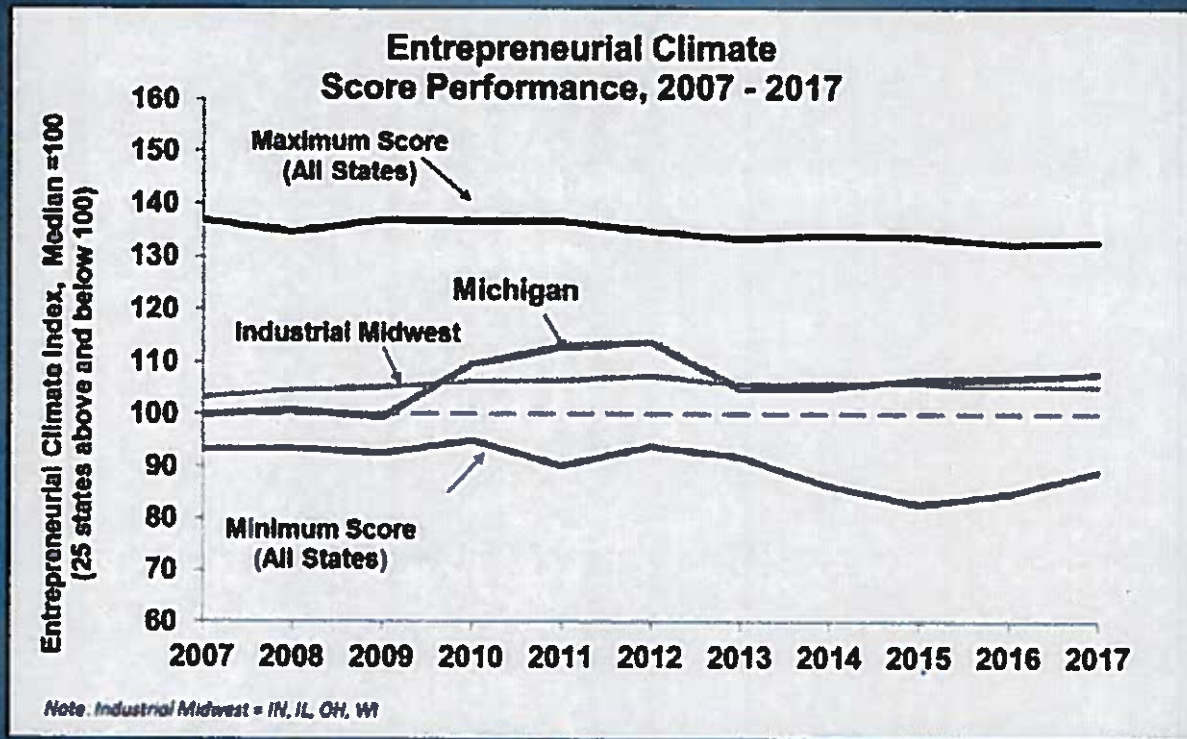
CHANGE: The direction and momentum of growth in the entrepreneurial economy

VITALITY: The level of entrepreneurial activity relative to that in other states

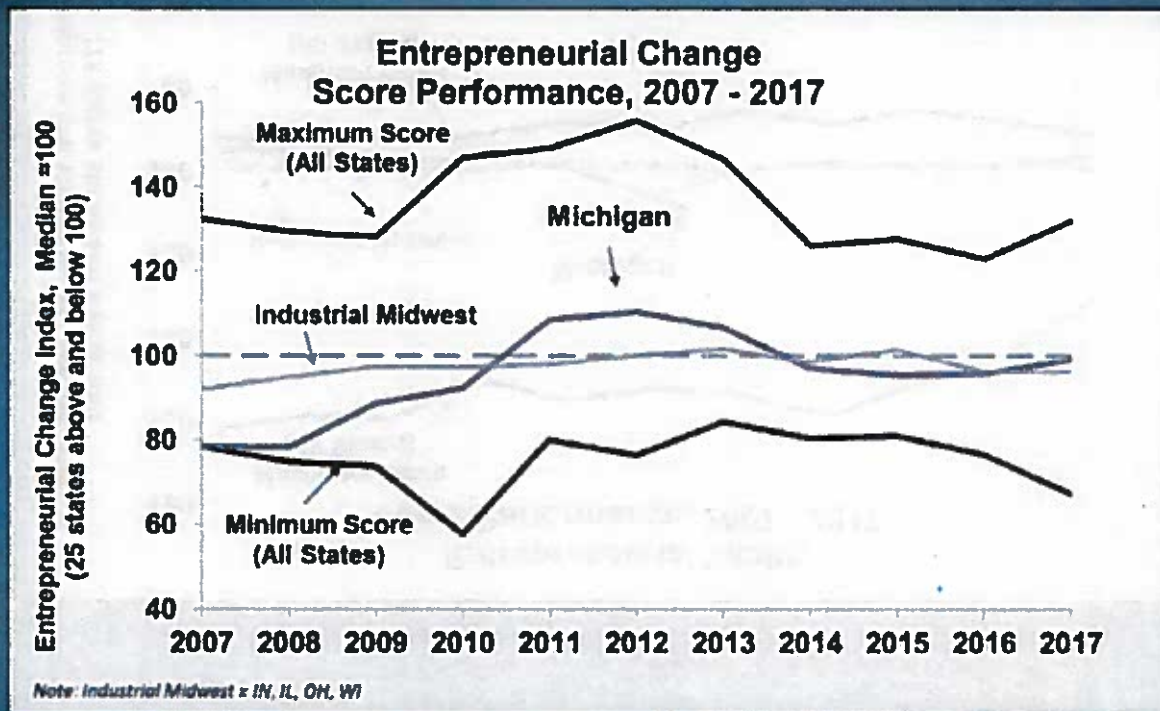
THIS REPORT INCORPORATES THE LATEST FULL YEAR OF DATA, 2017.



Entrepreneurial Climate



Entrepreneurial Change

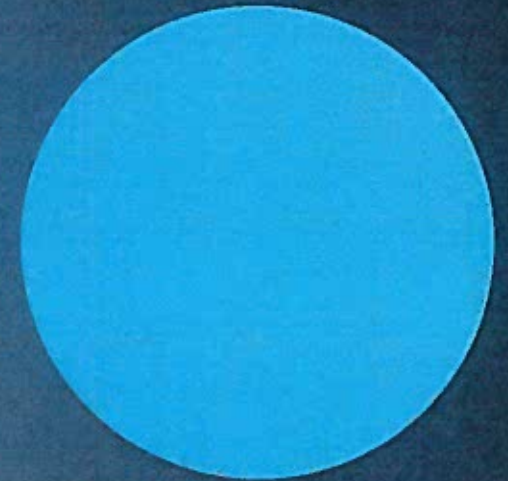


Entrepreneurial Vitality



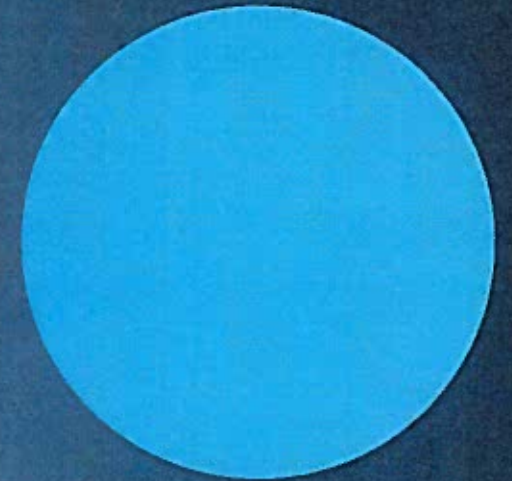
Top Ten Areas

- ▶ Lack of Health Insurance – 7th
- ▶ Homeownership Rate – 2nd
- ▶ Business Liability Costs – 7th
- ▶ State Business Tax Structure – 10th
- ▶ Business Tax Burden – 2nd
- ▶ Workers' Comp Premiums – 4th
- ▶ High-Tech Manufacturing Employment – 1st
- ▶ Physical Science and Engineering Workers – 1st
- ▶ US News Top Graduate Programs – 5th



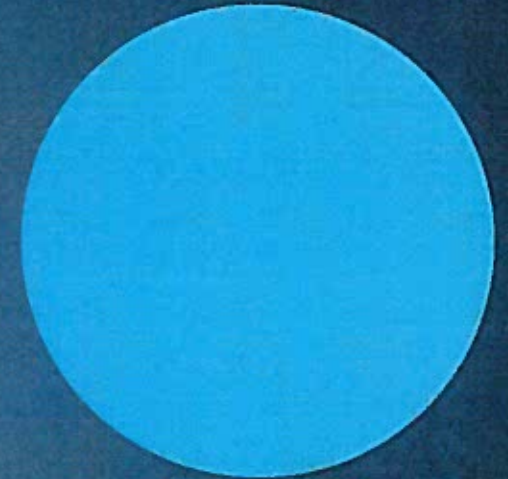
Top Ten Areas

- ▶ 4 Year+ Tech Credentials – 7th
- ▶ ACT Scores – 5th
- ▶ Building Permits Growth – 4th
- ▶ Export Intensity Growth – 7th
- ▶ Industry Research and Development – 4th
- ▶ Entrepreneurial Programs – 7th
- ▶ Patents Per Innovation Worker – 5th
- ▶ University Research and Development – 7th



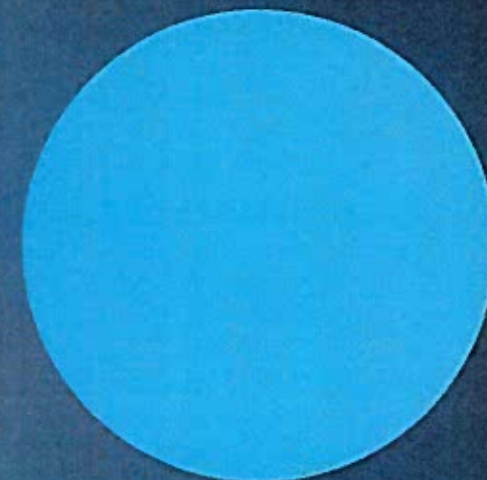
Bottom Ten Areas

- ▶ Law Enforcement Employees – 45th
- ▶ Hate Crimes – 44th
- ▶ Next Generation Internet – 43rd
- ▶ Digital Connectivity – 42nd
- ▶ Highway Quality – 47th
- ▶ Physical Infrastructure – 40th
- ▶ Malpractice Costs – 41st
- ▶ Prime Working Age Residents – 45th
- ▶ Small Business Health Care Premiums – 42nd
- ▶ Unemployment Insurance Tax Structure – 48th
- ▶ Energy Costs – 41st



Bottom Ten Areas

- ▶ 2-year College Tuition Growth – 48th
- ▶ SAT Performance – 41st
- ▶ Public High School Graduation Rate – 40th
- ▶ Manufacturing Capital Investment Growth – 46th
- ▶ Bank Commercial and Industrial Lending – 40th
- ▶ University Spinout Businesses – 41st
- ▶ Entrepreneurial Vitality – 41st
- ▶ Increase in High Performance Firms – 41st



Broadband and Infrastructure

Getting Around, Getting Connected (Physical Infrastructure and Digital Connectivity)

	Rank	Page		Rank	Page
PHYSICAL INFRASTRUCTURE	40	93	DIGITAL CONNECTIVITY	42	98
Highway Quality	47	94	Broadband Connections	28	99
Bridge Quality	35	94	Broadband Coverage	33	99
Transit Use	29	95	Internet Speed	16*	100
Major Market Air Access	30	95	Next Generation Internet	43	100
Airport Performance	16	96	Rural Internet Access	25	101
Water Quality	13	96			
Energy Reliability	23	97			

Talent and Education

Education & Workforce Preparedness

	Rank	Page		Rank	Page
EDUCATION	33	64	WORKFORCE PREPAREDNESS	13	74
<i>K-12 Education</i>	36	65	High School Only Diploma Attainment	22	75
Advanced Placement Score	28	66	Post-secondary pre-BA Attainment	15	75
Public High School Graduation Rate	40*	66	Bachelor's Degree Attainment	17	76
SAT Performance	41	67	Physical Science & Engineering Workers	1	76
ACT Score	5	67	Technology and Technician Workers	19	77
NAEP Mathematics	36	68	Innovation Workers Outside High Tech Empl.	31	77
NAEP Reading	35	68	High-tech Manufacturing Employment	1	78
			High-Tech Services Employment	12	78
<i>Postsecondary Education</i>	30	69	Adult Education	37**	79
4yr. + Tech Credentials	7	70	Skilled Immigrants	24	79
Pre-BA Tech Credentials	29	70			
4-yr. Knowledge Degrees Excl. Tech Fields	14	71			
College Migration	35*	71			
U.S. News Top Ranked Undergraduate Programs	30	72			
U.S. News Top Ranked Graduate Programs	5	72			
Two-Year College Tuition Growth	48*	73			
Four-Year College Tuition Growth	36*	73			

Business Climate

Business Environment (Costs of Business, Productivity & Labor Supply, Regulatory, Legal)

	Rank	Page		Rank	Page
BUSINESS COSTS	33	80	PRODUCTIVITY & LABOR SUPPLY	38	86
Unit Labor Cost	33	81	Net Domestic Migration Rate	28	87
Energy Costs	41	81	Prime Working Age Residents	45	87
Workers' Compensation Costs	14	82	Gross Domestic Product per Job	27	88
Workers Compensation Premiums	4*	82	Service Sector Productivity	32	88
Unemployment Insurance Costs	46	83	Manufacturing Value Added per Hour	39*	89
Unemployment Insurance Structure	48	83	Labor Force Participation Rate	14	89
Business Tax Burden	2	84			
State Business Tax Structure	10	84			
Metro Industrial Rents	17	85			
Small Business Health Care Premiums	42	85			
LEGAL ENVIRONMENT	25	90			
Malpractice Costs	41	91			
Business Liability Costs	7*	91			
Liability System Reputation	21*	92			

Insights



- ▶ Poor Infrastructure continues to worsen and progressively threaten business growth.
- ▶ The rate of improvement in Michigan's post-recession entrepreneurial economy is slowing, with several growth-focused metrics softening since 2015. Yet, there is an overall better entrepreneurial economy today than 10 years ago and dynamism across existing businesses in recent years is encouraging.
- ▶ Michigan continues to hold onto key technology and high-skill economy leadership remarkably well.
- ▶ Michigan's general Business Climate (which supports its start-up, existing, and relocating businesses) continues to improve, but largely remains mediocre.
- ▶ Michigan's Quality of Life continues to support and attract entrepreneurs.

Thank You
Questions?

