THE McNAIR CENTER
NORTHWOOD UNIVERSITY

MICHIGAN CHAMBER
Foundation

2016 Michigan Economic
COMPETITIVENESS STUDY

An analysis of issues to advance Michigan in a complex global economy

2016 Michigan Economic Competitiveness Study:

An Analysis of Issues to Advance Michigan in a Complex Global Economy

Executive Brief

About the Michigan Chamber Foundation

The Michigan Chamber Foundation was established as a non-profit supporting organization to the Michigan Chamber of Commerce in 1985 for the following purposes:

- To plan and conduct non-partisan public education programs regarding free enterprise, productivity and basic economic issues affecting the state of Michigan;
- To establish and operate a leadership institute designed to provide promising future leaders assessment of Michigan's assets, challenges and opportunities to give participants the background and network of contacts necessary to make a positive impact on Michigan's future;
- To conduct non-partisan research and distribute policy studies on issues facing Michigan including, but not limited to, taxation, government regulation, government spending, health care and transportation.

Michigan Chamber Foundation Board of Directors

About Northwood University

Northwood University is committed to the most personal attention to prepare students for success in their careers and in their communities. It promotes critical thinking skills, personal effectiveness and the importance of ethics, individual freedom and responsibility.

Private, non-profit and accredited, Northwood University specializes in managerial and entrepreneurial education at one full-service, residential campus located in mid-Michigan. Adult Degree Programs are available in seven states with many course delivery options, including online. The DeVos Graduate School offers accelerated, evening and weekend programming in Michigan and Texas. The Alden B. Dow Center for Creativity and Enterprise provides system-wide expertise in family enterprise, entrepreneurship, creativity and innovation and new business development. International education is offered through study abroad and in Program Centers in Switzerland, China (Changchun and Wuxi), Malaysia and Sri Lanka.

The McNair Center for the Advancement of Free Enterprise and Entrepreneurship at Northwood University is a leading university think-tank, generating information, research, and programs focused on the study, advocacy and expansion of the market process and the creation and the cultivation of entrepreneurs.

Acknowledgements

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Dr. Debasish Chakraborty, Professor of Economics, Central Michigan University

Dr. Richard Ebeling, Professor of Economics, The Citadel

Dr. Adam Okulicz-Kozaryn, Associate Professor of Public Policy, Rutgers University

Mr. Adam N. Matzke, Economics and Finance graduate, Northwood University

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Introduction

The purpose of the study is to conduct a comprehensive analysis of the Michigan economy that builds upon research completed for 2012, 2013, 2014 and 2015 economic competitiveness studies and that provides benchmarks for measuring the state's economy against national and regional competitors.

The focus is on Michigan's economy as it compares to regional and national data over the last decade, as well as the trends that help forecast its future. Now in its fifth edition, Michigan is evaluated against over 200 metrics including Gross State Product (GSP) growth, tax policy, regulatory policy, employment growth and the cost of doing business. Researchers examined state tax structures, regulations and rules that govern business, educational attainment, workforce composition and the most current economic statistics available to give the most complete picture of the state's business climate.

The study also breaks out data comparing Right-To-Work states to Non-Right-To-Work states, Michigan to Great Lakes region states (Illinois, Indiana, Michigan, Ohio, and Wisconsin) and looks at some of the largest cities in the Great Lakes region as contributors to the state's economic success**. New with the 2016 study** is an analysis of the largest cities/GSP regions within the state of Michigan (see Exhibit 126).

The Michigan economy began its seventh year of economic recovery in the summer of 2016. Job growth has slowed a bit, but still averaged a healthy 2.2% growth in the first half of 2016. The University of Michigan projects good job growth for the second half of 2016 and solid job growth of 1.2% by the end of the first half of 2017. From December of 2010 to December of 2015, Michigan led the country in the creation of manufacturing jobs and was number 6th in the creation of private sector jobs with more than 490,000 jobs created. Michigan's unemployment rate has dropped more than 50% since late 2010, making it the top-performing state in this category at the end of 2016. Michigan remains the automotive management capital of the U.S. as well as its design and R&D center. In 2015, the U.S. automobile industry reached an all-time record for automobiles, SUVs and light trucks sold at just over 17,470,000 vehicles. Record breaking sales in 2015 were up 5.7%, with impressive gains by the Detroit three and a slowing, but promising 2016.

Methodology

Using statistical techniques called factor analysis, a process in which the values of observed economic data are expressed as functions of a number of possible causes or factors to find which are the most important to overall economic competitiveness, researchers studied the following factor categories: 1) General Macroeconomic Environment, 2) State Debt and Taxation, 3) Workforce Composition and Cost, 4) Labor and Capital Taxation 5) Regulatory Environment. These are the same five factor categories used in each year's installment of the study.

Factor 1 (General Macroeconomic Environment) - considers general measures of statewide economic health such as unemployment rates, labor force participation rates, per-capita income and life-satisfaction (another measure of well-being in addition to per-capita income).

Factor 2 (State Debt and Taxation) - considers state debt per capita, cost of living and tax burden per capita (tax burden considers state sales taxes, selective taxes, license taxes, corporate income taxes and state income taxes).

Factor 3 (Workforce Compensation and Cost) –considers percentage of the working population that is part of a union, percentage of the private working population that is a member of a union, percentage of the public working population that is a member of a union and cash payments to beneficiaries (including withdrawals of retirement contributions) of employee retirement, unemployment compensation, workers' compensation and disability benefit social insurance programs.

Factor 4 (Labor and Capital Formation) - considers employment growth, population growth, migration and organizational birth and death data.

Factor 5 (Regulatory Environment) - is a composite of other indices that consider the business friendliness of a state's regulatory framework/environment.

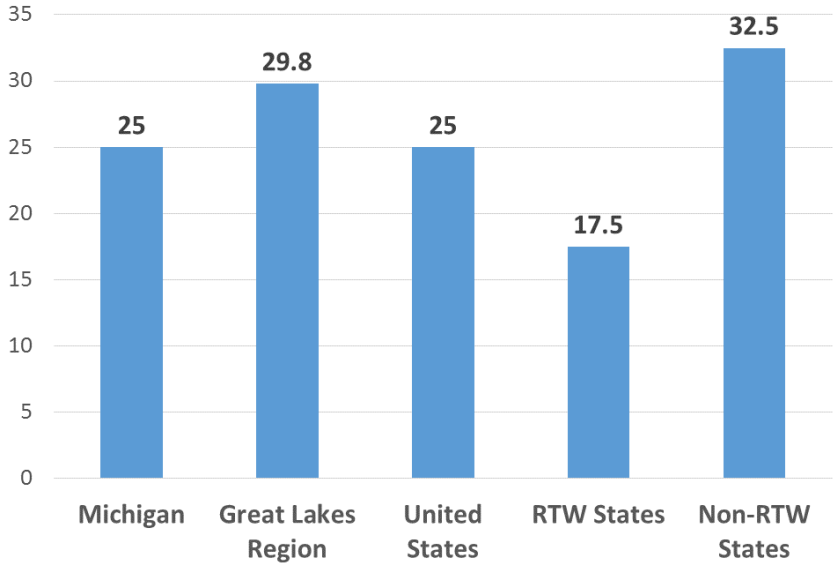
The Northwood University Competitiveness Index

The Northwood University Competitiveness Index was developed for this study and is comprised of five factor categories measuring various areas of economic performance for all 50 states (1 is the most favorable and 50 is the least favorable). Unlike many other indices where the data and/or categories are assigned weights by the researchers, the Northwood Index assigns weights based on factor analysis which initially involved 200 variables. The weights are market sensitive and are susceptible to fluctuate with changes in economic conditions and data from year to year. Thus, the indices are based on these weights and are snapshots of current market conditions and key factors over said period. Therefore, the model delivers an overall ranking for a state, provides evidence of strengths and weaknesses relative to other states by category and the weights assigned in each category derived by the model may be useful in prioritizing efforts to improve a state's relative competitiveness (see Exhibits 107 and 108).

Exhibit 107 : Northwood's State Competitiveness Index Rank (2000-2016)

Alabama	32	Montana	21
Alaska	29	Nebraska	6
Arizona	37	Nevada	17
Arkansas	19	New Hampshire	26
California	11	New Jersey	48
Colorado	4	New Mexico	38
Connecticut	49	New York	45
Delaware	40	North Carolina	18
Florida	33	North Dakota	5
Georgia	12	Ohio	30
Hawaii	47	Oklahoma	7
Idaho	9	Oregon	20
Illinois	35	Pennsylvania	42
Indiana	23	Rhode Island	50
Iowa	14	South Carolina	24
Kansas	28	South Dakota	16
Kentucky	43	Tennessee	13
Louisiana	27	Texas	1
Maine	44	Utah	2
Maryland	41	Vermont	39
Massachusetts	46	Virginia	8
Michigan	**25**	Washington	15
Minnesota	34	West Virginia	10
Mississippi	31	Wisconsin	36
Missouri	22	Wyoming	3

Exhibit 108 : Northwood's State Competitiveness Index Rank (2000-2016)



The research concluded and the analysis shows that Michigan's economy improved similarly to the U.S. economy and, while making gains in its overall competitiveness, still has strides to make relative to other states. **The overall factor analysis making up the Northwood University State Competitiveness Index shows Michigan moving from 47th in 2012 to 25th in 2016.**

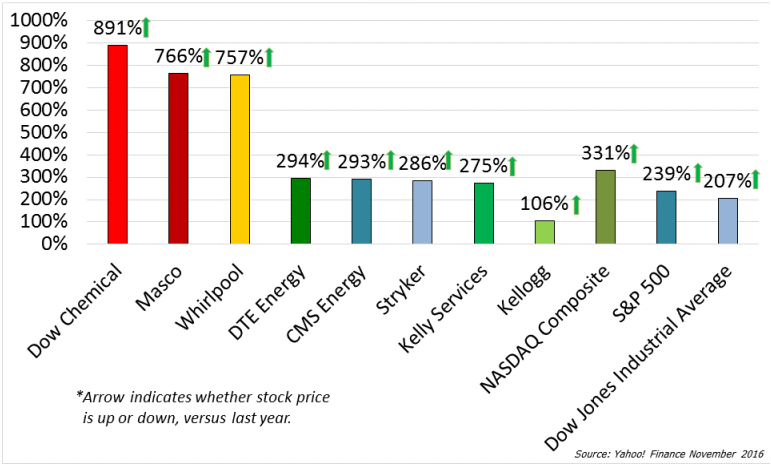
Overall, Michigan ranks 25th out of the 50 states in the Index. Consequently, the state's relatively strong performance in terms of Debt and Taxation and Regulatory Environment is outweighed by its relatively weak performance in the factor categories of Workforce Composition, Cost and Labor and Capital Formation. The key reason for Michigan's overall rank improvement in 2016 had much to do with a stronger Macroeconomic Environment and a Competitive Tax and Regulatory Environment.

New with the 2016 study is a snapshot of Michigan's overall economic performance since 2011. The above chart shows Michigan's economic performance through two difficult recessions being with data in 1998. Exhibit 117 shows that Michigan, driven by tax and regulatory reform and strong public policy, has been the 13th most competitive state economically since 2011, something all Michiganders played a role in and should be proud of (see Exhibit 127)**.**

Exhibit 127: Northwood's State Competitiveness Index Rank (2011-2016)			
Alabama	37	Montana	15
Alaska	38	Nebraska	14
Arizona	26	Nevada	11
Arkansas	35	New Hampshire	28
California	27	New Jersey	46
Colorado	6	New Mexico	45
Connecticut	49	New York	47
Delaware	42	North Carolina	4
Florida	2	North Dakota	7
Georgia	12	Ohio	24
Hawaii	36	Oklahoma	33
Idaho	9	Oregon	10
Illinois	31	Pennsylvania	34
Indiana	8	Rhode Island	50
Iowa	22	South Carolina	20
Kansas	30	South Dakota	18
Kentucky	43	Tennessee	5
Louisiana	32	Texas	3
Maine	41	Utah	1
Maryland	39	Vermont	44
Massachusetts	17	Virginia	25
Michigan	**13**	Washington	16
Minnesota	23	West Virginia	48
Mississippi	40	Wisconsin	29
Missouri	21	Wyoming	19

GDP growth in Michigan over the last few years has been led by a resurgence in the automobile, agriculture, tourism sectors and manufacturing in general. In fact, Michigan-based Fortune 500 Company Stock Prices (Non-Automotive) on average have out-performed the three major stock indices since the trough of the "Great Recession" at 444% growth

Exhibit 123: Percent Increase in Michigan Based Fortune 500 Company Stock Price (Non-Automotive) (03/09 – 12/16)



compared to 259% growth for the stock market (see Exhibit 123). A careful analysis of factor categories 3 and 4 coupled with sound public policies designed to address said issues with workforce development and labor costs will enhance Michigan's competitiveness.

Michigan's economic performance in the five categories ranked as follows:

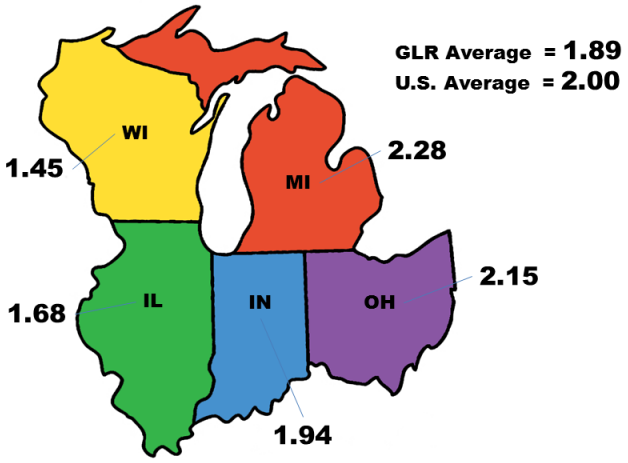
Exhibit 119: Michigan's Economic Performance Ranking
(1998-2016 Data)

	2016	2015	2014	2013	2012
NU State Competitiveness Index: Michigan	**25**	**29**	30	39	47
Factor 1 – General Macroeconomic Environment	**10**	**11**	20	31	48
Factor 2 – State Debt and Taxation	**13**	**13**	12	14	10
Factor 3 – Workforce Composition and Cost	**38**	**39**	38	43	45
Factor 4 – Labor and Capital Formation	**35**	**36**	38	44	45
Factor 5 – Regulatory Environment	**19**	**25**	23	26	24

The factor analysis again shows Michigan improving in the General Macroeconomic Environment. This is largely due to relative improvements in Gross State Product growth and reductions in unemployment. Job growth in Michigan was positive in 2011, 2012, 2013, 2014 and 2016 with almost 500,000 jobs created since the end of 2010. Researchers believe much of this growth can be attributed to Michigan's state business tax environment and regulatory structure. Michigan's labor cost still remains among the highest nationally in some sectors while net population migration and new business startups are improving in Michigan since 2000, yet remain among the most challenging nationally. The 2016 Kauffman Foundation Entrepreneurial Index shows Michigan slightly lower than the national average, yet leading the Great Lakes Region. Michigan shows general promise in entrepreneurial activity, which can significantly improve rankings given continued development in economic attractiveness.

Michigan led the Great Lakes Region states in economic growth and was a strong performing state nationally over the last five years. It is also of note that the Great Lakes Region was the fifth best performing region in the country (out of eight regions) over the same period with good performance coming from Michigan, Indiana and Ohio. The region showed average growth in the Gross State Product (GSP) of 1.8% and Michigan GSP growth of 2.40%. The region did not outperform the U.S. national average in personal income growth per capita as it did in previous studies. The Great Lakes region realized only 1.89% growth compared to the national average of 2% over the last four years. Michigan's recovery outpaced the national average and was more broad-based, as many non-automotive Michigan Fortune 500 companies have dramatically improved in the stock market since the "Great Recession" trough of March 2009.

Exhibit 26: Gross State Product Growth (2011 - 2015)



The 2016 study includes a feature analyzing eight of the Great Lake states' largest economic areas and principle cities. The Detroit and Grand Rapids economic areas show signs of strong economic improvement since 2009, after facing challenging economic times in the first decade of the 21st century, and outperformed Chicago, Cleveland, Indianapolis and Milwaukee. Grand Rapids was the top performing major Great Lakes Region city at 4.06% economic growth with Columbus, OH next at 3.6% growth, while Lansing exhibited good growth at 2.1% from 2009-2014, signaling economic recovery for the city.

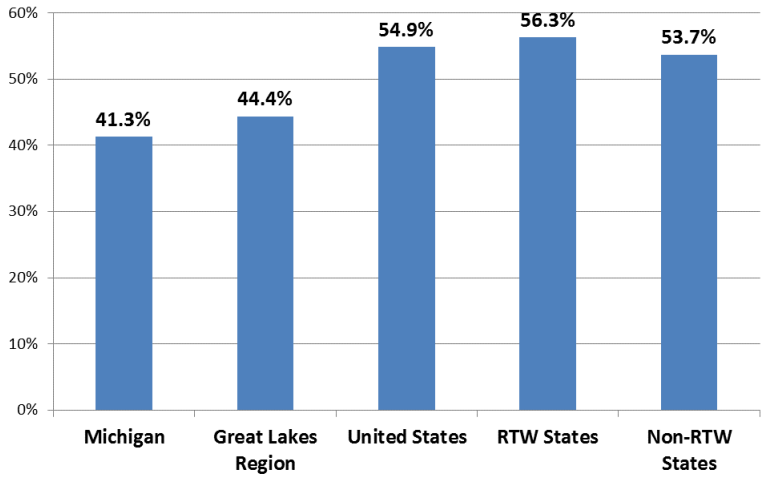
Key Findings

The following are examples of the many factors used in this study to evaluate the competitiveness of the Michigan economy relative to the U.S. as a whole, the Great Lakes Region, as well as Right-To-Work (RTW) states and Non-Right-To-Work (NRTW) states:

1. Growth in Personal Income

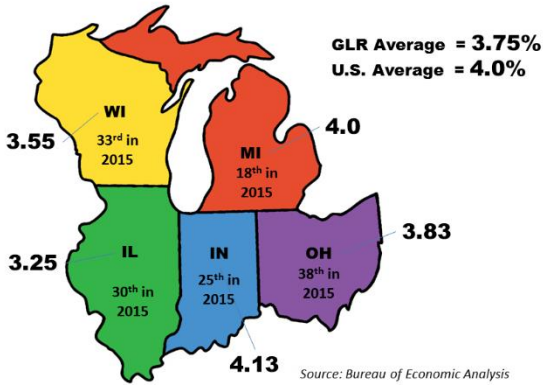
Personal income per capita growth in Michigan grew 41.3% from 2000-2015 while the U.S. average income grew at 54.9% over the same period. Personal income growth over the period grew at just over 56% in RTW states, at 53.7% in NRTW states and 44.4% in the Great Lakes region. Also of note, Michigan did not lead the Great Lakes region from 2010 – 2015 or the national average for per capita personal income growth (see Exhibits 36 and 37). However, increasing per capita income growth in Michigan over the last few years is still a leading indicator of a strengthening economy and job market.

Exhibit 36: Personal Income Per Capita Growth (2000-2015)



Source: Computed with data from Bureau of Economic Analysis (2000 - 2015)

Exhibit 37: Great Lakes Average Personal Income Per Capita Growth (2010-2015)



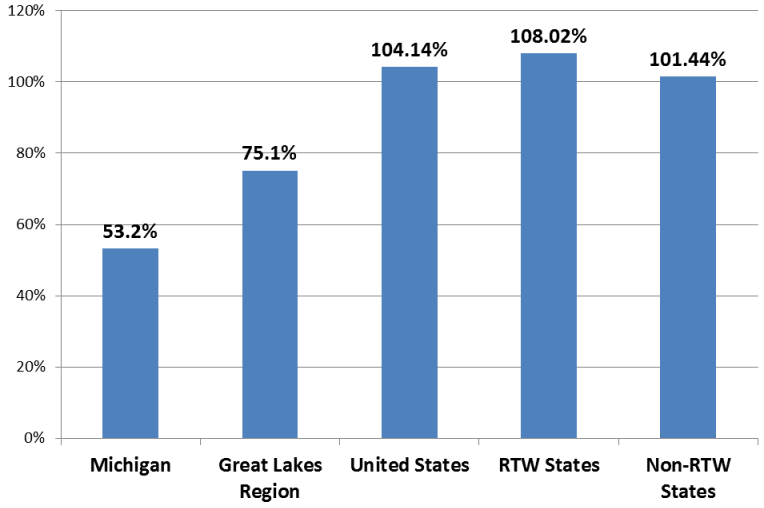
Source: Bureau of Economic Analysis

2. Real Gross State Product (GSP) Growth

From 1998-2015, Michigan Real Gross State Product (GSP) lagged behind the national average significantly. While the U.S. economy grew from an overall real Gross Domestic Product (GDP) level of more than $8 trillion in 1998 to just over $16.6 trillion in 2015 or just over 100%, the Michigan economy grew by only 53%. Gross State Product grew at an average rate of roughly 104% over the same period in RTW states while realizing a slower growth rate in NRTW states of just 108% and 101% in the Great Lakes Region.

Michigan's GSP growth was impressive from 2011-2015. The Michigan average of 2.28, leads the Great Lakes Region and was above the U.S. average of 2.0 for the same period. The Great Lakes Region average was just below the average of the U.S. over the same time period. If Michigan were its own economic region, it would have ranked third in economic growth trailing only the Southwest and Rocky Mountain regions of the U.S., signaling recent improvement in the Michigan economy (see Exhibits 19, 27, and 28).

Exhibit 19: Gross State Product Growth (1998-2015)



Source: Computed with data from Bureau of Economic Analysis (1998 – 2015)

Exhibit 27: U.S. GSP Growth in Great Lakes Region (2011 - 2015)

State	2011	2012	2013	2014	2015	Average Rank
Illinois	2.07	1.91	0.9	1.2	2.3	1.68
Indiana	2.19	3.30	2.1	0.4	1.7	1.94
Michigan	**3.45**	**2.25**	**2.0**	**1.9**	**1.4**	**2.28**
Ohio	2.88	2.16	1.8	2.1	1.8	2.15
Wisconsin	1.28	1.45	1.7	1.0	1.8	1.45
Great Lakes	2.43	2.17	1.6	1.4	1.8	1.89
U.S.	1.68	1.28	2.66	2.49	1.94	2.0

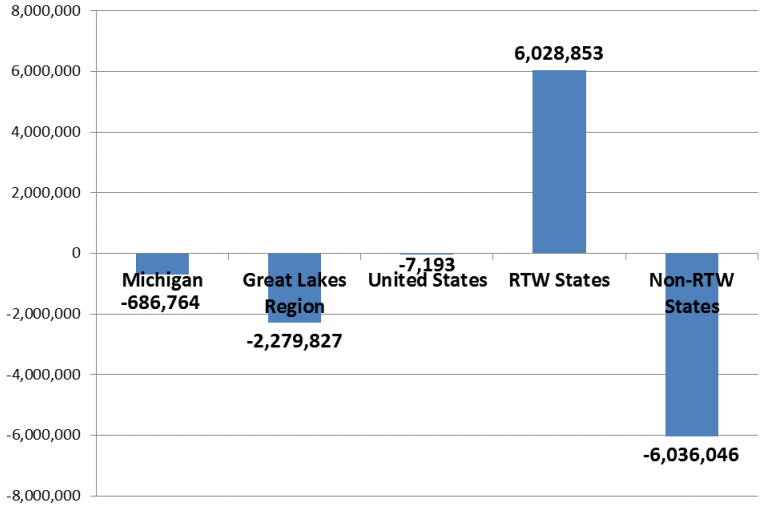
Exhibit 28: U.S. GSP Growth by Region (2011 - 2015)

Region	2011	2012	2013	2014	2015	Average
New England	1.04	1.24	1.3	1.6	1.3	1.3
Mid East	1.20	1.48	0.7	1.7	1.6	1.3
Great Lakes	2.43	2.17	1.6	1.4	2.14	1.95
Plains	1.96	2.74	2.5	1.3	1.3	1.96
South East	0.97	2.12	1.6	1.7	2.2	1.7
South West	2.97	4.07	3.3	4.3	3.1	3.55
Rocky Mountains	1.52	2.10	4.1	3.9	3.1	2.9
Far West	1.51	3.33	2.0	2.7	3.8	2.67
U.S.	1.68	1.28	2.66	2.49	1.9	2.0

3. Net Population Migration

Michigan's population net migration from 2000-2015 was among the worst in the United States, ranking 47th with a loss of 686,784 people. Net migration is defined by the difference in people leaving a state relative to people migrating to a state over a given period of time. The overall U.S. population net migration for the same period was just over 7,193 people net negative with RTW states experiencing a positive net migration total of 6,028,853 and NRTW states suffering a net migration loss of 6,036,046 with the Great Lakes region realizing a loss of just under 2.3 million people. (see Exhibit 17). Even though population net migration is still negative, it is slowing with the net job creation that has taken place in Michigan over the last six years.

Exhibit 17: Population Net Migration (2000-2015)

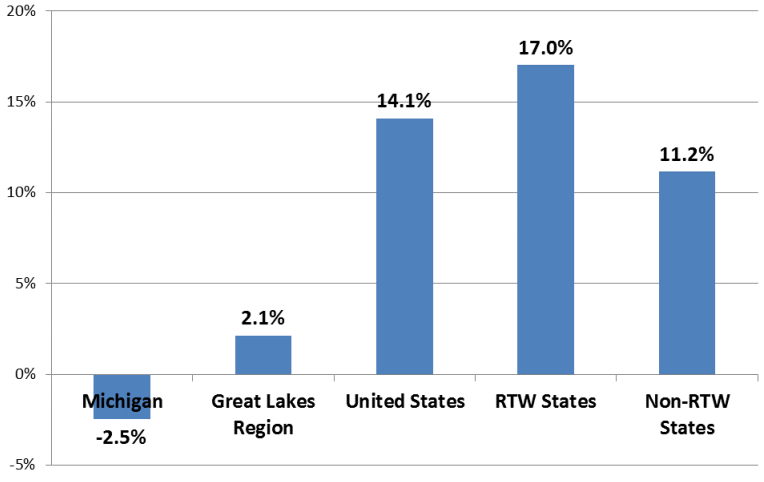


Source: Computed with data from Bureau of Labor Statistics (2000 – 2015)

4. Job Growth by State

During the same period between 2000 and 2014, Michigan Non-Farm Employment growth declined 2.5% while U.S. overall growth grew 14.1%. RTW states saw employment growth at just under 17% while NRTW states job growth was 11.2%. The Great Lakes Region realized slightly positive growth (see Exhibit 32).

Exhibit 32: Non-farm Payroll Employment Growth (2000-2014)

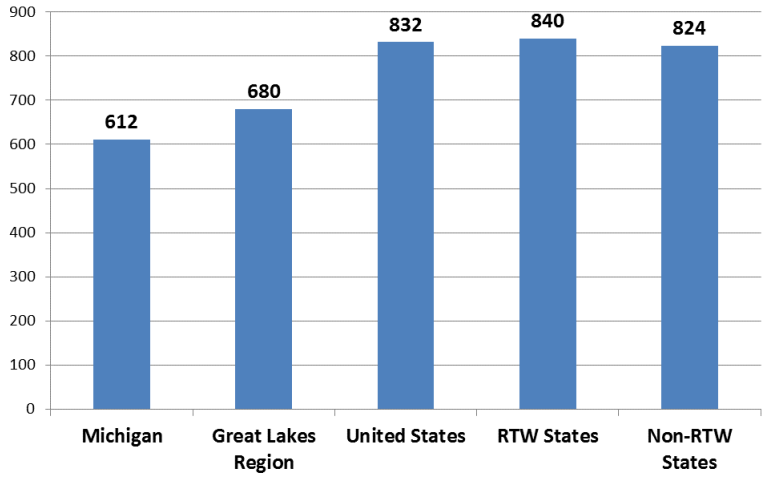


Source: Computed with data from Bureau of Economic Analysis (2000 - 2014)

5. Total Government Employees per 10,000 People

Michigan, as of 2015, has 612 government employees per 10,000 people, ranking it 4th best in the country again with this study (see Exhibit 61). This is a slight decrease from the 2014 study when Michigan had 616 government employees per 10,000 people, and is a sign of increasing government efficiency.

Exhibit 61: Total Government Employees per 10,000 People (2015)

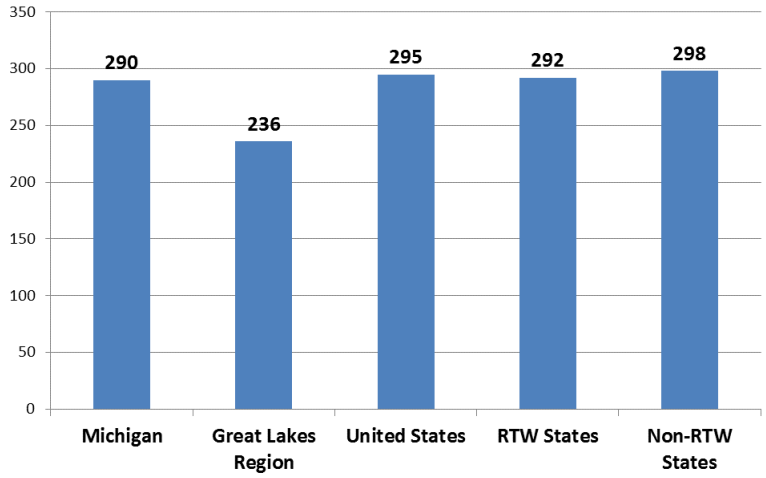


Source: Computed with data from Bureau of Economic Analysis (2016)

6. Index of Entrepreneurial Activity per 100,000

The Kauffman Foundation ranked new business activity per month per state per 100,000 people in 2016 with the national average being 295 and the Michigan average at 290. The RTW state average was 292, the NRTW state average was 298 and the Great Lakes Region was 236 (see Exhibit 87). Since the "Great Recession," the Michigan economy has shown strong growth in both income and gross state product clearly improving the environment to bring new business to Michigan and encouraging entrepreneurial growth as we no longer lag behind the national average and are far above Michigan's average level of 180 in last year's study.

Exhibit 87: Kauffman Index of Entrepreneurial Activity (2015)

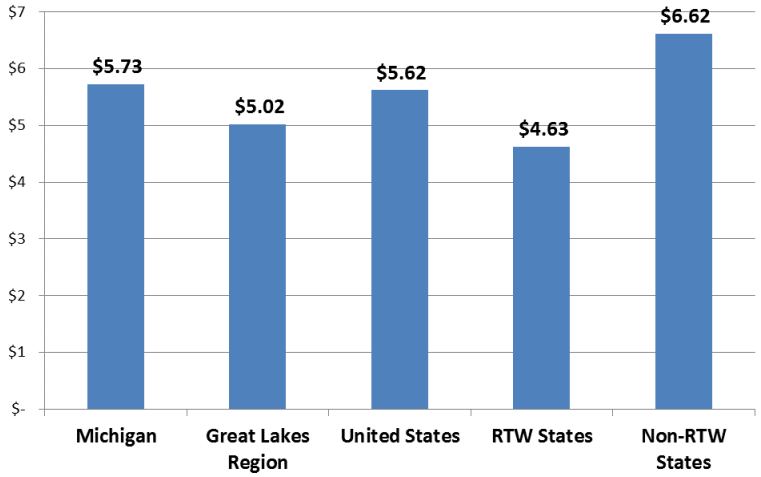


Source: Computed with data from The Kauffman Foundation (2016)

7. Industrial Cost of Natural Gas

Michigan seems to be somewhat competitive in the area of average cost of electricity, but trails natural gas per unit relative to the Great Lakes Region and RTW averages. It was above the national average for electricity and below the RTW average price for electricity per unit in 2013. However, the RTW average for natural gas was below the national, NRTW, Great Lakes Region and Michigan averages in industrial natural gas costs we studied for 2013 (see Exhibit 79). Michigan's industrial natural gas price increased from last year's study to this year's study, and so did the cost for the rest of the country leaving Michigan at a slight competitive disadvantage, continuing to suggest an opportunity for public policy debate relative to pricing structure.

Exhibit 79: Industrial Natural Gas Prices (Avg. Jan.-Apr. 2016)

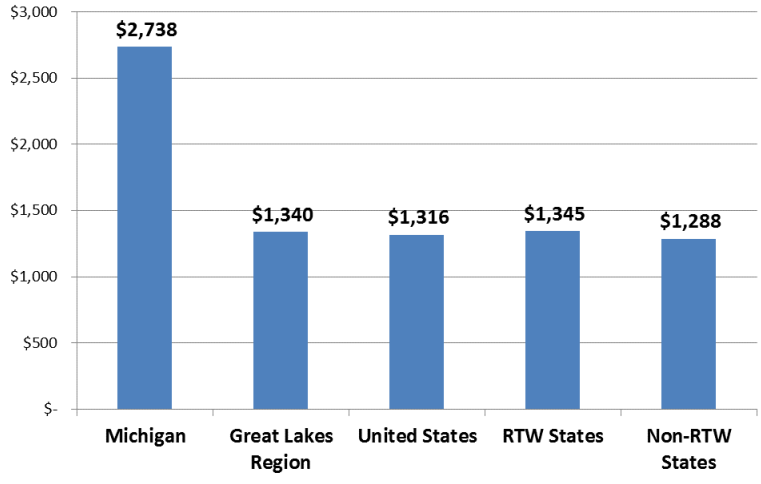


Source: Computed with data from U.S. Energy Information Administration (Average Jan.-Apr. 2016)

8. Automobile Insurance Cost

The cost of doing business in Michigan is high by a number of key metrics. The median price for an automobile insurance policy in **Michigan is the highest in the country**, according to a recent study released by CarInsuranceQuotes.com. The median average in Michigan is $2,738, the national average is just over $1,316, the RTW average is $1,345, the NRTW average is just under $1,288 and the Great Lakes Region is $1,272. Michigan requires long-term catastrophic care as a part of its no-fault coverage; the cost figures out to be 5.27% of median

Exhibit 67: Average Price of Annual Car Insurance Policy (2016)



Source: Computed with data from CarInsuranceQuotes.com (2016)

household income to purchase insurance. New Hampshire is the best bargain at 1.28% of median household income (see Exhibit 68). Again with the 2016 study, we used the same broad measure of cost with Michigan remaining 50th as the most costly state. Again an area for public policy consideration and improvement.

9. State Business Tax Climate Index

The *State Business Tax Climate Index* is produced annually by the Tax Foundation, one of this country's leading fiscal policy think tanks. The index is a measure of how each state's tax law affects economic performance. An overall index rank of 1 means the state's tax system is most favorable for business; a rank of 50 means least. Rankings are weighted and do not average across to total. The chart depicts a strong and improving climate for business in Michigan in 2016. Michigan Ranks 13th overall, 10th best relative to corportate taxes, 14th in indiviual income taxes and 7th in sales tax. Michigan is number 2 in the Great Lakes Region trailing Indiana which is ranked 8th in the country (see Exhibit 106).

Exhibit 106: State Business Tax Climate Index 2016

State	Overall Index Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Unemp. Insurance Tax Rank	Property Tax Rank
Wyoming	1	1	1	12	30	36
South Dakota	2	1	1	34	40	22
Alaska	3	30	1	5	21	21
Florida	4	17	1	17	3	20
Nevada	5	4	1	3	4	7
Montana	6	23	20	3	18	9
New Hampshire	7	48	9	2	44	43
Indiana	8	20	11	11	14	5
Utah	9	5	12	16	19	2
Texas	10	41	6	37	15	34
Great Lakes Region						
Michigan	**13**	**11**	**15**	**7**	**48**	**26**
Illinois	23	36	10	33	39	45
Ohio	42	26	47	30	6	11
Wisconsin	43	32	43	13	36	33

Source: Tax Foundation (2016)

A Snapshot of Key Great Lakes Region Cities

Using the most current data available, we took a close look at how key cities in the Great Lakes Region have functioned since 2000. We looked at eight cities from the five Great Lakes region states including Detroit, Grand Rapids and Lansing.

Michigan was clearly the hardest hit state economy in the country over the last 15 years. The data also shows that Detroit was one of the most— if not the most— adversely affected city while Grand Rapids and Lansing had economic challenges as well. The inspiring news is that Grand Rapids was the top performer of the eight cities we analyzed between 2009 and 2015, with Detroit close behind, and Columbus, OH in third place. Grand Rapids was also the only city in the region to outperform the national average for GDP growth 2008-11 while Detroit, Grand Rapids and Columbus, OH performed at a significantly higher level than the U.S. metro average 2009 to 2014 based on the Bureau of Economic Analysis data. Chicago, Cleveland, Indianapolis and Milwaukee all trailed Grand Rapids, Columbus and Detroit in economic growth from 2009-2014 with Milwaukee falling below the national average over the period (see Exhibit 121).

Exhibit 121: An Economic Snapshot of Key Great Lakes Region Cities (2000-2015)

	Metro Compounded Annual GDP Growth Rate (2000-2011)	Metro Compounded Annual GDP Growth Rate (2008-2011)	Metro Compounded Annual GDP Growth Rate (2009-2014)	Metro GDP (2015)	Rank Metro GDP (2011)	Rank Metro GDP (2015)	Number of Employers	City Population (City Proper) (2015)	City Median Household Income/State (2009-2013)
Chicago	0.64	-0.15	1.83	$640 B	3	3	255,502	2,690,518	$47,270/$56,797
Cleveland	-0.15	-0.97	2.32	$128 B	27	27	26,208	396,815	$26,217/$48,308
Columbus	0.53	-0.28	3.6	$124 B	32	30	56,957	787,033	$44,072/$48,308
Detroit	-1.12	-1.25	3.4	$245 B	14	14	50,588	677,116	$26,325/$48,411
Grand Rapids	0.10	0.63	4.06	$54 B	66	56	15,528	188,040	$39,227/$48,411
Indianapolis	1.14	-0.32	2.6	$134 B	28	25	63,805	853,173	$41,962/$48,248
Lansing	0.10	-0.30	2.1	$21 B	112	117	8,363	114,297	$36,054/$48,411
Milwaukee	1.10	0.14	1.4	$102 B	35	37	31,769	594,833	$35,467/$52,413
U.S. Metro Areas	1.48	0.24	2.0	$14.6 T					

A Changing Michigan: Comparing the 2012-2016 Michigan Competitiveness Studies

Michigan is showing stronger growth and a brighter economic picture when comparing our 2016 study to our 2012-2016 studies. Seven of the nine key factors outlined in last year's Executive Summary have shown some or much improvement (Factors 1, 2, 4, 5, 6, 7, and 9) in 2014, while the other factors outline areas for concern or improvement (Factors 3 and 8). It should be noted that the cost of natural gas has declined overall nationally since 2012 due to increases in the U.S. supply related to the discovery, drilling and processing of new deposits domestically. However, Michigan is still a high-cost state for industrial natural gas. It should also be noted that we used a broad-based metric again to measure automobile insurance costs in the 2016 study. Even with a broader based analysis, Michigan is the top cost state for automobile insurance in the country, and average cost increased slightly in 2016 (see Exhibit 122).

Exhibit 122: Comparison of Key Michigan Data from 2012 - 2015 Studies

	2012 Study	2013 Study	2014 Study	2015 Study	2016 Study
Average Personal Income Per Capita Growth	2000-2010	2000-2012	2000-2013	2000-2014	2000-2015
	20.3%	27.5%	30.0%	35.1%	41.3%
Gross State Product Growth	1998-2011	1998-2012	1998-2013	1998-2014	1998-2015
	26.5%	31.5%	42.1%	48.3%	53.2%
U.S. Population Net Migration	2001-2010	2001-2012	2001-2013	2000-2014	2000-2015
	-554,374	-590,635	-619,174	-647,853	-686,764
U.S. Employment Growth	2001-2010	2001-2011	2001-2012	2000-2013	2000-2014
	-16.90%	-13.90%	-5.8%	-4.3%	-2.5%
Total Government Employees Per 10,000 People	2010	2012	2013	2014	2015
	657	618	630	616	612
The Kauffman Index of Entrepreneurial Activity	2011	2012	2013	2015	2016
	220	180	290	260	290
Industrial Natural Gas Prices	2010	2012	2013	2015	2016
	$8.23	$7.42	$7.92	$6.58	$5.73
Median Price of Annual Car Insurance Policy	2012	2013	2014	2015	2016
	$4,490.00	$2,520.00	$2,551.00	$2,476.00	$2,738
Northwood University Competitiveness Index	2012	2013	2014	2015	2016
	47	39	30	29	25

Michigan has made dramatic progress over the 5 years of the *Michigan Chamber Foundation's Competitiveness Study*. Michigan has moved from a ranking of 47 in 2012 to 25 in 2016. It is also important to note that when measuring Michigan's overall competitiveness from 2011-2016, Michigan ranks 13th. This is a clear tribute to effective public policy decisions in Lansing and a highly productive Michigan work force.

Michigan has also made tremendous progress in the five factor categories, improving an average of 9 places per category since 2012 (see Exhibit 119). Through early December of 2016, Michigan-based non-automotive, Fortune 500 companies have on average outperformed the Dow Jones Industrial Average, the NASDAQ Composite Index and the S&P 500 since the trough of the Great Recession (see Exhibit 123). Michigan has led the Great Lakes Region in average GDP growth and job creation since 2010. There is much yet to do in areas ranging from energy cost and infrastructure to the cost of automobile insurance, yet there is no doubt at the end of 2016 it can clearly be said that Michigan's economic comeback continued. If one reflects on where the state was just a decade ago, Michigan has truly experienced a remarkable transformation.

Conclusion

Economists fundamentally agree on the sources that drive economic growth. Robert Barro (1991) in his seminal paper, "Economic Growth in a Cross Section of Countries," studied the key economic and political factors that determined 98 countries' competitiveness that led to economic growth and standards of living. It is clear from this and other studies that economic growth is helped by investments in human capital, lower tax rates, a lower regulatory burden on businesses and emphasis on human development. It is also clear that the U.S. in recent times has been steadily falling behind in these critical investment areas, or at least unable to keep up with the investments vis-à-vis many of its competitors. One factor might be that government in the United States is becoming increasingly more important in the overall scheme of things as compared to the private sector. In addition, the federal government budget deficit and national debt are growing alarmingly high and the financing of the deficit has been instrumental in increasing the cost of capital, making it difficult for private businesses to invest in critical areas. Many economists would argue that this unprecedented increase in government spending and national debt that exceeds 104% of U.S. GDP has been the primary reason behind the relative decline in American competitiveness (see Exhibit 10).

U.S. economic growth began to slow toward the end of the 20th century and experienced additional challenges in the early 21st century. Government was becoming more significant to the U.S. economy with the U.S. experiencing the highest corporate income tax rate in the industrialized world according to the U.S. Tax Foundation. Taxes continue to plague American businesses disproportionately to its competitors. The 2016 Heritage Foundation/Wall Street Journal's *Index of Economic Freedom* measures political freedom, prosperity and economic freedom across 10 metrics to gauge the economic success of 184 countries around the world. In 1995, the U.S. was ranked fourth in the world on the index, and in 2016 the U.S. fell to 12th.

It is important to understand how large and important the Michigan economy still is within the U.S. and global economy. Michigan's 2016 GSP makes it one of the 27 largest economies in the world if it were a country. The 2016 study paints a more positive picture of Michigan's competitive position relative to most other U.S. states in comparison to our 2012, 2013, 2014

and 2015 studies. Michigan's ranking on *The Northwood University Competitiveness Index* of 25 indicates Michigan has made strong progress driven by a more friendly tax and regulatory environment over the last couple of years since our initial study in 2012. **It is also important to note Michigan ranks 13th in overall competitiveness since 2011.** This study again indicates more time and study are needed to better determine the causal relationship between RTW legislation and competitiveness; for most of the time period measured in this study, Michigan was still a NRTW state. However, the study shows that RTW states generally were more productive then NRTW states. The research contained in this study should serve as a guidepost and tool for benchmarking for Michigan public policy leaders. For many years Michigan was the economic catalyst for much of the U.S. economy.

Michigan is once again moving in the right direction and deserves to be studied. A few good years of data do not make a trend nor spell "Mission Accomplished." Michigan continues to be: A) blessed with highly educated and skilled white and blue collar workforces, B) in possession of an improving tax and regulatory environment which is favorable for job creation, C) the center of the world's largest deposit of fresh water, D) at the center of waterway transportation for the Great Lakes Region, the Mississippi, and to Ontario, Canada, E) a hub for rail, trucking, cargo and air transportation, F) headquarters to many of the world's leading manufacturing and technology companies, G) home to world-class colleges and universities, and H) poised to realize an energy boom via safe oil and natural gas recovery if the public is afforded a rational and open debate.

Michigan has made it through the economically difficult first decade of the 21st century and continues to show strong signs of an economic turnaround. Michigan is showing that its economic growth is not only outpacing the other Great Lake states, but is a strong example for growth on a national level as well. There is no doubt that Michigan continues down a come-back path but it has not arrived yet. Can Michigan return to the position of greatness it once occupied in the U.S. business structure? We again answer unequivocally yes, but only if we continue to adopt growth-friendly public policies. Michigan must continue to set its sights high and benchmark best economic and political practices of this country's top performing states.

The good news is that many good things have happened in Michigan since last year's study causing other states to benchmark to our progress.

Finally, RTW has been an important factor, but not the answer or significant policy to date in advancing Michigan's economic competitiveness. Michigan's improvement on the Northwood University competitiveness index has been impressive since 2012 and is to be lauded. However, it is important to understand that state policy can only "go so far" in driving a state economy forward in today's complex global economy. The U.S. federal government still takes the lion's share of income taxes placed on businesses and individuals and determines much of the regulatory burden faced by households and commerce in America today (see Exhibit 3). Not only must Michigan continue to compete against an ever-changing, aggressive tax policy from other states trying to attract new business, it must also compete against international competitors whose federal tax policies are often more attractive as well (see Exhibit 6 and 7).

The United States is still the strongest and most vibrant economy in a world rattled with challenges, complexities and much uncertainty. It is a country burdened with the highest corporate income tax in the industrial world, a national debt that is approaching $20 trillion (roughly 104% of GDP) and a regulatory environment that is increasing the cost of doing business relative to other countries. These and other factors have slowed U.S. growth for nearly a decade with U.S. GDP growth averaging less than 2% since 2006, while its historic yearly average growth rate since WWII is 3.23% (see Exhibit 24). Michigan's economic comeback has been and continues to be impressive. If Michigan, and the other 49 states, are to realize significant growth in the future, policy makers in Lansing will need congruent policies from Washington, policies that will complement and supplement pro-growth and pro-business policies at the state level, such as federal tax and regulatory reform.

Introduction

The following research and conclusions emanate from a series of meetings and discussions between the study authors and members of the Michigan Chamber of Commerce board and staff. The study is a follow up to our previous 2012-2015 studies, which were conceived and designed to take a careful and unbiased look at the issue of competitiveness with specific reference to the U.S. and Michigan economies.

The U.S., and therefore the Michigan economy, is part of a highly complex global economy which faces constant and often radical change due to factors such as falling oil prices and global unrest (see exhibits 5 and 13). The study briefly outlines the current state of U.S. competitiveness in the global economy and then focuses on Michigan's economic performance relative to the other 49 U.S. states, the Great Lakes states and regionally within Michigan. The purpose of the study is to conduct a comprehensive analysis of the Michigan economy and evaluate its rank and performance across a number of metrics including but not limited to Gross State Product (GSP) growth, tax policy, regulatory policy and cost of doing business.

The 2016 study focuses on competition on a national scale by state, Right-To-Work versus Non-Right-To-Work states, an expanded Great Lakes Region states section, a comprehensive analysis of non-automotive Michigan-based Fortune 500 companies, their stock competitiveness and entrepreneurial activity since the trough of "Great Recession." The study results are informative and unique and make a compelling case for bipartisan discussion, action and objective pro-business reforms.

The U.S. in a Complex Global Economy

Again this year, we begin the study with the statement that economists fundamentally agree about the source of economic growth. There are definite reasons why some nations grow and others don't. Robert Barro (1991) in his seminal paper "Economic Growth in a Cross Section of Countries" tried to answer that question. He studied the key economic and political factors that determined 98 countries' competitiveness that led to economic growth and standards of living. It is clear from his studies and others that economic growth is helped by investments in human capital, lower tax rate, less regulatory burden on businesses and emphasis on the overall human development matrix. According to Barro, there is a positive correlation between economic growth rate and the initial male educational attainment level, and a negative correlation exists between growth rate and fertility rate. His estimates indicated that economic growth can be significantly influenced by favorable government policies, such as enforcements of property rights and reduced government consumption expenditure. The obvious explanation

is that the strong enforcement of property rights provides a strong incentive to acquire property, which leads to increased work efforts and efficient allocation of resources. In addition, he argued that government expenditures crowd out private expenditure, and since private investment expenditure is productivity enhancing it contributes to economic growth. In addition, he also found out that favorable terms of trade also is positively correlated with economic growth.

The most significant contribution made by Barro is the estimation of the convergence rate, which he estimated to be around 2.5% per year. This meant that with a 2.5% growth rate it will take approximately 27 years to bridge 50% of the gap between the current level of output for an economy and the steady state level of output for the same economy. His estimates indicate that it will take 89 years to bridge 90% of the gap between the current level and the steady state level of output. Barro has estimated that the convergence rates for U.S. states is also around 2.5% although there is tremendous homogeneity among U.S. states in terms of government policies, institutional characteristics and choice sets which included choices in fertility and savings rates. Barro also found a significant negative relationship between inflation and economic growth. He argued that inflation creates some uncertainties about the future value of money and hence reduces savings and investments, which in turn reduces economic growth.

Barro argued that the bulk of the cross-country differential in growth rates and difference in growth rates among different U.S. states can be explained by the neoclassical growth theory, whereas the growth in the long run can be better explained by the endogenous growth theory. However, he also argued that most of the differences in growth rates among different U.S. states and U.S. regions can be explained by differences in bad economic policies of the government. If, however, government focuses more on opening up its economy to more global competition, educating its work force better and on enforcing property rights, growth rates will converge and the gap between incomes slowly will get lower. If that is true, then the focus will shift from explaining differences in growth rates among different countries and different states within the U.S. as to how to increase productivity and shift the technological frontier to the right.

One significant, yet curious, finding of Barro is that democracy and freedom have a curvilinear impact on economic growth, indicating that at a low level of output more freedom leads to higher growth, but after a certain level of output more freedom reduces economic growth. Barro interpreted this finding by arguing that democracy is important in preventing dictatorial tendencies and associated siphoning of economic resources by the very few, but democracy also has the tendency to promote distributive efficiency over economic efficiency. It is

important to note that Barro did not provide any empirical evidence that such tendencies exists within vibrant democracies.

It is clear that the advantages that the U.S. enjoyed in these critical investment areas vis-à-vis its competitors are slowly eroding. Also, government is becoming increasingly more important in the overall scheme of things as compared to the private sector. In addition, the federal government budget deficit and national debt have grown alarmingly high, and the financing of the deficit, along with additional post-recession banking regulation, has been instrumental in increasing the cost of capital, making it difficult for private businesses to invest in critical areas. The cost in burden of introducing the Patient Protection and Affordable Care Act (PPACA) has caused many business leaders to be indecisive and delay decisions that would lead to greater growth in the economy over the last two years (see exhibit 14). Many economists argue that these unprecedented increases in government spending and new regulation have been the main reasons behind the relative decline in American competitiveness. In the appendix of this paper we provide numerous tables and charts that highlight this decline in U.S. competitiveness across a variety of factors.

It is important to note that the 20th century clearly was the "American Century." The 1900s saw the United States become the world's largest, most productive and most competitive economy while also becoming the world leader in invention and innovation. The U.S. was the envy of the world, producing new technologies and abandoning old ones while successfully commercializing the best at a rate the rest of the world could only dream of (see Exhibit 1). While the American competitive free enterprise system produced individual giants like Ford, GM, Standard Oil and U.S. Steel and billionaires named Rockefeller, Carnegie and Ford, the educated middle class realized rapid income growth and soaring standards of living that was the U.S. hallmark during this time (U.S. Department of Commerce, 2014).

U.S. economic performance was nothing short of exceptional during the 20th century driven by inventors and innovators. The U.S. became the world's most entrepreneurial, most educated and most competitive economy in the world and remained that way throughout most of the century. This creation of millions of jobs and newly founded businesses and industries that performed at exceptional levels allowed America to shoulder the burden of World War I and II while realizing a 213% increase in real disposable personal income from $9,240 in 1950 to $28,899 in 2010 (U.S. Bureau of Economic Analysis, 2010).

Toward the end of the 20th century grave concerns were voiced as to whether or not the U.S. could or would remain in its position of prominence atop the global economy. Income growth and job growth began to slow toward the end of the 20th century and have continued to slow into the 21st century (U.S. Department of Commerce, 2012). Simultaneously after the collapse of the Berlin Wall, many of the former communist countries began to appear on the global

economic stage as viable competitors to the United States. Countries from Poland and Hungary to China and India began to reform their economies benchmarking to the historical success of the U.S. Over the last decade or more, evidence of a decline in American competitiveness has continued to mount. As an example, U.S. 15-year-olds ranked just 36th in math among the 66 industrialized countries that make up the Organization for Economic Cooperation and Development (OECD) countries and scored in the middle in science and reading on the Program for International Student Assessment (PISA) test given to students in just under 70 countries in 2014 as reported in December 2015. The test is given every three years with the Shanghai region of China finishing number one among the 72 countries taking the exam (see Exhibit 2). In response to this report, U.S. Secretary of Education Arne Duncan stated that "the brutal fact here is there are many countries that are far ahead of the U.S. and improving more rapidly than we are. This should be a massive wake-up call to the entire country (Bloomberg, 2010)."

In addition, according to the Congressional Budget Office and the Heritage Foundation, government at all levels in the United States consumed 7.6% of GDP by expenditures in 1902 and today consumes more than 36% (see Exhibit 3). We believe less than 8% of government expenditures as a percent of GDP is unrealistically low in today's complex global economy, yet we also believe that almost 37% is excessively high**,** creating a crushing burden on business and economic growth in the United States (see Exhibit 3).

Additionally, the U.S. tax system is becoming more and more burdensome to U.S. competitiveness relative to the rest of the world. According to 2016 data from Ernest and Young and the Tax Foundation, the U.S. now has the highest corporate income tax rate in the industrialized world at somewhere between 39.2% and 40%, not because we have raised taxes but rather because many of our competitors have lowered their rates over the last decade (see Exhibit 6). In 2016, we also have among the highest long-term and integrated capital gains tax rates in the industrialized world at 28.7% and 51% respectively (see Exhibit 7).

In reviewing the 16 key indicators needed to enhance capital (including the number of scientists and engineers, corporate and government R&D, venture capital, productivity, trade performance and others) contained in the July 2011 Atlantic Century (Atkinson, 2011) report, the results show the U.S. ranked number four behind Singapore, Finland and Sweden.

While a fourth place ranking doesn't appear to be too bad, additional studies and data sources paint a picture of a less nimble and less competitive U.S. economy and business environment. The 2016 Heritage Foundation/Wall Street Journal's Index of Economic Freedom measures political freedom, prosperity and economic freedom across 10 metrics to gauge the economic success of 184 countries around the world. In 1995 the U.S. was ranked fourth in the world on the index**,** and in 2016 we have dropped to number 12 (see Exhibit 8). Another measure of economic competitiveness is the highly regarded International Institute for Management

Development's (IMD) Global Competitiveness Index, which consists of 323 variables and four sub-indices (Economic Performance, Government Efficiency, Business Efficiency and Infrastructure) and measures the competitiveness of nations by analyzing how they create a competitive business environment. The U.S. has dropped from being ranked number one on the 1999-2000 index to number five on the 2013-14 index behind Switzerland, Singapore, Sweden and Finland and returned to number 3 in the 2016-17 study, due to a slowing global economy and political uncertainty around the world (see Exhibit 4, 5, and 9).

U.S. competitiveness is being adversely impacted by a number of factors, including our mounting national debt which now stands at more than $19.8 trillion and is greater than 104% of our projected 2015 GDP. The national debt of the United States took more than 205 years to reach the $1 trillion mark, and in roughly 35 years we have increased it more than 18-fold (see Exhibit 10). According to the U.S. Department of the Treasury and the U.S. Congressional Budget Office (CBO), U.S. gross interest rate payments on treasury debt securities in 2014 was $431 billion dollars (more than the total GDP of some of the most advanced economies in the world). It is also important to note that the debt has been serviced at a historically low average interest rate of just 1.8% (see Exhibit 11). We are concerned with the future burden of high gross interest rate payments in the United States if the economy recovers or if we enter an inflationary spiral; in either case, interest rates will rise as will the cost of servicing our national debt.

Many believe that the solution to the U.S. deficit problem is simply to raise taxes, especially on those in the top 1% on personal income taxes and on corporations. According to the Tax Foundation in 2013 (most recent tax data available), the top 1% of income earners paid 37.5% of total U.S. personal income taxes while the top 10% paid 68.5% (Tax Foundation, 2015). Additionally, from 2012-2015 the U.S. gained the dubious distinction of having the highest corporate income tax rate in the industrialized world, making the U.S. and the North American region less competitive (see Exhibit 12).

We are of the opinion that somewhere over the last 100 years the United States as a country has lost sight of what made it great. There is less understanding of the contributions of (a) economic and political freedom and (b) entrepreneurship and investment to (c) business success, infrastructure development and rising standards of living. Productivity and wealth generated by a free and dynamic business sector allow for households to prosper and government to exist and operate in a vital role in an economy. All three of the macro flow variables (households, business and government) are important (see Exhibit 15). It seems to us that the mix of resource allocation among households, businesses and government needs to be closely re-examined as government is consuming a large share of U.S. GDP thus thwarting U.S. competitiveness and growth. The above is also true on a smaller scale at the state level as the

50 states that comprise the United States of America often compete with each other as well as internationally for business, human capital and economic growth. We are guardedly optimistic that the new administration and Congress will move pro-business public policy reform in Washington, D.C. in 2017 and beyond.

Michigan in a Changing U.S. Economy

The U.S. economy's pace for invention, innovation and new business formation was staggering throughout the 20th century, and Michigan was at the epicenter of much of that growth. Michigan-based companies like Amway, Chrysler, Credit Acceptance Corp, The Dow Chemical Co, Ford, General Motors, Kellogg, Upjohn, Whirlpool and many others were complemented and supplemented by thousands of small- and medium-sized entrepreneurial organizations, making Michigan a center for business excellence (U.S. Department of Commerce Report, 2013). A further measure of Michigan's success in that period is the fact that Detroit had the highest per capita average income in the United States in 1950 (Skorup, 2009)

As we reported last year, Michigan began to lose its competitive edge to lower-cost U.S. states and foreign countries starting in the 1970s and continuing into the 21st century. Today, the Michigan economy is still heavily reliant upon the automobile industry and has not attracted sufficient new businesses to the state or developed home-grown entrepreneurs to ensure strong economic growth and wide-scale economic diversification. The following analysis will shed some light on the factors impeding economic growth in Michigan. It also compares Michigan to numerous national averages and the average for U.S. Right to Work (RTW) states, U.S. Non-Right to Work (NRTW) states and Great Lakes Region states. We are pleased to report that Michigan has made strong progress both on a regional and national level as evident by the coming findings included in this study. Michigan has moved from an overall competitiveness rank of 47 in our 2012 study to 39 in our 2013 study, 30 in the 2014 study, 29 in 2015 and 25 in this 2016 study.

Population, Employment and GDP Growth in Michigan and the United States

Michigan's U.S. population net migration from 2000-2015 was among the worst in the United States with a net loss of 686,764 people. Net migration is defined as the difference in people leaving a state relative to people migrating to a state over a given period of time. The overall U.S. population net migration for the same period was just over 7,193 net negative with RTW states experiencing a positive net migration total of 6,028,853 and NRTW states suffering a net migration loss of 6,036,046. The Great Lakes Region states lost 2,279,827 in net migration exodus (see Exhibits 16 and 17).

From 1998-2015 Michigan Gross State Product (GSP) lagged the national average significantly. While the U.S. economy grew from an overall Gross Domestic Product (GDP) level of more than $8 trillion dollars in 1998 to just over $16 trillion dollars in 2015, the Michigan economy grew by only 53% over the same period. GSP grew at an average rate of roughly 108% in RTW states while realizing a slower growth rate in NRTW states of roughly 101%. Great Lakes Region states grew to 75% over the same period (see Exhibits 18-24).

However, there is good news for the Michigan and Great Lakes Region over the last five years. Real Gross State Product grew at 1.89% in the Great Lakes Region while it grew at 2.0% for the U.S. as a whole. The Great Lakes Region was the 5th best performing region in terms of average gross state product growth in 2011-2015 and Michigan led the region in average GSP growth at just under 2.28% during this time (see Exhibits 25-28).

As one should expect, poor growth or negative growth in GSP is generally correlated with higher levels of unemployment. From 2000-2015, the average unemployment rate in Michigan was 7.84%, while the average for the United States was 5.85%. Average unemployment in RTW states was 5.75%, while NRTW states averaged 5.9% and Great Lakes Region states averaged 6.64% (see Exhibits 29 and 30). Michigan and U.S. unemployment has improved over the last 5 years; the averages above reflect unemployment averages since 2000.

Employment growth in the Non-Farm segment of the U.S. economy from 2000-2014 averaged 14.1%. Michigan's job creation was negative and it ranked dead last out of the 50 states for job growth during this period. The average rank for job growth in RTW states over the same period was 21, while the average rate out of 50 states for NRTW states was 29.6 and Great Lakes Region states had an average rank of 47.2 (see Exhibits 30 - 34). It is important to note that Michigan was a net positive producer of new jobs over the last six years, creating almost 490,000 jobs. Even though Michigan was the only state to realize net population loss based on the 2010 census, Michigan has clearly showed above national average performance in economic growth and job creation over the last three years.

Household Income Growth and Minimum Wage in Michigan and the United States

Personal income per capita growth in Michigan grew 41.3% from 2000-2015 while the U.S. average income grew at 54.9% over the same period. Personal income growth over the period grew at just over 56% in RTW states, at 53.7% in NRTW states and just over 44% in Great Lakes Region states. It is also important to note that Michigan outperformed the Great Lakes average over the last six years (see Exhibits 35-37).

Median income (generally the parent or parents in the household) are often used as a benchmark income to show growth and demonstrate competitiveness. Michigan lags the

national and Great Lakes Region averages while having an average median household income that is slightly higher than the averages for RTW in 2015. NRTW states have higher average incomes, but the margin is narrowing relative to RTW states due to more rapid income growth and GSP growth in RTW states over the past decade. Michigan ranked 31 in overall median household income in 2014 (see Exhibits 38-39).

Minimum wage rates are often considered to be a barrier to entry for young and/or unskilled workers who either lack necessary skills or job experience or both. The U.S. federally mandated minimum wage floor is $7.25, thus no state may set its minimum wage below this rate. The Michigan minimum wage for 2016 raised to $8.50, and is scheduled to rise above $10 over the next 3 years. Michigan is now $.49 above the national average and $.63 above the Great Lakes Region average. In 2016, Michigan is $1.05 cents above the RTW average an increase from last year's study. There is a $1.13 differential premium between RTW and NRTW states regarding minimum wage rates (see Exhibits 40 and 41).

Assessing the Cost of Government in Michigan and the United States

Tax burdens, especially on business, have a generally negative effect on job creation, job growth and new businesses attraction. The average state and local income tax burden as a percent of income in Michigan in 2014 was 9.4%, which is down from 2013, and consistent with the U.S. average of 9.4%. The average in RTW states is 8.7% while the average in NRTW states is 10.1% and the Great Lakes Region states average 10.1% (see Exhibits 42 and 43). The average combined state and local tax rate on corporations in Michigan in 2016 was 6%, more than a quarter percent below the national average, almost 1.25% below the NRTW state average and slightly higher than the Great Lakes Region average (see Exhibit 44-45).

Like the federal government and many other states, Michigan's state debt as a percent of Michigan GSP has increased over last year's study and is up to 7.05% and now even with the national average. This compares to 4.90% on average in RTW states, 9.15% in NRTW states and 7.16% in Great Lakes Region states (see Exhibits 50 and 51). State debt per capita in Michigan is relatively low and has increased slightly over last year's study, to $3,179 per capita, with the U.S. average at $3,766, the NRTW state average at $5,207 and the Great Lakes Region states at $3,655. However, the RTW average is considerably lower at $2,324. Michigan's rate of per capita debt is still among the most impressive in the country, at 24th best (see Exhibit 52 and 53). In examining state debt as a percent of tax revenue, Michigan fared well with the national average at 133.89% and the Michigan average at 127.11% (an increase of more than 5% since last year's study), while RTW states' debt as a share of tax revenue was just under 100%, NRTW states average more than 168% and Great Lakes Region states averaged 136% (see Exhibits 54 and 55). Michigan's debt service as a share of tax revenue is 6.09% and is below the Great Lakes Region states average of 6.12% (see Exhibits 56 and 57).

Michigan's state liability ranking improved to 24 out of 50 in 2015 with RTW states' average rank at 25.2 and NRTW states' at 25.8 (see Exhibits 58 and 59). The effects of a challenging economy in Michigan and greater efficiencies and productivity at the governmental level have allowed the state to see a reduction in the number of government employees at all levels over the past decade. As of 2012, Michigan had 618 government employees per 10,000 people, with a slight decrease to 612 in 2015, still ranking at fourth lowest in the country (see Exhibits 60 and 61).

Looking at state and local government employees alone, Michigan ranks 6th among the ten lean-government states in the country and well below the U.S., Great Lakes Region, and even RTW state averages (see Exhibits 62 and 63).

Government operating efficiencies notwithstanding, Michigan received the highest level of federal bailout funds per capita associated with the financial crisis of 2008-2009. It can be argued that without said funds, the economic downturn in Michigan and in the U.S. automobile industry would have been dramatically worse, yet many debate the long-term effect the bailout will have on the competitiveness of both Michigan and the U.S. automobile industry. Federal bailout funds have much less impact on the Michigan economy today, as bailout funds in 2016 are $385.16 per capita in Michigan based on 2016 study data (see Exhibits 64 and 65).

Cost of Key Goods and Services in Michigan and Nationally

The cost of doing business in Michigan is high by a number of key metrics. We used a more broad-based measurement in pricing the average automobile insurance policy in Michigan with some improvement over last year's study. The median average in Michigan is $2,738 while the national average is $1,316. The RTW average is $1,345, while the NRTW average is $1,288 and the Great Lakes Region average is $1,340. Because Michigan requires long-term catastrophic care as a part of its no-fault coverage, the cost figures out to be just over 5.2% of household family income to purchase insurance. New Hampshire is the best bargain at 1.28% of household family income (see Exhibits 66-69).

Michigan is slightly more competitive in the area of average cost of electricity relative to last year's study, and remains less competitive in the areas of industrial natural gas prices and gasoline taxes. It is above the national average for electricity cost relative to all metrics for electricity per unit in 2016. However, in 2016, Michigan's gasoline tax is well above the national, Great Lakes Region, NTRW and RTW state averages with the 13th highest total gasoline tax in the nation. Moreover, RTW state averages for natural gas are no longer below the national, Great Lakes Region, NRTW and Michigan ranked 19th on average when comparing prices for residential, commercial, and industrial natural gas among the 50 states (see Exhibits 70-79).

Finally, the average insurance trust expenditure in Michigan is high but improving and declined to $786 per capita in 2015 from last year's study number of $850 in 2013. The national average has decreased to $850 with the Great Lakes Region average cost being $940 per capita (see Exhibits 80 - 83).

Competitiveness Metrics in Michigan and the United States

In this section, we have attempted to compile a number of measurement tools related to the business environment and business competitiveness of a state and the subsequent rankings. We have broken them down to compare Michigan with RTW and NRTW states.

We looked at a study by hospitality marketing research firm Cvent. It noted the top 50 cities for meetings and conventions, and Michigan for the fourth year in a row did not have one city in the top 50 (see Exhibit 84 and 85). Also, the Kauffman Foundation ranked new business start-ups per 100,000 people per month per state in 2015 with the national average being 295 and the Michigan average ranking 31 in the country at just 290. The RTW state average was 292, the NRTW state average was 298 and the Great Lakes Region state average was 236 (see Exhibits 86 and 87). In this study we were able to find additional data on establishment births and deaths from 2000-2013. In 2014, Michigan trailed the national average and the NRTW average in business births. RTW states are producing new organizations at a faster pace than NRTW states as well, but the Kauffman Index for success in 2015 gives us cause for optimism as Michigan moved up dramatically to 290 in 2015 from 180 in 2012 (see Exhibits 88-95).

Professors from the University of Warwick in England and Hamilton College in New York have done some path-breaking work trying to measure happiness and quality of life, having published it in the journal *Science*. We took their survey rankings from 2005-2008 and compared Michigan to RTW and NRTW states and discovered the following. In 2015, Michigan ranked 43rd happiest in the country which is still an improvement over our 2012 study in which Michigan ranked 48th. In the 2016 study, Michigan ranked 40th (see Exhibits 96 and 97).

The American Legislative Exchange Council annually ranks states on economic performance considering seven factors ranging from corporate tax rates and GSP growth to non-farm payroll growth and population growth. We took the average of their 2003-2015 scores on several variables, and Michigan ranked dead last at 50 in economic performance with the average ranking for the Great Lakes Region at 45.20, RTW states average ranking of 19.44 and NRTW states averaging ranking of 31.56 (see Exhibits 98 and 99).

We then took the Forbes Best States for Business Index and broke it down to compare Michigan to RTW and NRTW states. The Forbes Index considers seven variables ranging from business costs and the regulatory environment to the economic climate and a state's growth prospects. Michigan remains ranked 30th overall out of 50 with 1 being the highest and 50 being the

lowest. The Great Lakes Region average according to the Forbes Index is 31, the RTW states average 20.54 and NRTW states measured 30.08 (see Exhibits 100 and 101).

In this study, we again did a similar analysis with data from the 2015 CNBC Index of America's Top States for Business. The 10 general variables used by CNBC range from education and infrastructure, to cost of living and cost of business. Michigan fared much better here in 2016 with an overall rank of 7th out of 50, an improvement from 15th last year (50 being least favorable) with RTW states averaging just under 21 and NRTW states averaging just over 30(see Exhibits 102 and 103).

Michigan again fared less well on the Beacon Hill Institute's Competitiveness Index in 2015, which includes government and fiscal policy, security, infrastructure, human resources, technology, business incubation, openness and environmental policy factors. It ranked 29 (1 being most favorable) the GLR average was just over 32.60, RTW states averaged 26.76 and NRTW states averaged 24.24 (see Exhibits 104 and 105).

The Northwood University Competitiveness Index

In this study, Michigan shows strong improvement in many measures of competitiveness mentioned earlier, ranging from happiness and business climate to economic performance in general. In order to define the combined effects of our data, we took the roughly 200 variables in our study for all 50 states and conducted a factor analysis to find five categories or aggregate factors.

Unlike many other indices where the data and/or categories are assigned weights by the researchers, the Northwood Index assigns weights based on factor analysis. The weights are market sensitive since they change with changes in the economic conditions, and the indices are therefore subject to change as the values of our data change over time. Thus, the model delivers an overall ranking for a state, provides evidence of strengths and weaknesses relative to other states by category and the weights assigned in each category by the model may be useful in prioritizing efforts to improve a state's relative competitiveness.

The Factor Categories and the key variables that influenced each factor are:

Factor 1 (General Macroeconomic Environment) - considers general measures of statewide economic health such as unemployment rates, labor force participation rates, per-capita income and life-satisfaction (another measure of well-being in addition to per-capita income).

Factor 2 (State Debt and Taxation) - considers state debt per capita, cost of living and tax burden per capita (tax burden considers state sales taxes, selective taxes, license taxes, corporate income taxes and state income taxes).

Factor 3 (Workforce Composition and Cost) – considers percentage of the working population that is part of a union, percentage of the private working population that is a member of a union, the percentage of the public working population that is a member of a union and cash payments to beneficiaries (including withdrawals of retirement contributions) of employee retirement, unemployment compensation, workers' compensation and disability benefit social insurance programs.

Factor 4 (Labor and Capital Formation) - considers employment growth, population growth, migration and organizational birth and death data.

Factor 5 (Regulatory Environment) – represents a composite of other indices that consider the business friendliness of a state's regulatory framework/environment.

Based on the most current available data, Michigan's economic performance in the five categories is:

Exhibit 119: Michigan's Economic Performance Ranking

(1998-2016 Data)

	2016	2015	2014	2013	2012
NU State Competitiveness Index: Michigan	**25**	**29**	30	39	47
Factor 1 – General Macroeconomic Environment	**10**	**11**	20	31	48
Factor 2 – State Debt and Taxation	**13**	**13**	12	14	10
Factor 3 – Workforce Composition and Cost	**38**	**39**	38	43	45
Factor 4 – Labor and Capital Formation	**35**	**36**	38	44	45
Factor 5 – Regulatory Environment	**19**	**25**	23	26	24

Overall, Michigan ranks 25th out of the 50 states in the Index. Consequently, the state's increasingly strong performance in terms of Debt and Taxation and Regulatory Environment was enhanced in 2016 by its relatively strong performance in the factor categories of the General Macroeconomic Environment. The key reason for Michigan's overall rank improvement in 2016 had to do with a stronger macroeconomic environment and a more competitive tax and regulatory environment. Average GDP growth in Michigan over the last five years has been led by a resurgence in the automobile, agriculture and tourism sectors. A careful analysis of factors 1, 3 and 4 coupled with sound public policies designed to address said issues will enhance Michigan competitiveness in the future (see Exhibits 107-119).

The factor analysis again shows Michigan improving in the General Macroeconomic Environment factor. This is largely due to relative improvements in GSP growth and reductions in unemployment. Job growth in Michigan was positive in 2011, 2012, 2013, 2014 and 2016 with almost 500,000 jobs created since the end of 2010. Researchers believe much of this growth can be attributed to Michigan's state business tax environment and regulatory structure. Michigan's labor cost still remains among the highest nationally in some sectors while net population migration and new business startups are improving since 2000, yet remain among the most challenging nationally. The 2016 Kauffman Foundation Entrepreneurial Index shows Michigan slightly lower than the national average, yet leading the Great Lakes Region. Michigan shows general promise in entrepreneurial activity, which can significantly improve rankings given continued development in economic attractiveness.

The following is additional analysis of Michigan's competitive environment.

Additional Data on State Business Climate

The *State Business Tax Climate Index* is produced by the Tax Foundation, one of this country's leading fiscal policy think tanks. The index is a measure of how each state's tax laws affects economic performance. An overall index rank of 1 means the state's tax system is most favorable for business; a rank of 50 means least. Rankings are weighted and do not average across to total.

The chart depicts a strong and improving climate for business in Michigan with an overall rank of 13th in 2016, the same as 2015 (see Exhibit 106).

An Economic Snapshot of Key Great Lakes Region Cities

Using the most current data available, we took a close look at how key cities in the Great Lakes region have functioned since 2000. We looked at eight cities from the five Great Lakes region states including Detroit, Grand Rapids and Lansing from the state of Michigan. Michigan was clearly the hardest hit state in the country over the last 15 years. The data clearly shows that

Detroit was one of the most, if not the most, adversely affected city while Grand Rapids clearly had economic challenges as well. The inspiring news is that Grand Rapids was the top performer of the eight cities we analyzed between 2008-11 and led in GDP growth 2009-14. Grand Rapids was also the only city in the region to outperform the national average for GDP growth in 2008-11 while Detroit, Columbus, OH, and Grand Rapids performed at a dramatically higher level than the U.S. metro average in 2009-14 (see Exhibit 121).

An Economic Snapshot at Key Michigan Metropolitan Areas

A new addition to the 2016 study is our analysis of gross state product by key metropolitan areas across the state of Michigan. Michigan has 14 of the 368 largest metropolitan areas in the United States, with metropolitan Detroit ranking largest in Michigan and 14th in the country, while Bay City ranks 14th in Michigan and 368th nationally. Michigan gross state product for 2015 was $466,536,000,000. The 14 largest metropolitan areas of the state of Michigan produced a total of $413,260,000,000 or 89% of Michigan's gross state product. To put Michigan's major metropolitan areas into perspective, if metropolitan Detroit were a country it would be the 46th largest economy in the world, slightly smaller than Greece and slightly larger than Portugal; the Grand Rapids-Wyoming metroplex would be the 80th largest economy in the world, with the Ann Arbor metropolitan area being the 106th largest economy in the world, and Bay City ranking number 158th in the global economy (see Exhibit 124).

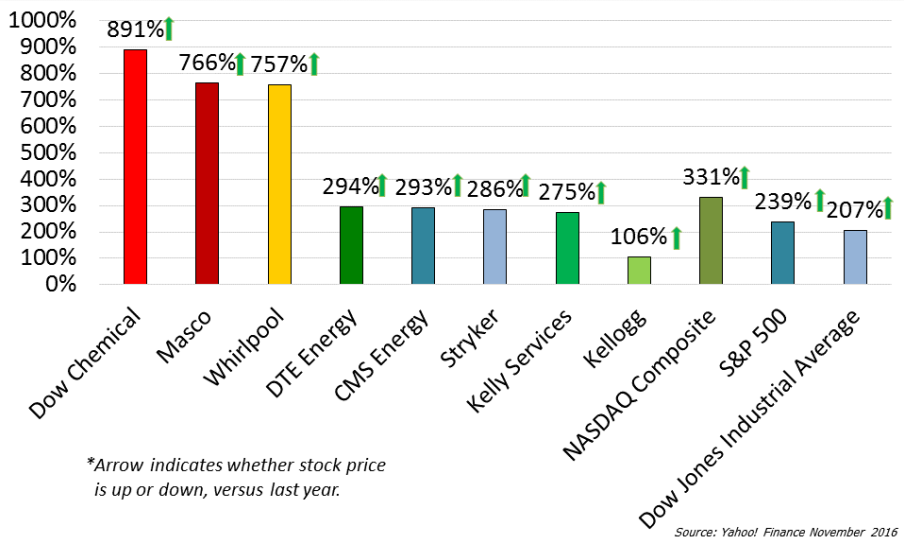
Comparisons of Key Data from 2012, 2013, 2014 and 2015 Studies to 2016 Study

Michigan is showing stronger growth and a brighter economic picture when comparing our 2016 study to our 2012-2015 studies. Seven of the nine key factors outlined in last year's Executive Summary have shown some or much improvement (Factors 1, 2, 4, 5, 6, 7, and 9) in 2016, while the other factors outline areas for concern or improvement (Factors 3 and 8). It should be noted that the cost of natural gas has declined overall nationally since 2012 due to increases in the U.S. supply related to the discovery, drilling and processing of new deposits domestically. However, Michigan is still a high-cost state for industrial natural gas. It should also be noted that we used a broad-based metric again to measure automobile insurance costs in the 2016 study. Even with a broader based analysis, Michigan is the top cost state for automobile insurance in the country, and average cost increased slightly in 2016 (see Exhibit 122).

Comparison of Key Michigan Non-Automotive Fortune 500 Stocks

Michigan's non-automotive Fortune 500 companies on average have outperformed the three major stock indices since the trough of the "Great Recession" (see Exhibit 123).

Exhibit 123: Percent Increase in Michigan Based Fortune 500 Company Stock Price (Non-Automotive) (03/09 – 12/16)



Great Lakes Region Personal Income Growth by State in 2015

By the end of 2065, a key indicator of Michigan's economic comeback was growth in personal income. The Bureau of Economic Analysis (BEA) reported in December of 2016 that 3 of the 5 Great Lakes Region states were in the top 30 nationally for personal income growth from 2014-2015. According to the BEA report, Michigan ranked 18th, Ohio 38th and Wisconsin 33rd, with Illinois and Indiana ranking 25th and 30th respectively (see Exhibit 126).

Exhibit 126: Great Lakes Region Personal Income Growth by State (2014-2015)

Great Lakes Region	Personal Income 2014 (in Millions)	Personal Income 2015 (in Millions)	Percent Change	National Rank
Illinois	$613,672	$636,281	3.7%	30
Indiana	$261,092	$271,426	4%	25
Michigan	**$403,726**	**$421,044**	**4.3%**	**18**
Ohio	$489,695	$504,993	3.1%	38
Wisconsin	$254,405	$263,301	3.5%	33

Source: Bureau of Economic Analysis (2016)

Conclusion

It is important to highlight the large and expanding role of Michigan in this highly integrated global economy. Michigan's GSP is roughly equivalent to the GDP of the country of Austria, which would make the state of Michigan one of the 27 largest economies in the world. This study paints a much rosier picture of Michigan's competitive position relative to most other U.S. states since the initial 2012 study was released. Michigan's ranking on *The Northwood University Competitiveness Index* of 25th indicates that although Michigan has made tremendous progress over the last five years, it has room for improvement and reason for optimism in the future. **It is important to note that Michigan ranks at 13th in overall competitiveness when using 2013 as a base year.** The study's empirical analysis indicates that RTW states have positive and statistically significant impact on GSP growth. Effects of RTW legislation are often hard to isolate since states adopting RTW legislation are also states with a pro-business environment. However, regardless of the technical difficulty of establishing causality between RTW legislation and economic and productivity growth, it is clear that RTW in its own right or in conjunction with other complementary business provisions did have a statistically significant impact on both economic growth and productivity in Michigan.

The research contained in this study should, however, serve as a guidepost and tool for benchmarking for Michigan public policy leaders. For many years Michigan was the economic catalyst for much of the U.S. economy, Detroit put America and much of the world on wheels, and Michigan was the "Arsenal of Democracy" in WWII.

The *2016 Michigan Chamber Foundation Competitiveness Study* clearly notes that there has been tremendous economic progress in the state of Michigan over the last five years. RTW legislation has made Michigan a more attractive place, especially for manufacturing and construction businesses to locate. Michigan has a favorable business tax climate and an improving regulatory environment which is also attractive to new and existing businesses. The study data indicates that Michigan has been a regional and national leader in GSP growth, entrepreneurial activity and declining unemployment rates over the last few years. In addition, Michigan's two largest cities, Metro Detroit and Metro Grand Rapids, have shown strong growth potential over the last five years. Grand Rapids is one of the economically strongest cities in the Great Lakes Region for more than a decade despite the economic conditions in the state of Michigan as a whole, but a few good years of data do not make a trend nor spell "Mission Accomplished." Michigan is blessed: A) with exceptional institutes of higher learning, graduating highly educated white collar workforces, B) a highly skilled and productive blue collar workforce, given Michigan's long and productive experience in the automotive industry, C) an improving tax and regulatory environment which is favorable for job creation, D) the epicenter of the world's largest deposit of fresh water, E) a gateway of waterway transportation for the Great Lakes Region, the Mississippi and to Ontario, Canada, F) a hub for rail, trucking

and air transportation, G) home to many of the world's leading manufacturing and technology companies, and H) poised to realize an energy boom via safe oil and natural gas exploration once that comes to fruition.

Michigan has made it through the economically difficult first decade of the 21st century and is showing strong signs of an economic turnaround. Michigan is clearly showing that its average economic growth is not only outpacing the other Great Lake states, but is a relatively strong example for growth on a national level. There is no doubt that Michigan is continuing on the comeback path, but has not yet arrived. Can Michigan return to the position of greatness it once occupied in the U.S. business structure? The answer is unequivocally yes, but only if we continue to adopt growth-friendly public policies. Michigan must continue to set its sights high and benchmark the best economic and political practices of this country's top performing states. The good news is that in the last year many good things have happened in Michigan causing other states to benchmark to our progress.

The good news on the Michigan economy continues and is once again incorporated in this year's study. The Michigan economy is not only improving, but doing so across a broad-based range of businesses, as noted by the non-automotive Fortune 500 stock growth of Michigan companies in recent years, as well as the dramatic improvement on the *Kauffman Index of Entrepreneurial Activity* in 2015. Michigan must continue to be open to new ideas, change and improvement while celebrating its successes and strengths.

The Michigan economy began its 7th year of economic recovery in the summer of 2016. Michigan has led the Great Lakes region in average GDP growth since the recovery began in earnest in 2010 yet slowed to 31st rank in state GDP growth in 2015. Job growth has slowed a bit, but still a healthy 69,000 new jobs were expected to be created in 2016. The University of Michigan projects good job growth of 1.8 percent for the second half of 2015 and solid job growth of 1.4 percent continuing into the first half of 2016. Since the end of the "Great Recession," Michigan has experienced the greatest decline in unemployment of any state in the country based on U.S. Bureau of Labor Statistics data. Michigan's unemployment rate fell 10 points from June 2009 (14.9%) to November 2016 (4.9%). In fact, Michigan is expected to have 490,000 more jobs by the end of 2016 than it had at the end of 2009. Michigan also ranks 1st in the Great Lakes region and 18th nationally in income growth for 2015. Michigan, once again in 2016, led the Great Lakes region in entrepreneurial activity and new job growth according to the Kauffman Foundation (see Exhibit 86).

The comeback of the Michigan economy is a testimony of its resilience and that resilience comes for Michigan's competitive spirit. It is therefore incumbent on Michigan's lawmakers to stoke that spirit with a pro-business, tax-friendly environment where free-market instincts can soar high to regain Michigan's former glory.

Finally, RTW has been an important factor, but not the answer or significant policy to date in advancing Michigan's economic competitiveness. Michigan's improvement on the Northwood University competitiveness index has been impressive since 2012 and is to be lauded. However, it is important to understand that state policy can only "go so far" in driving a state economy forward in today's complex global economy. The U.S. federal government still takes the lion's share of income taxes placed on businesses and individuals and determines much of the regulatory burden faced by households and commerce in America today (see Exhibit 3). Not only must Michigan continue to compete against an ever-changing, aggressive tax policy from other states trying to attract new business, it must also compete against international competitors whose federal tax policies are often more attractive as well.

The United States is still the strongest and most vibrant economy in a world rattled with challenges, complexities and much uncertainty. It is a country burdened with the highest corporate income tax in the industrial world, a national debt that is approaching $20 trillion (roughly 104% of GDP) and a regulatory environment that is increasing the cost of doing business relative to other countries. These and other factors have slowed U.S. growth for nearly a decade with U.S. GDP growth averaging less than 2% since 2006, while its historic yearly average growth rate since WWII is 3.23% (see Exhibit 24). Michigan's economic comeback has been and continues to be impressive. If Michigan, and the other 49 states, are to realize significant growth in the future, policy makers in Lansing will need congruent policies from Washington, DC policies that will complement and supplement pro-growth, pro-business policies at the state level. We are guardedly optimistic that pro-business, pro-growth public policy will emerge from Washington, DC in 2017.

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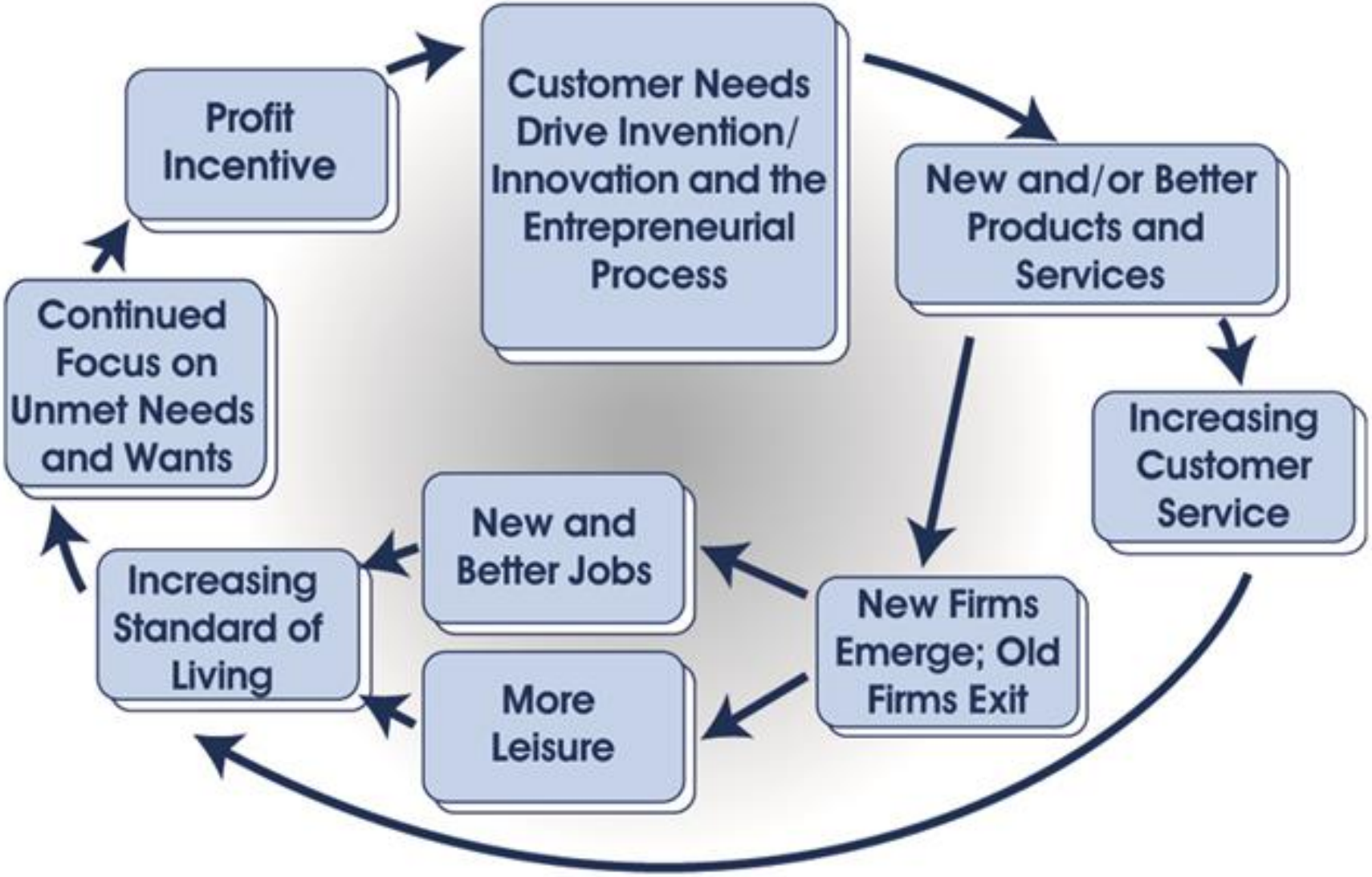
All additional sources of data are referenced on the charts contained in this study.

Exhibits

Exhibit 1: Economic Cycle of Human Progress



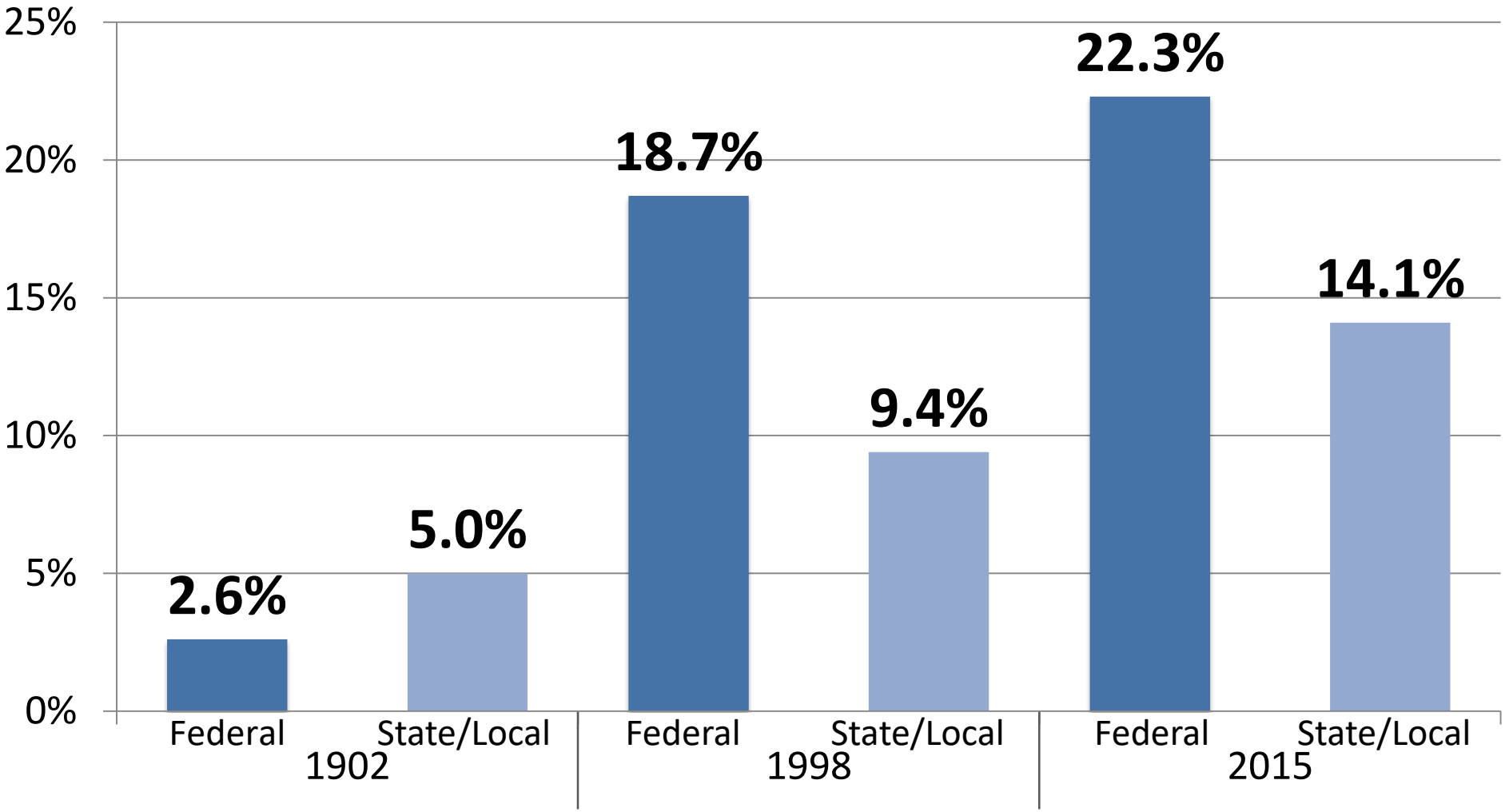
Sources: Myths of Rich and Poor (1999) and *When We Are Free (2005)*

Exhibit 2: World Education Rankings (2015)

	Reading	Math	Science
South Korea	5	5	7
Finland	6	12	5
Canada	9	13	10
Japan	4	7	4
Netherlands	15	10	15
Switzerland	17	9	10
United States	**24**	**36**	**28**
Germany	20	16	12
France	21	25	26
United Kingdom	23	26	20

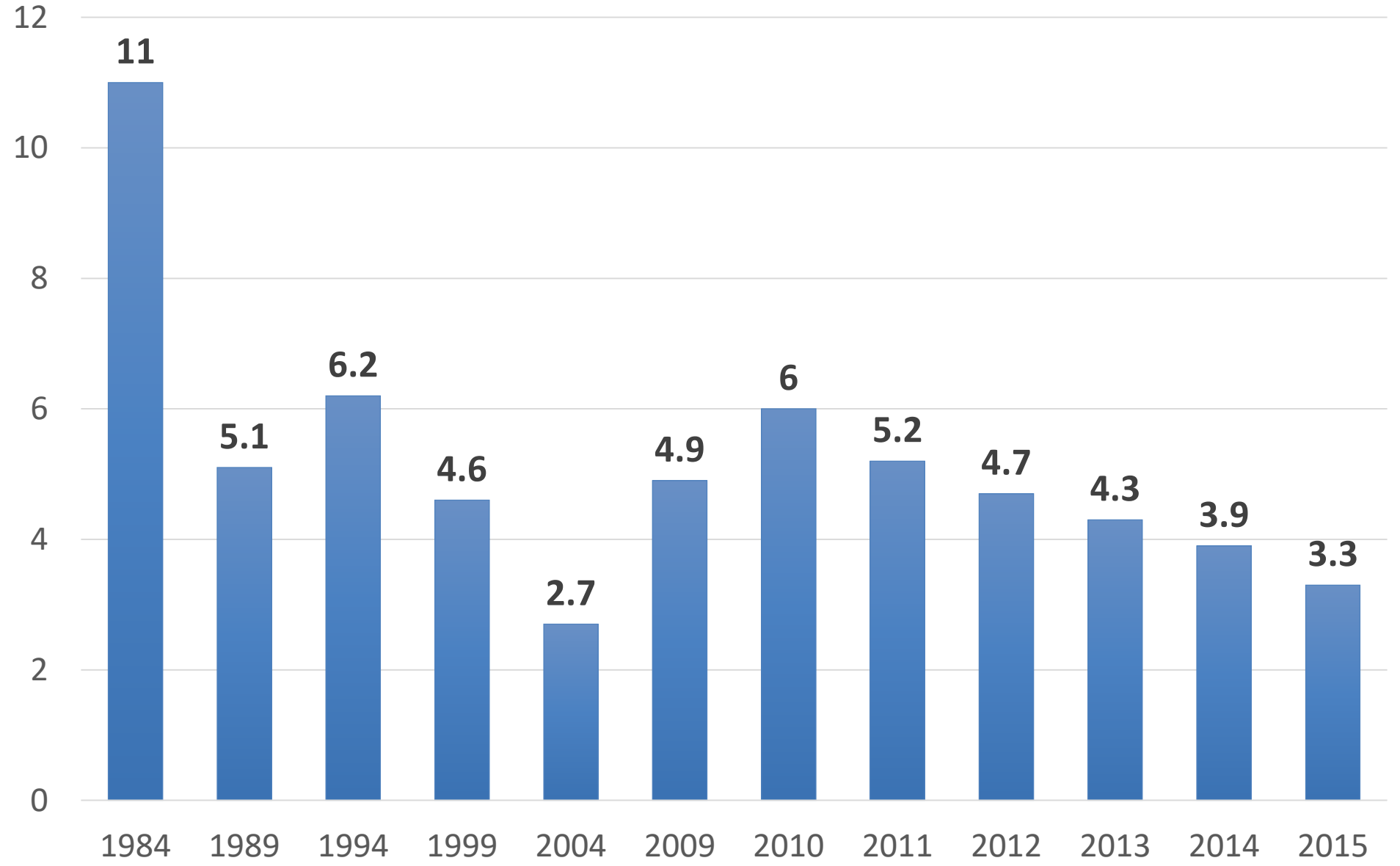
Sources: The Programme for International Student Assessment (PISA) and the Organization for Economic Cooperation and Development (OECD, 2015)

Exhibit 3: Government Expenditures as a Percentage of GDP



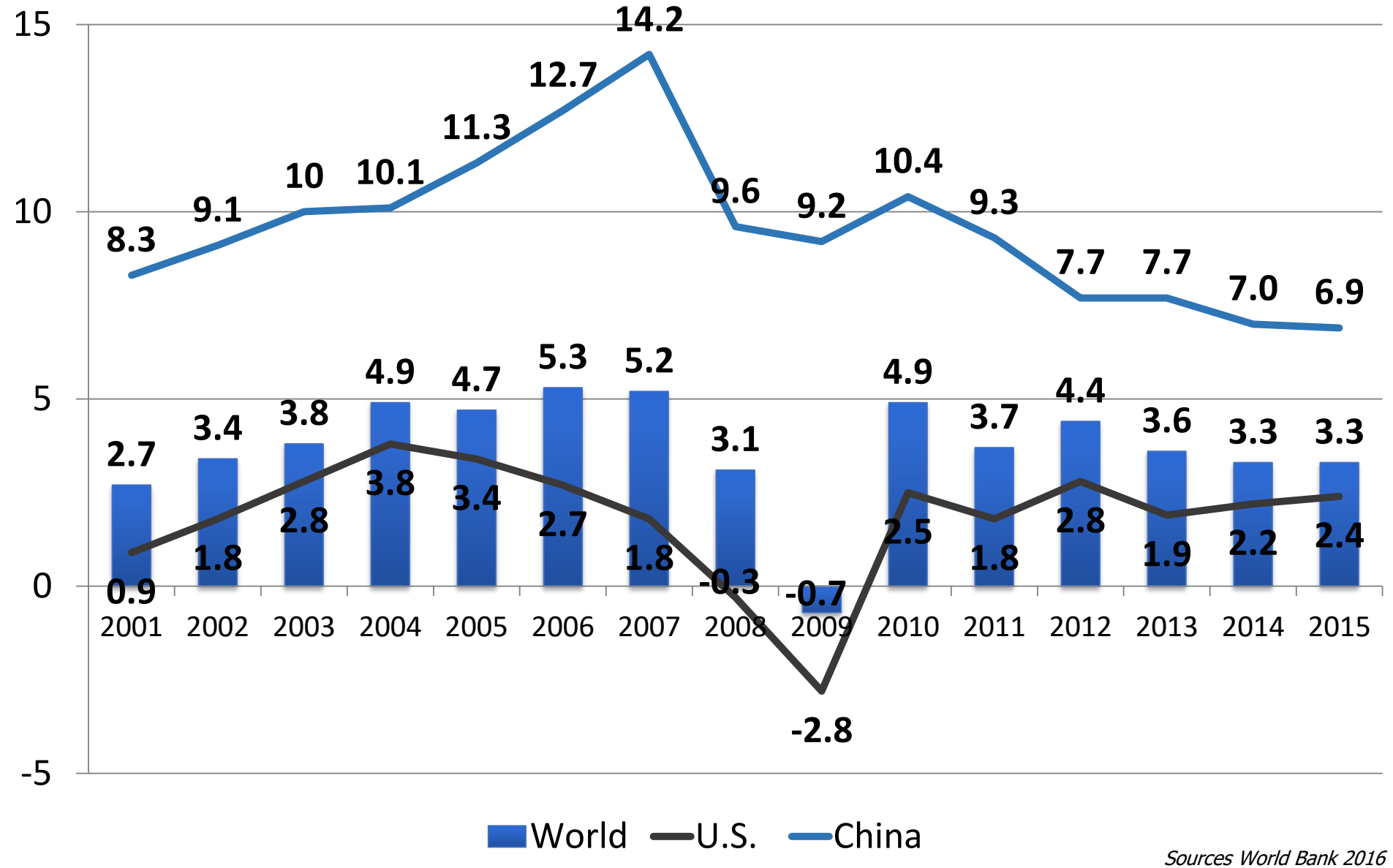
Sources: Computed with data from the Joint Economic Committee Report (1999), U.S. Statistical Abstract and the Bureau of Economic Analysis (2016) and Heritage Foundation (2016)

Exhibit 4: Percent of Hourly Workers Paid at or Below the Prevailing Federal Minimum Wage



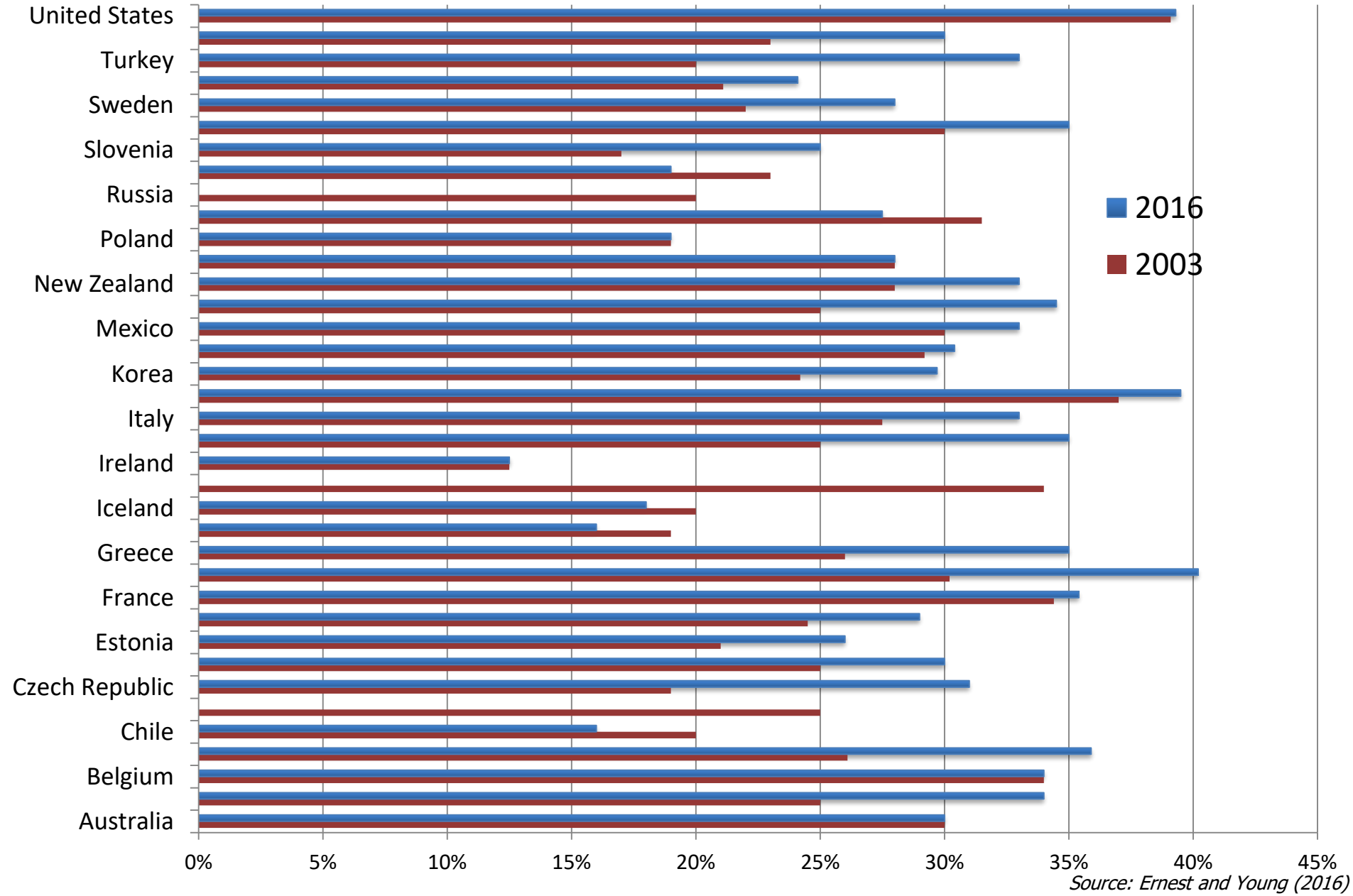
Sources U.S. Bureau of Labor Statistics, 2016

Exhibit 5: Global GDP Growth (2001-2015)



Sources World Bank 2016

Exhibit 6: 2016 Corporate Tax Rates



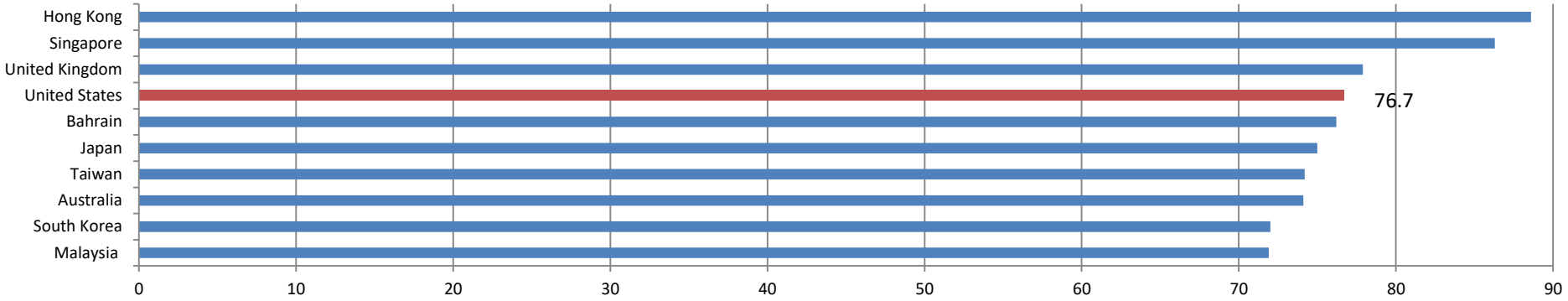
Source: Ernest and Young (2016)

Exhibit 7: Capital Gains Rate by Country

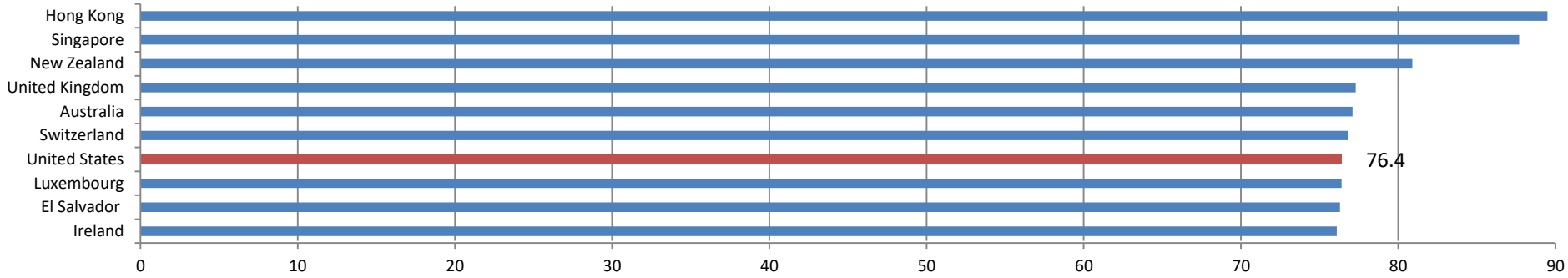
Country	Top Long-Term Capital Gains Tax Rate (2015)	Integrated Capital Gains Tax Rate (2011)	Country	Top Long-Term Capital Gains Tax Rate (2015)	Integrated Capital Gains Tax Rate (2011)
Australia	22.50%	46.00%	Japan	20.00%	46.00%
Austria	25.00%	25.00%	Korea	0.00%	24.00%
Belgium	0.00%	34.00%	Luxembourg	0.00%	29.00%
Canada	22.50%	44.00%	Mexico	10.00%	30.00%
Chile	20.00%	34.00%	Netherlands	0.00%	25.00%
Czech Republic	0.00%	19.00%	New Zealand	0.00%	26.00%
Denmark	42.00%	57.00%	Norway	27.00%	48.00%
Estonia	21.00%	38.00%	Poland	19.00%	34.00%
Finland	32.00%	47.00%	Portugal	28.00%	27.00%
France	38.00%	55.00%	Slovak Republic	25.00%	34.00%
Germany	25.00%	48.00%	Slovenia	0.00%	20.00%
Greece	15.00%	20.00%	Spain	27.00%	45.00%
Hungary	16.00%	32.00%	Sweden	30.00%	48.00%
Iceland	20.00%	36.00%	Switzerland	0.00%	21.00%
Ireland	33.00%	34.00%	Turkey	0.00%	20.00%
Israel	25.00%	39.00%	United Kingdom	28.00%	47.00%
Italy	20.00%	60.00%	**United States**	**28.70%**	**51.00%**

Source: Ernest and Young (2016)

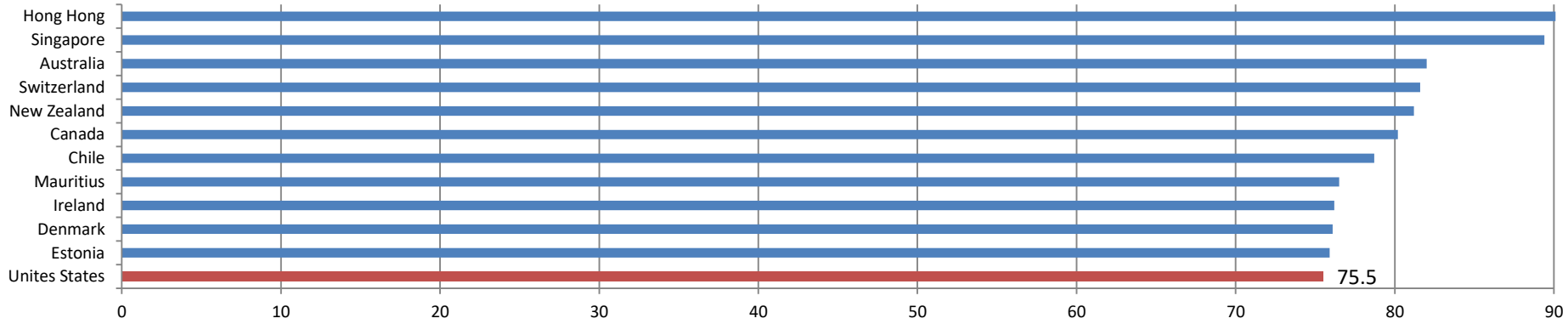
Exhibit 8:
1995 Heritage/WSJ Economic Freedom Index



2000 Heritage/WSJ Economic Freedom Index



2016 Heritage/WSJ Economic Freedom Index



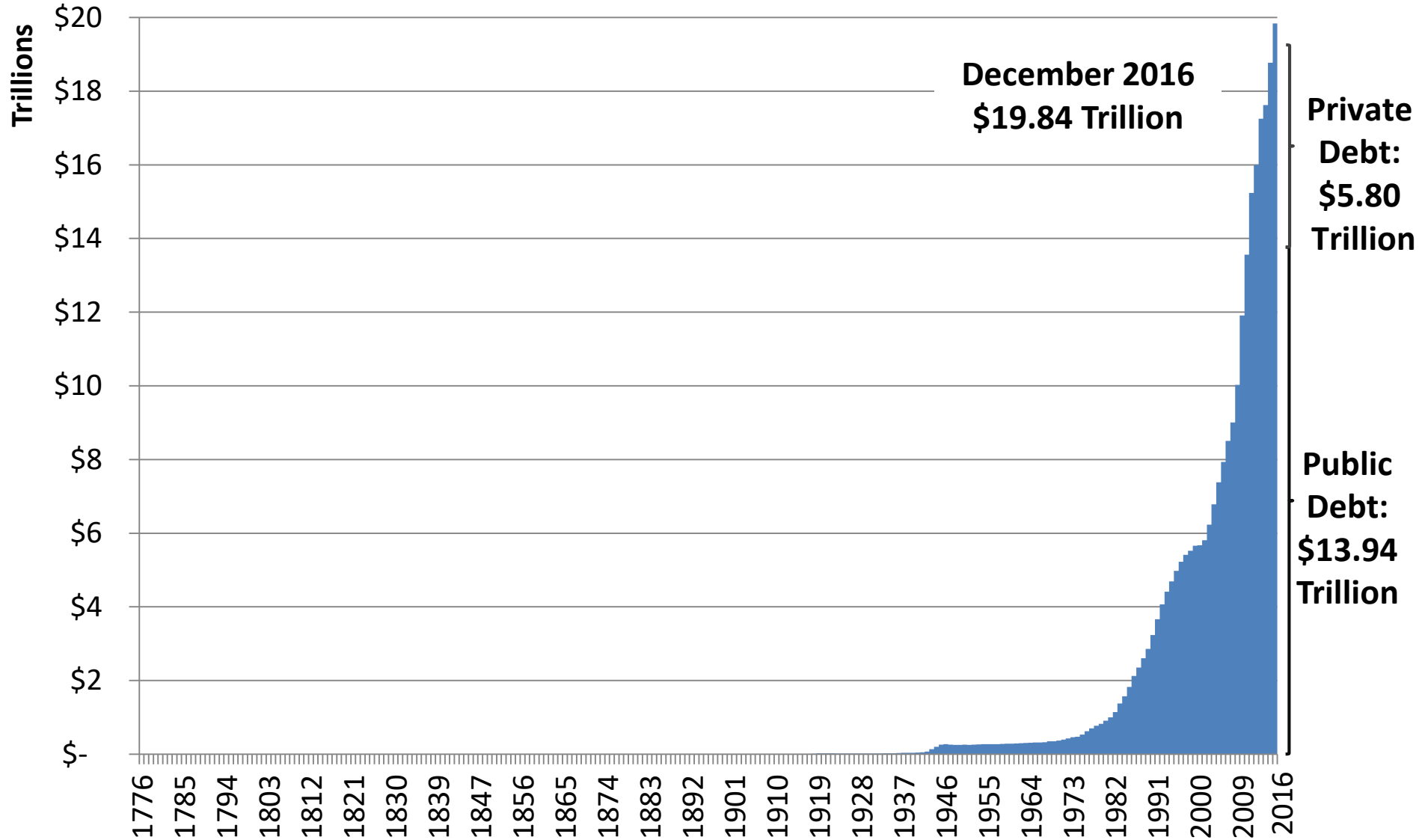
Sources: The Heritage Foundation and the Wall Street Journal (2016)

Exhibit 9: World Economic Forum's Global Competitiveness Report

Rank	1999-2000	2013-2014	2016-2017
1	**United States**	Switzerland	Switzerland
2	Finland	Singapore	Singapore
3	Netherlands	Finland	**United States**
4	Sweden	Germany	Netherlands
5	Switzerland	**United States**	Germany
6	Germany	Sweden	Sweden
7	Denmark	Hong Kong SAR	United Kingdom
8	Canada	Netherlands	Japan
9	France	Japan	Hong Kong SAR
10	United Kingdom	United Kingdom	Finland

Source: IMD World Competitiveness Forum (2016)

Exhibit 10: History of the U.S. National Debt Outstanding



Source: U.S. Department of the Treasury (2016)

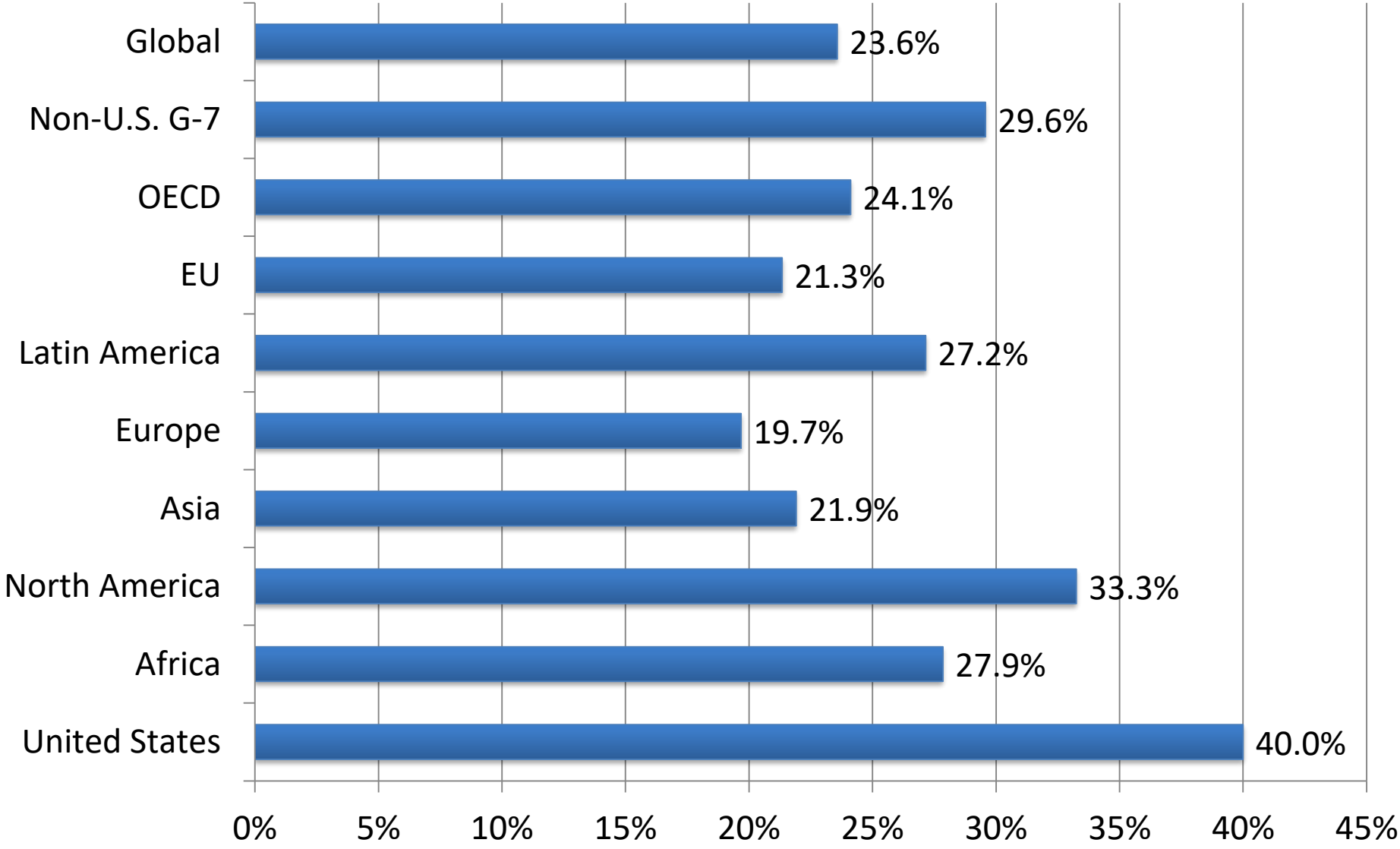
Exhibit 11: Financing the U.S. National Debt – 2015 Data

Interest	
Average Interest Rates (As of Oct. 31, 2015)	
Marketable	2.07%
Non-marketable	3.10%
Total	2.37%
Gross Interest Payments of Treasury Debt Securities (in billions)	
Fiscal Year 2015 (Oct.) to Date	$ 402
Actual 2014	$ 431
Projected Net Interest Outlays (in billions)	
Actual 2014	$ 229
Projected for 2016-2020	$ 1,872
Projected for 2016-2025	$ 5,156
Net Interest as a Percent of GDP	
Actual 2014	1.3%
Projected for 2016-2020	1.8%
Projected for 2016-2025	2.3%

Debt	
Debt Held by the Public As a Percentage of GDP	
Actual 2014	74.0%
Projected for 2019	73.1%
Projected for 2024	76.1%
Interest-Bearing Debt Held by Private Investors (As of June, 2015)	
Falling Due Within 1 Year	32.1%
Falling Due Within 5 Years	70.6%
Falling Due Within 10 Years	90.5%
Holders of the Public Debt (At End of 2014 Fiscal Year)	
Domestic Investors	41.7%
Foreign Investors	58.3%

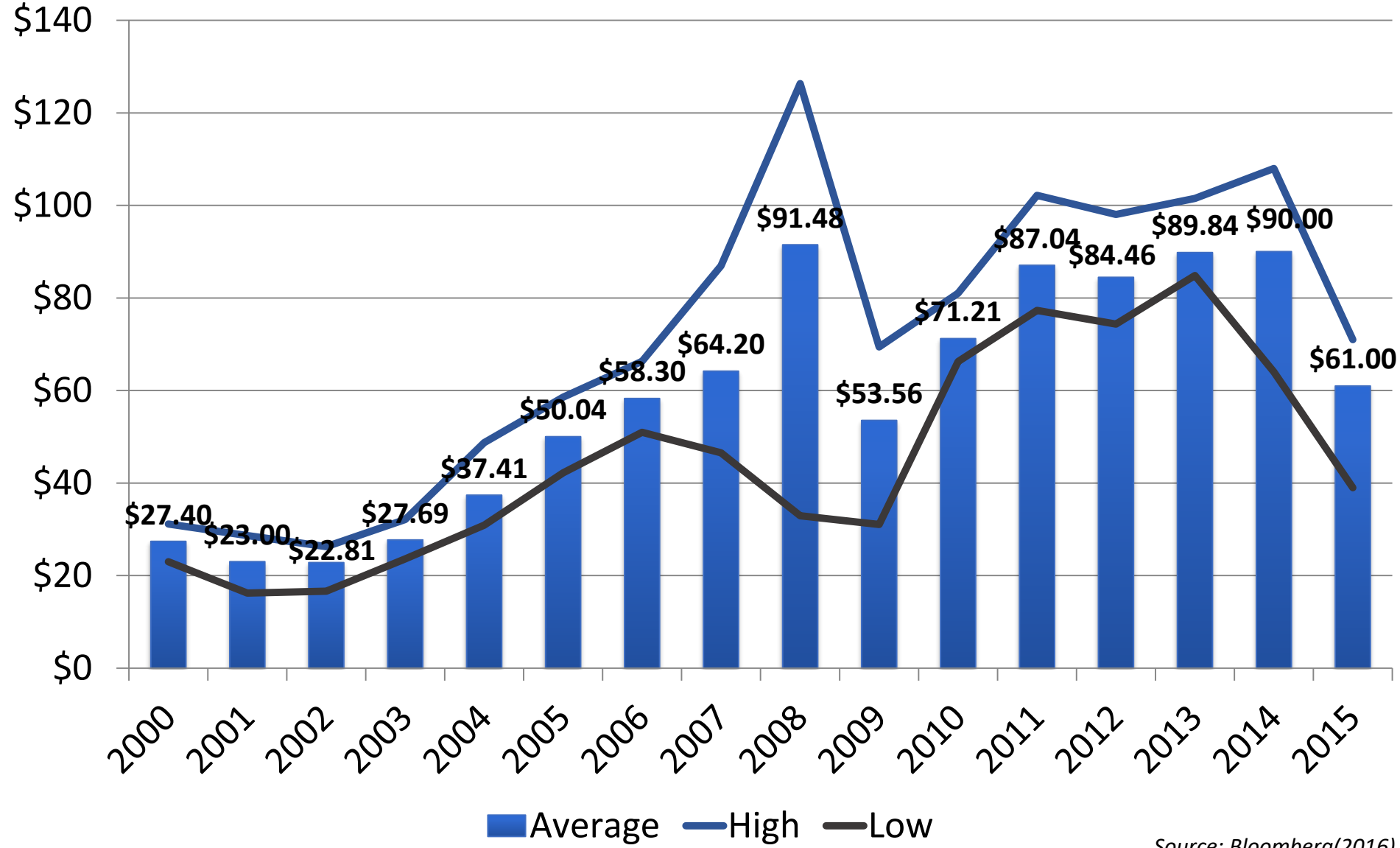
Source: Compiled from Congressional Budget Office and U.S. Department of Treasury (2015)

Exhibit 12: 2015 Average Corporate Tax Rates



Source: Compiled from Congressional Budget Office and U.S. Department of Treasury (2015)

Exhibit 13: Annual Average Price of WTIC (2000-2015)



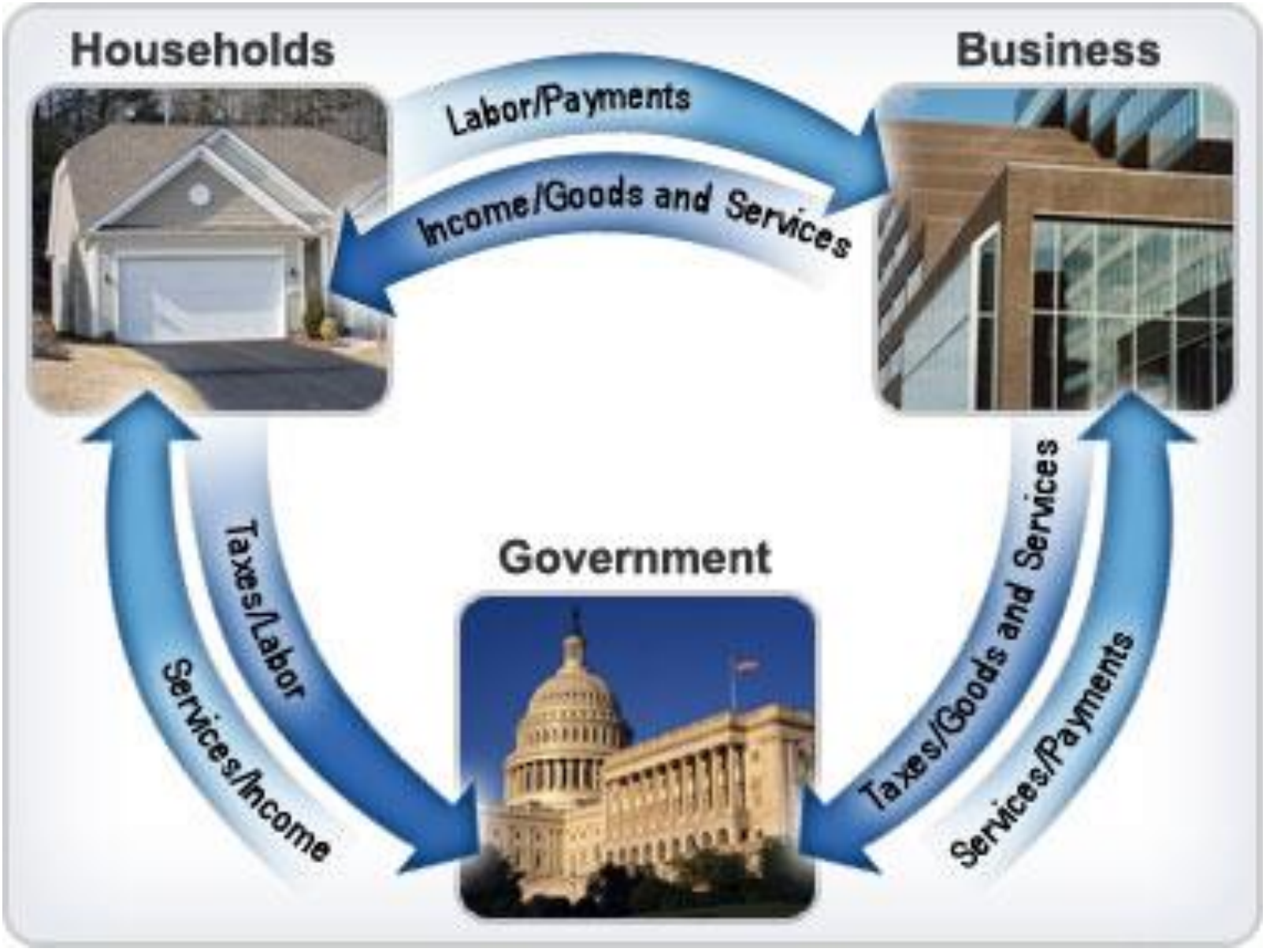
Source: Bloomberg(2016)

Exhibit 14: New Tax Changes Tied to the PPACA

	Starting January 2014	2013
Top Medicare Tax Rate	2.35%	1.45%
Top Personal Income Tax Bracket	39.60%	35.00%
Top Income Payroll Tax Rate	52.40%	37.40%
Capital Gains Tax Rate	28.00%	15.00%
Dividend Tax Rate	39.60%	15.00%
Estate Tax Rate	55.00%	0.00%

Source: Wall Street Journal (2014)

Exhibit 15: The Circular Flow Model



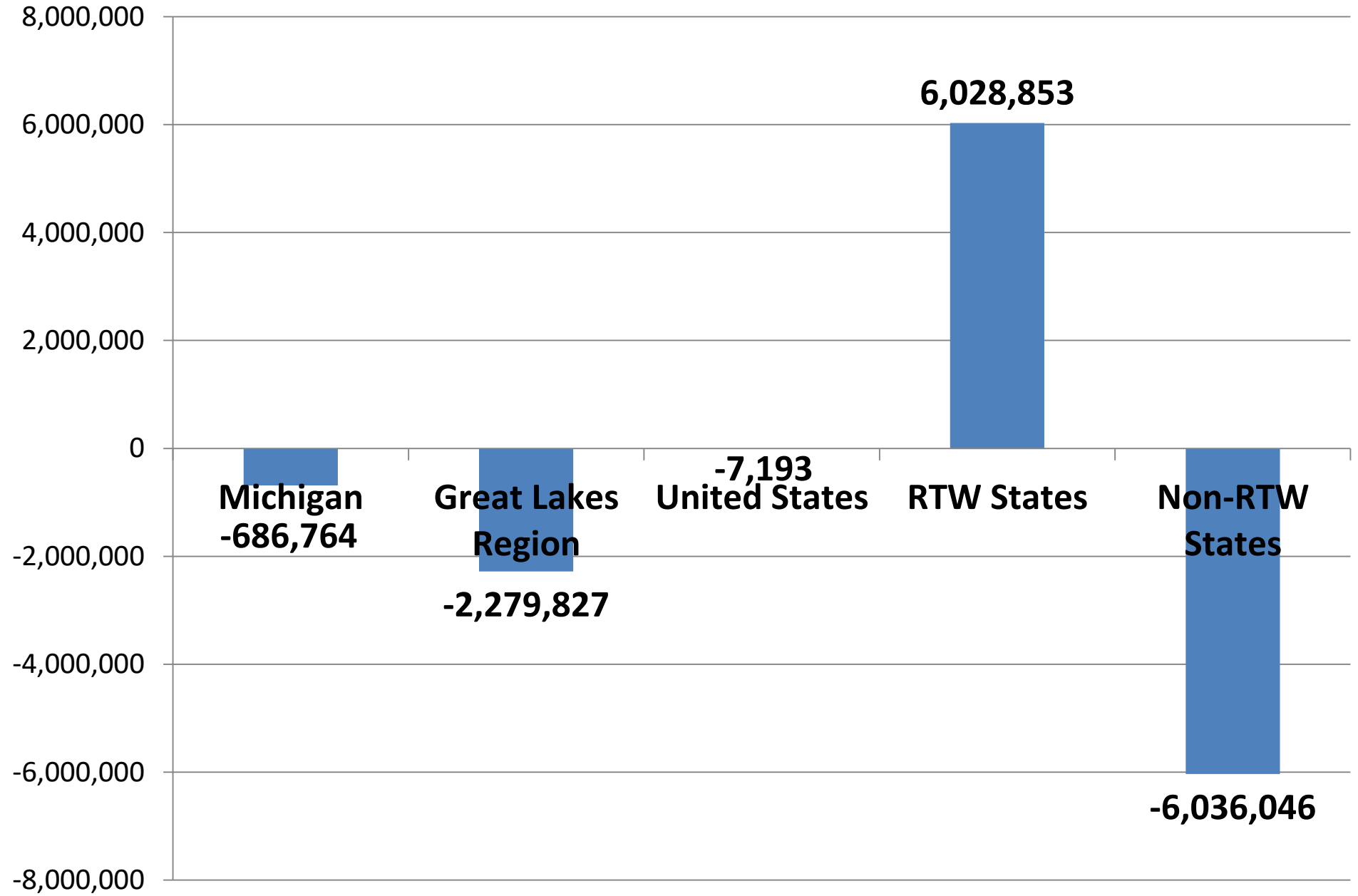
Source: IRS.GOV (2012)

Exhibit 16: Population Net Migration (2000-2015)

Rank				Rank			
	14	Alabama	87,072		20	Montana	59,279
	30	Alaska	-32,849		31	Nebraska	-48,009
	3	Arizona	869,226		7	Nevada	450,011
	16	Arkansas	70,104		21	New Hampshire	30,844
	49	California	-1,727,838		46	New Jersey	-683,715
	8	Colorado	378,100		29	New Mexico	-20,259
	42	Connecticut	-189,993		50	New York	-2,242,135
	19	Delaware	62,155		4	North Carolina	828,443
	1	Florida	1,727,342		22	North Dakota	27,363
	5	Georgia	608,712		45	Ohio	-488,129
	32	Hawaii	-50,608		15	Oklahoma	76,945
	13	Idaho	130,478		11	Oregon	259,368
	48	Illinois	-986,811		41	Pennsylvania	-156,554
	35	Indiana	-61,287		36	Rhode Island	-63,175
	34	Iowa	-59,816		6	South Carolina	455,482
	39	Kansas	-114,650		25	South Dakota	15,223
	18	Kentucky	66,127		9	Tennessee	354,500
	44	Louisiana	-331,283		2	Texas	1,457,857
	23	Maine	26,683		17	Utah	66,559
	40	Maryland	-152,221		28	Vermont	-7,407
	43	Massachusetts	-329,960		12	Virginia	142,887
	47	**Michigan**	**-686,764**		10	Washington	342,026
	38	Minnesota	-75,528		26	West Virginia	9,418
	37	Mississippi	-72,749		33	Wisconsin	-56,836
	27	Missouri	3,390		24	Wyoming	25,789

Source: Computed with data from Bureau of Labor Statistics (2000 – 2015)

Exhibit 17: Population Net Migration (2000-2015)



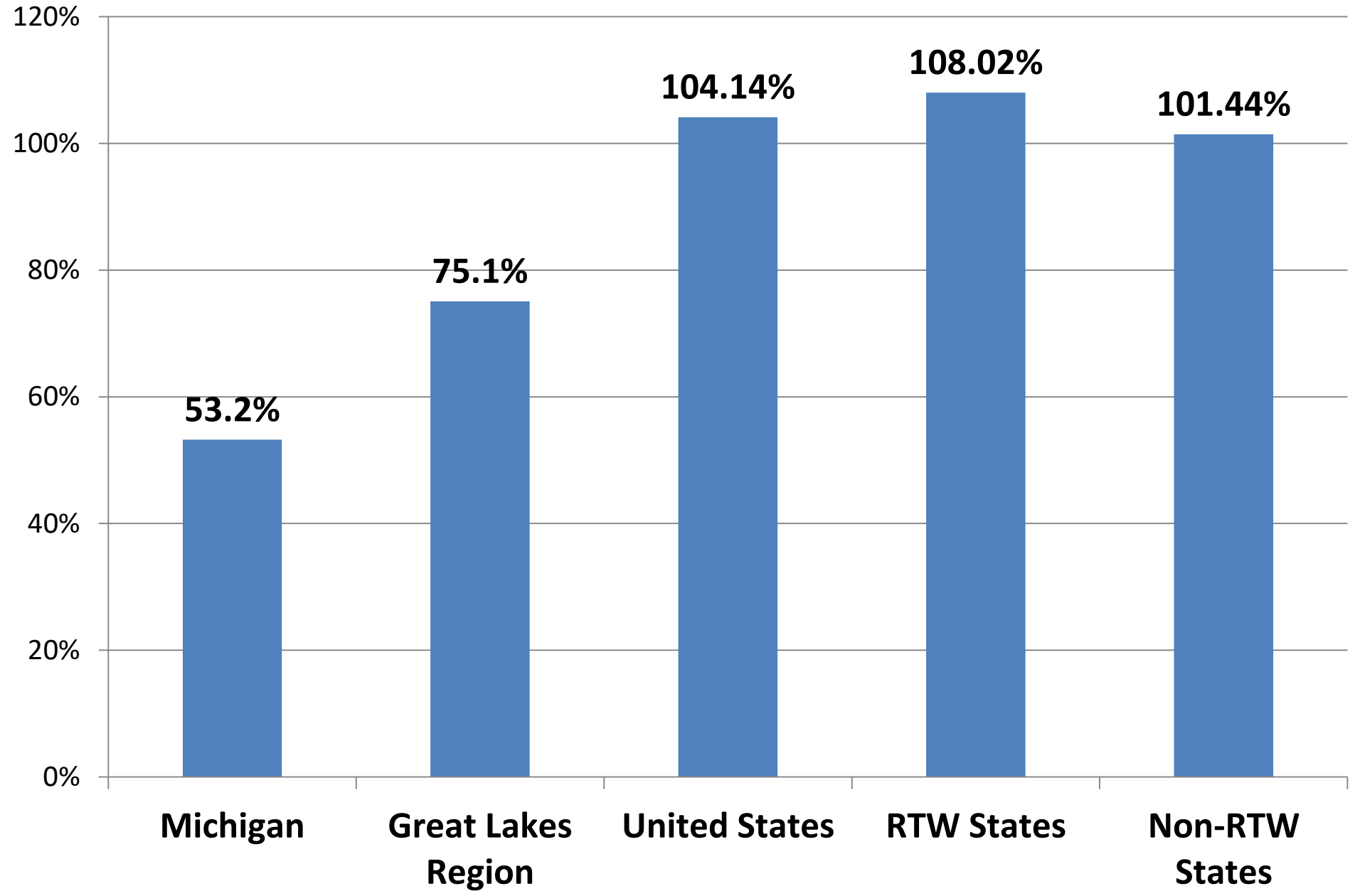
Source: Computed with data from Bureau of Labor Statistics (2000 – 2015)

Exhibit 18: Gross State Product Growth (1998-2015)

Rank				Rank			
	34	Alabama	91.9%		5	Montana	129.6%
	6	Alaska	126.6%		15	Nebraska	119.5%
	21	Arizona	108.6%		12	Nevada	120.7%
	27	Arkansas	99.1%		40	New Hampshire	87.6%
	13	California	120.7%		42	New Jersey	82.1%
	11	Colorado	121.6%		28	New Mexico	98.4%
	45	Connecticut	79.9%		18	New York	111.6%
	37	Delaware	90.4%		23	North Carolina	105.7%
	19	Florida	109.9%		1	North Dakota	221.2%
	29	Georgia	94.9%		48	Ohio	73.6%
	20	Hawaii	109.8%		8	Oklahoma	123.5%
	14	Idaho	120.3%		16	Oregon	112.9%
	43	Illinois	80.9%		39	Pennsylvania	89.3%
	41	Indiana	86.9%		30	Rhode Island	93.7%
	22	Iowa	107.7%		33	South Carolina	92.4%
	35	Kansas	90.8%		9	South Dakota	122.3%
	44	Kentucky	80.2%		32	Tennessee	93.3%
	26	Louisiana	101.7%		3	Texas	150.1%
	47	Maine	76.3%		4	Utah	140.3%
	7	Maryland	124.9%		38	Vermont	90.0%
	25	Massachusetts	102.2%		17	Virginia	112.8%
	50	**Michigan**	**53.2%**		10	Washington	122.2%
	24	Minnesota	102.9%		31	West Virginia	93.6%
	49	Mississippi	58.1%		36	Wisconsin	90.7%
	46	Missouri	78.1%		2	Wyoming	162.9%

Source: Computed with data from Bureau of Economic Analysis (1998 – 2015)

Exhibit 19: Gross State Product Growth (1998-2015)



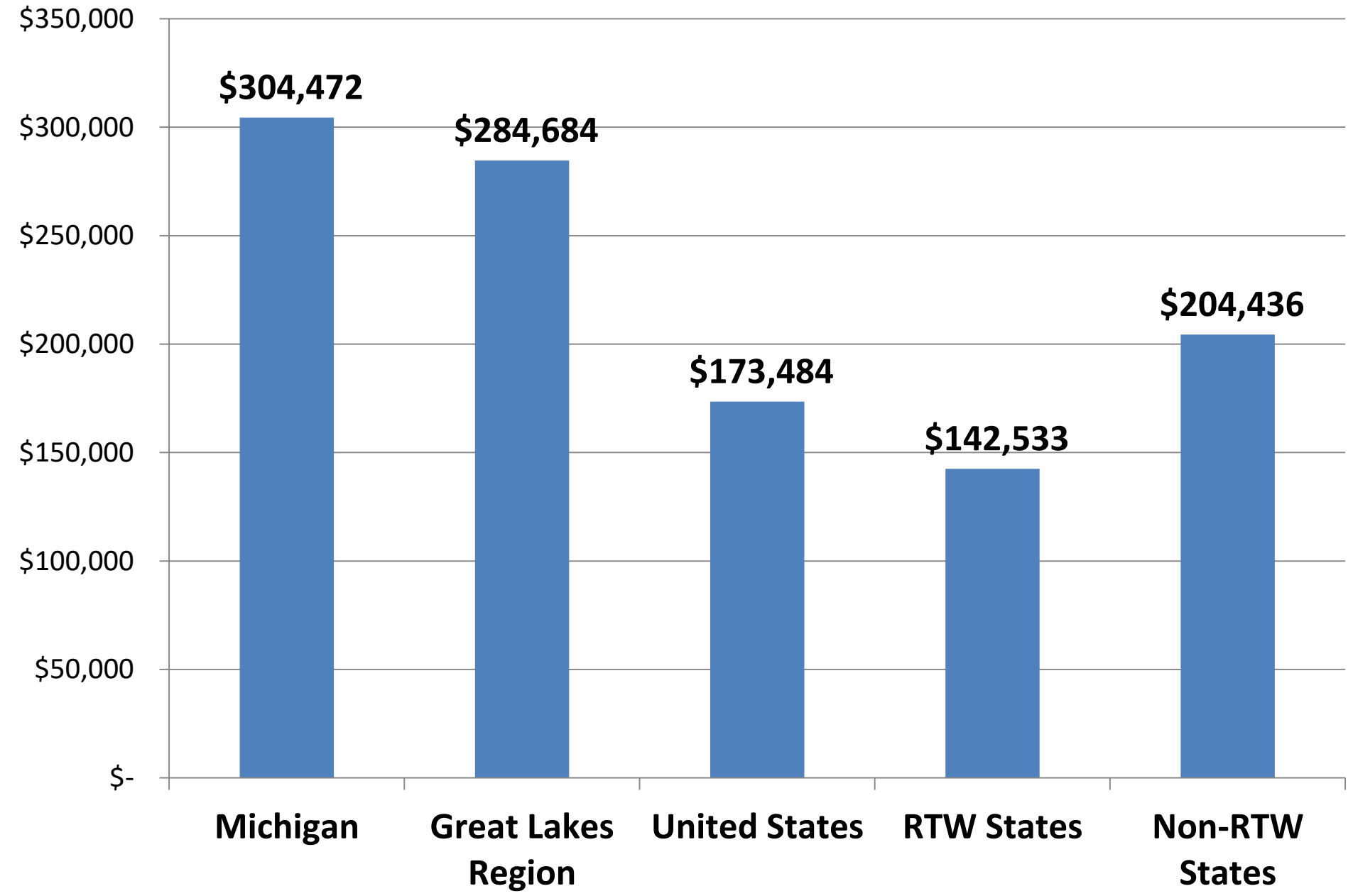
Source: Computed with data from Bureau of Economic Analysis (1998 – 2015)

Exhibit 20: 1998 Gross State Product (millions of dollars)

Rank				Rank			
	26	Alabama	$106,449		47	Montana	$20,009
	45	Alaska	$23,306		36	Nebraska	$51,931
	23	Arizona	$139,272		33	Nevada	$64,009
	34	Arkansas	$61,888		38	New Hampshire	$38,691
	1	California	$1,114,035		8	New Jersey	$311,981
	22	Colorado	$142,086		37	New Mexico	$46,479
	21	Connecticut	$143,725		2	New York	$680,860
	41	Delaware	$35,750		11	North Carolina	$242,799
	5	Florida	$420,569		48	North Dakota	$17,072
	10	Georgia	$254,346		7	Ohio	$350,293
	40	Hawaii	$38,019		30	Oklahoma	$80,711
	43	Idaho	$29,618		28	Oregon	$101,164
	4	Illinois	$428,314		6	Pennsylvania	$364,052
	15	Indiana	$180,015		44	Rhode Island	$29,446
	29	Iowa	$83,813		27	South Carolina	$103,274
	31	Kansas	$77,441		46	South Dakota	$21,000
	25	Kentucky	$108,002		18	Tennessee	$162,521
	24	Louisiana	$120,625		3	Texas	$634,286
	42	Maine	$32,104		35	Utah	$61,217
	19	Maryland	$161,779		49	Vermont	$16,002
	12	Massachusetts	$235,797		13	Virginia	$225,493
	9	**Michigan**	**$304,472**		14	Washington	$199,706
	17	Minnesota	$164,256		39	West Virginia	$38,080
	32	Mississippi	$67,725		20	Wisconsin	$160,324
	16	Missouri	$164,716		50	Wyoming	$14,689

Source: Bureau of Economic Analysis (1998)

Exhibit 21: 1998 Gross State Product (millions of dollars)



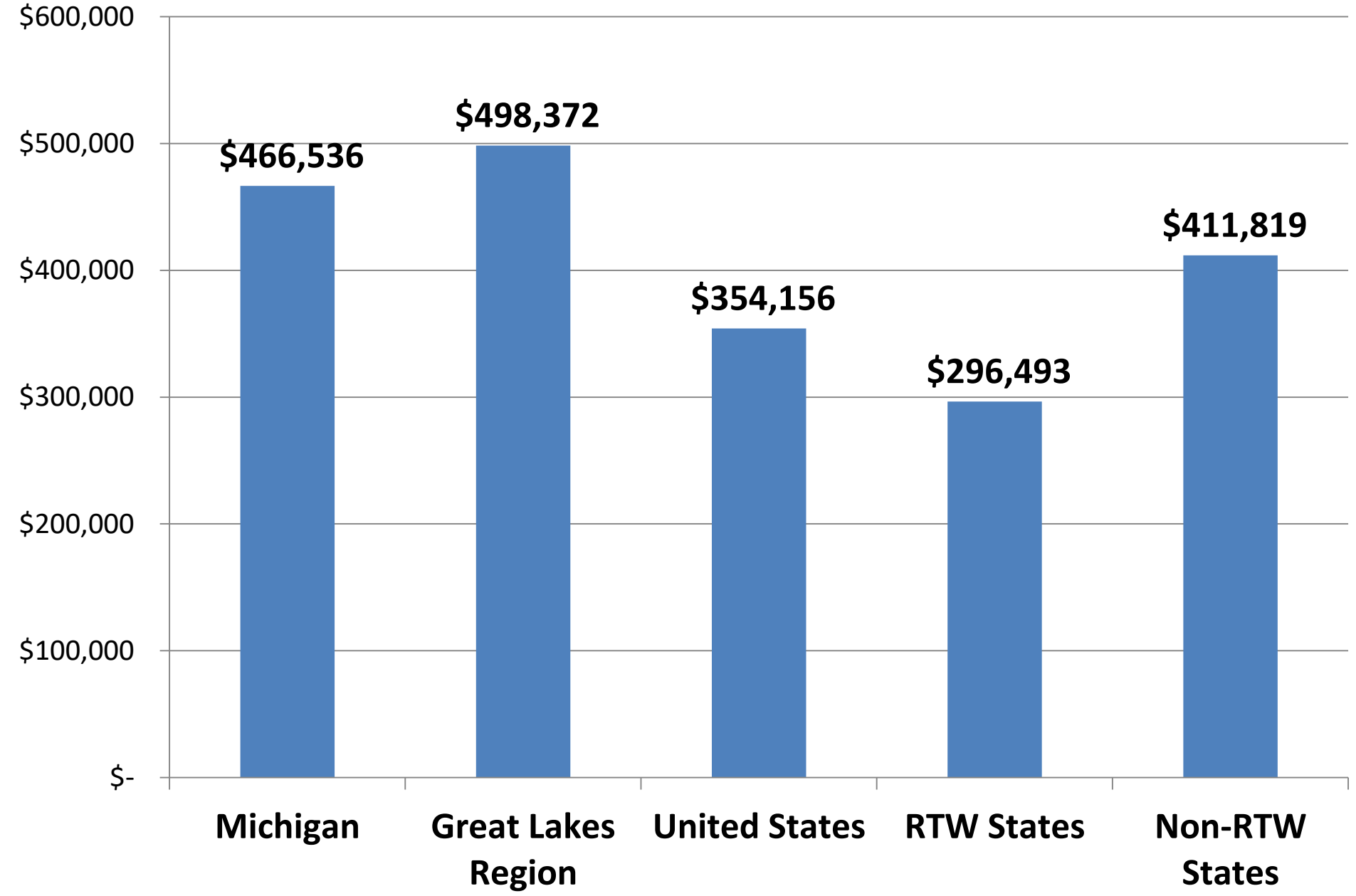
Source: Computed with data from Bureau of Economic Analysis (1998)

Exhibit 22: 2015 Gross State Product (millions of dollars)

Rank				Rank			
	26	Alabama	$204,235		48	Montana	$45,933
	46	Alaska	$52,804		35	Nebraska	$113,998
	22	Arizona	$290,578		33	Nevada	$141,282
	34	Arkansas	$123,207		40	New Hampshire	$72,573
	1	California	$2,458,535		8	New Jersey	$568,155
	18	Colorado	$314,878		37	New Mexico	$92,231
	23	Connecticut	$258,532		3	New York	$1,441,003
	41	Delaware	$68,071		9	North Carolina	$499,449
	4	Florida	$882,798		45	North Dakota	$54,830
	10	Georgia	$495,727		7	Ohio	$608,109
	38	Hawaii	$79,745		29	Oklahoma	$180,425
	42	Idaho	$65,242		25	Oregon	$215,331
	5	Illinois	$775,007		6	Pennsylvania	$689,173
	16	Indiana	$336,411		43	Rhode Island	$57,049
	30	Iowa	$174,103		27	South Carolina	$198,714
	31	Kansas	$147,765		47	South Dakota	$46,674
	28	Kentucky	$194,643		19	Tennessee	$314,191
	24	Louisiana	$243,317		2	Texas	$1,586,468
	44	Maine	$56,600		32	Utah	$147,108
	15	Maryland	$363,845		50	Vermont	$30,401
	12	Massachusetts	$476,743		11	Virginia	$479,809
	13	**Michigan**	**$466,536**		14	Washington	$443,665
	17	Minnesota	$333,267		39	West Virginia	$73,741
	36	Mississippi	$107,100		20	Wisconsin	$305,795
	21	Missouri	$293,378		49	Wyoming	$38,624

Source: Bureau of Economic Analysis (2016)

Exhibit 23: 2015 Gross State Product (millions of dollars)



Source: Computed with data from Bureau of Economic Analysis (2015)

Exhibit 24: U.S. GDP Growth Since World War II

Category	Average GDP Growth Rate
Annual U.S. GDP Growth Rate 1945-2008	3.3%
Annual U.S. GDP Growth Rate 1945-2015	3.23%
Annual U.S. GDP Growth Rate 2011-2015	2.0%
Normal Growth Rate Coming Out of a Recession Since WWII	3.8% - 5.4%
2016 U.S. GDP Growth First Quarter	0.8%
2016 U.S. GDP Growth Second Quarter	1.4%
2016 U.S. GDP Growth Third Quarter	3.5%
2016 U.S. GDP First Three Quarters (Average)	1.9%

Source: U.S. Bureau of Economic Analysis (2016)

Exhibit 25: 2015 Real Gross State Product (Growth by Rank)

Alabama	28	Montana	5
Alaska	49	Nebraska	14
Arizona	38	Nevada	9
Arkansas	29	New Hampshire	40
California	1	New Jersey	20
Colorado	4	New Mexico	42
Connecticut	43	New York	32
Delaware	15	North Carolina	10
Florida	7	North Dakota	50
Georgia	11	Ohio	21
Hawaii	24	Oklahoma	35
Idaho	18	Oregon	2
Illinois	13	Pennsylvania	27
Indiana	25	Rhode Island	37
Iowa	39	South Carolina	19
Kansas	46	South Dakota	**22**
Kentucky	36	Tennessee	17
Louisiana	26	Texas	3
Maine	44	Utah	6
Maryland	30	Vermont	47
Massachusetts	16	Virginia	33
Michigan	**31**	Washington	8
Minnesota	12	West Virginia	48
Mississippi	41	Wisconsin	23
Missouri	34	Wyoming	45

Source: Bureau of Economic Analysis (2016)

Exhibit 26: Gross State Product Growth (2011 - 2015)

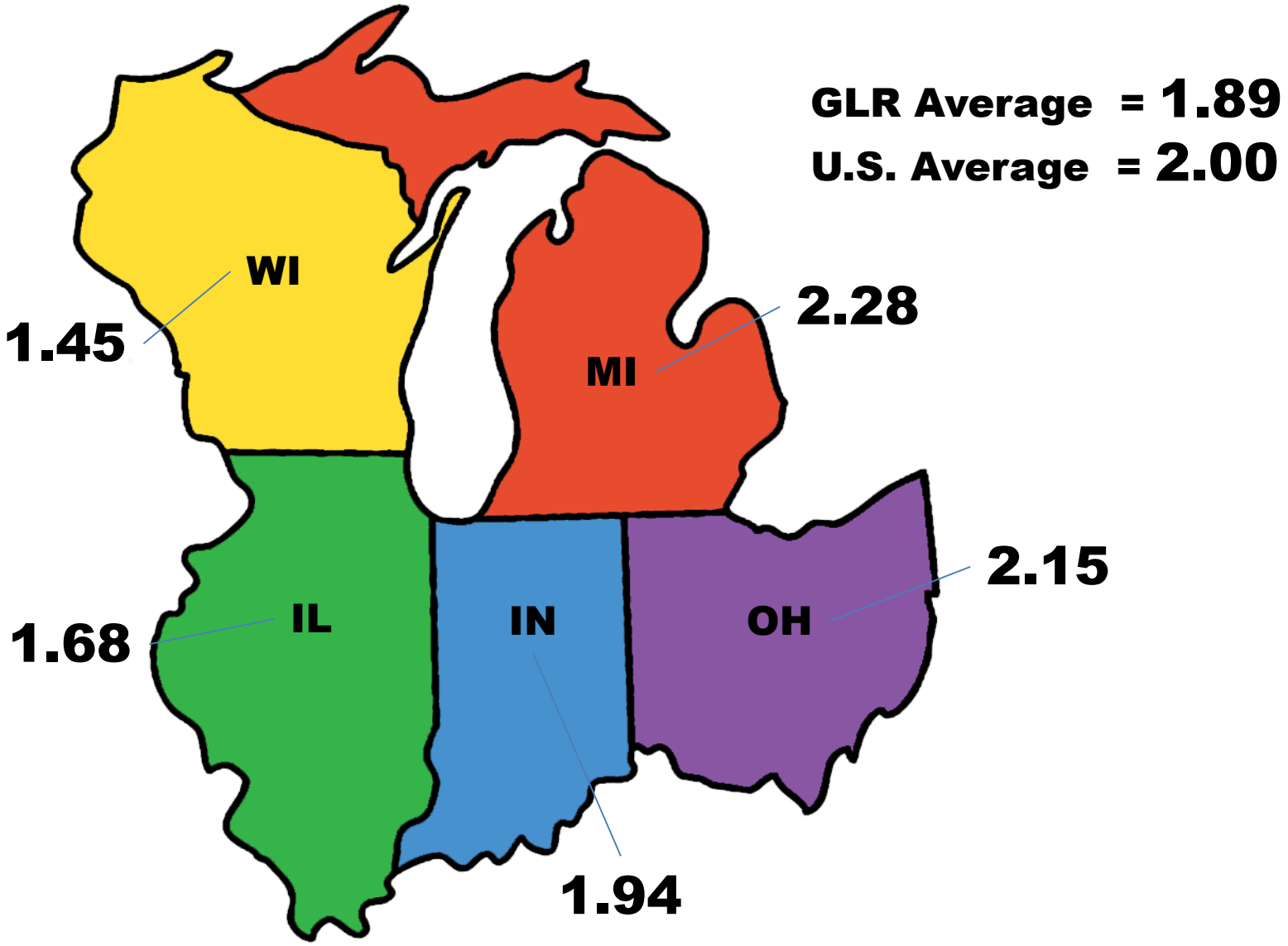


Exhibit 27: U.S. GSP Growth in Great Lakes Region (2011 - 2015)

State	2011	2012	2013	2014	2015	Average Rank
Illinois	2.07	1.91	0.9	1.2	2.3	1.68
Indiana	2.19	3.30	2.1	0.4	1.7	1.94
Michigan	**3.45**	**2.25**	**2.0**	**1.9**	**1.4**	**2.28**
Ohio	2.88	2.16	1.8	2.1	1.8	2.15
Wisconsin	1.28	1.45	1.7	1.0	1.8	1.45
Great Lakes	2.43	2.17	1.6	1.4	1.8	1.89
U.S.	1.68	1.28	2.66	2.49	1.94	2.0

Exhibit 28: U.S. GSP Growth by Region (2011 - 2015)

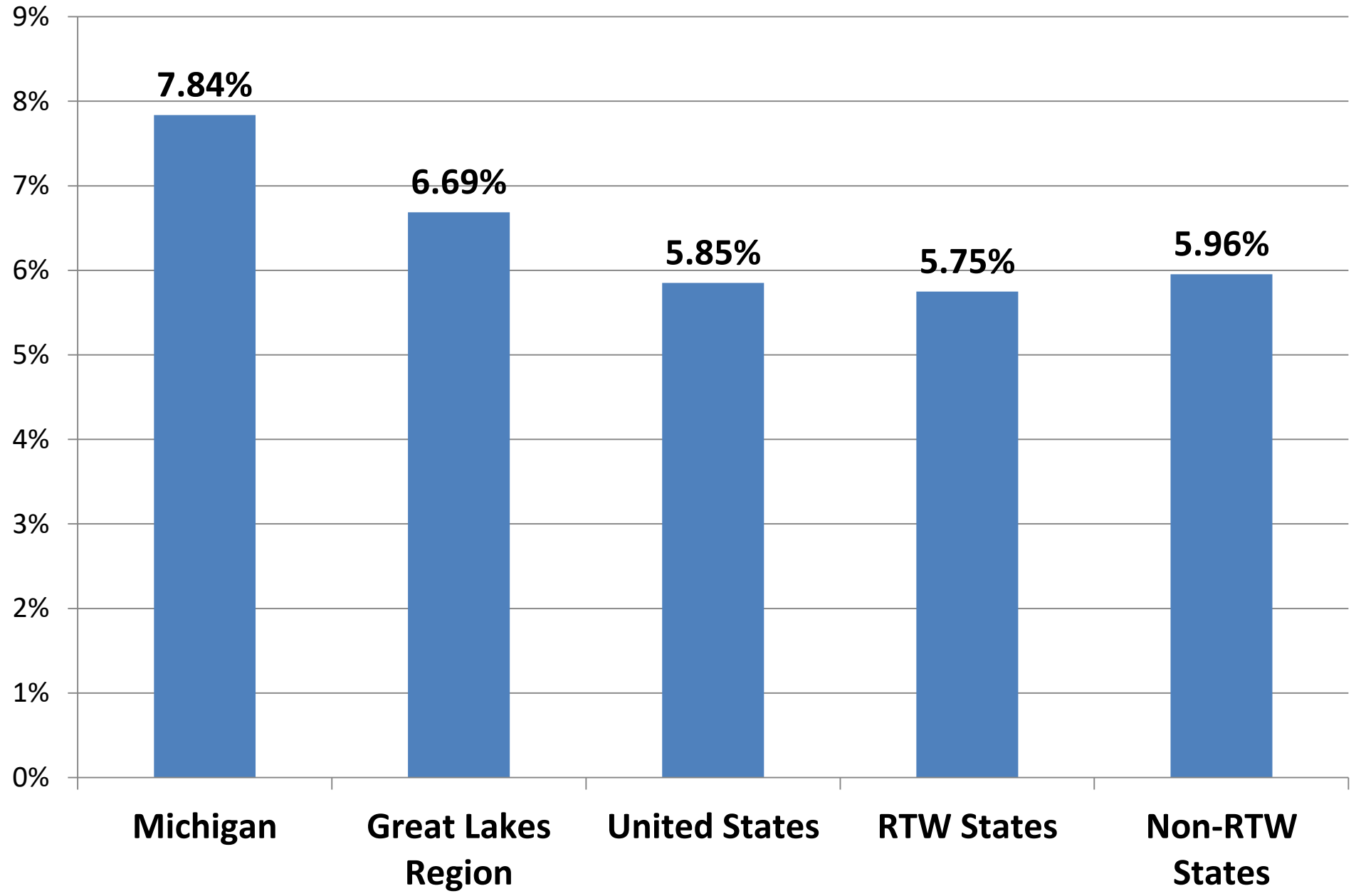
Region	2011	2012	2013	2014	2015	Average
New England	1.04	1.24	1.3	1.6	1.3	1.3
Mid East	1.20	1.48	0.7	1.7	1.6	1.3
Great Lakes	2.43	2.17	1.6	1.4	2.14	1.95
Plains	1.96	2.74	2.5	1.3	1.3	1.96
South East	0.97	2.12	1.6	1.7	2.2	1.7
South West	2.97	4.07	3.3	4.3	3.1	3.55
Rocky Mountains	1.52	2.10	4.1	3.9	3.1	2.9
Far West	1.51	3.33	2.0	2.7	3.8	2.67
U.S.	1.68	1.28	2.66	2.49	1.9	2.0

Exhibit 29: Average Unemployment Rate (2000-2015)

Rank				Rank			
	37	Alabama	6.54%		13	Montana	5.08%
	43	Alaska	7.03%		3	Nebraska	3.64%
	34	Arizona	6.46%		46	Nevada	7.31%
	26	Arkansas	6.13%		4	New Hampshire	4.30%
	49	California	7.57%		33	New Jersey	6.31%
	18	Colorado	5.59%		24	New Mexico	5.92%
	23	Connecticut	5.86%		31	New York	6.26%
	16	Delaware	5.26%		41	North Carolina	6.84%
	30	Florida	6.25%		1	North Dakota	3.28%
	36	Georgia	6.49%		38	Ohio	6.55%
	8	Hawaii	4.55%		11	Oklahoma	4.78%
	19	Idaho	5.62%		47	Oregon	7.39%
	42	Illinois	7.00%		25	Pennsylvania	5.97%
	32	Indiana	6.29%		44	Rhode Island	7.11%
	7	Iowa	4.40%		45	South Carolina	7.27%
	14	Kansas	5.15%		2	South Dakota	3.62%
	39	Kentucky	6.76%		35	Tennessee	6.49%
	29	Louisiana	6.21%		22	Texas	5.86%
	17	Maine	5.56%		10	Utah	4.78%
	15	Maryland	5.18%		5	Vermont	4.33%
	20	Massachusetts	5.63%		9	Virginia	4.56%
	50	**Michigan**	**7.84%**		40	Washington	6.79%
	12	Minnesota	4.96%		27	West Virginia	6.16%
	48	Mississippi	7.39%		21	Wisconsin	5.76%
	28	Missouri	6.18%		6	Wyoming	4.33%

Source: Computed with data from Bureau of Economic Analysis (2000 - 2015)

Exhibit 30: Average Unemployment Rate (2000-2015)



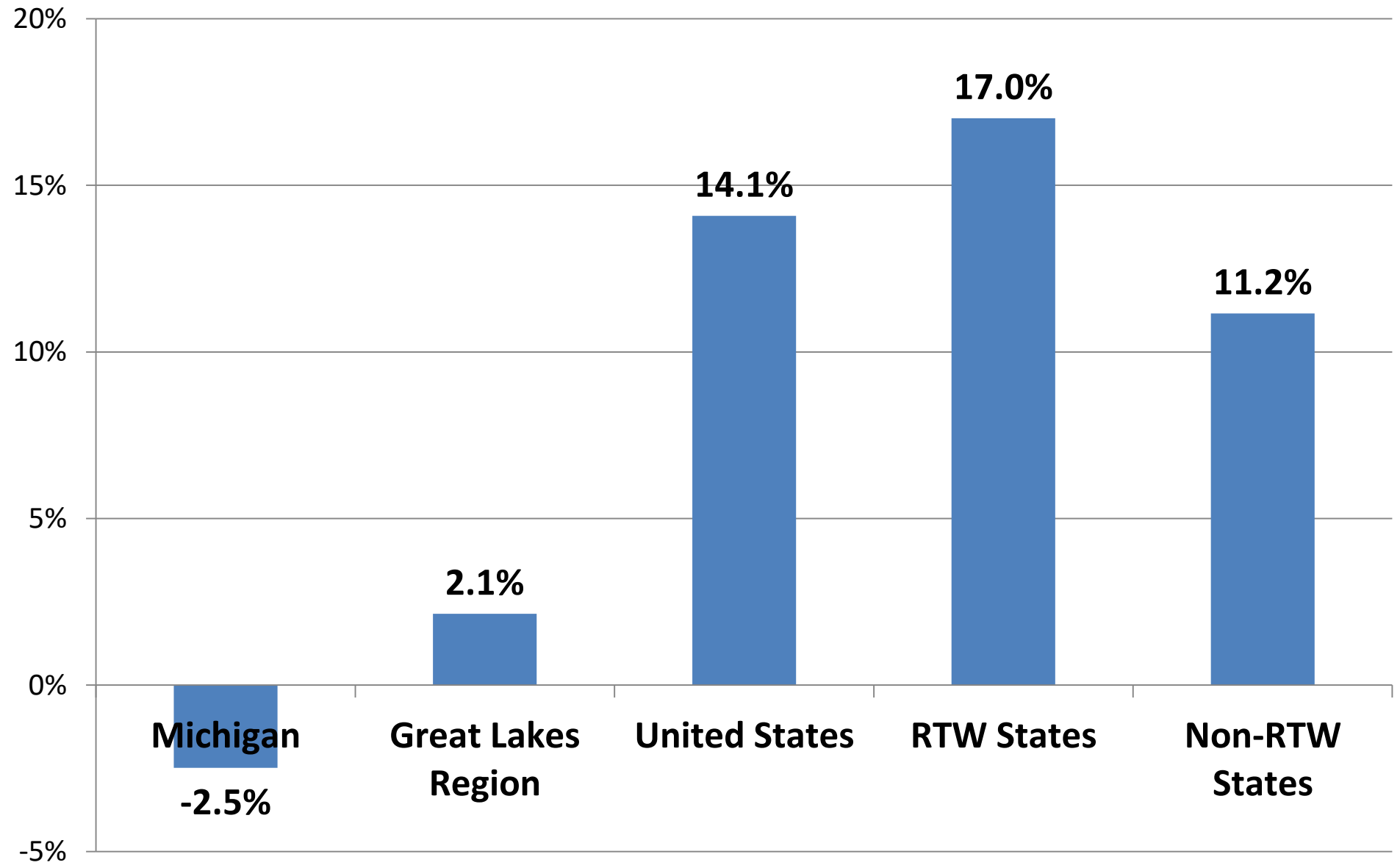
Source: Computed with data from Bureau of Economic Analysis (2000 - 2015)

Exhibit 31: Non-farm Payroll Employment Growth (2000-2014)

Rank				Rank			
	34	Alabama	8.4%		11	Montana	20.3%
	9	Alaska	22.4%		26	Nebraska	11.1%
	7	Arizona	24.4%		4	Nevada	29.0%
	40	Arkansas	7.5%		36	New Hampshire	8.0%
	17	California	17.0%		29	New Jersey	10.1%
	15	Colorado	17.8%		21	New Mexico	14.7%
	37	Connecticut	7.7%		19	New York	15.9%
	28	Delaware	10.6%		24	North Carolina	13.8%
	6	Florida	25.1%		1	North Dakota	46.7%
	14	Georgia	17.8%		49	Ohio	0.4%
	10	Hawaii	20.9%		16	Oklahoma	17.1%
	8	Idaho	22.5%		25	Oregon	12.8%
	46	Illinois	4.5%		33	Pennsylvania	8.6%
	48	Indiana	2.8%		42	Rhode Island	6.3%
	35	Iowa	8.4%		22	South Carolina	14.4%
	31	Kansas	9.5%		12	South Dakota	18.5%
	38	Kentucky	7.6%		27	Tennessee	10.9%
	13	Louisiana	18.0%		2	Texas	35.5%
	47	Maine	4.0%		3	Utah	31.9%
	20	Maryland	15.3%		41	Vermont	7.0%
	32	Massachusetts	9.4%		23	Virginia	13.9%
	50	**Michigan**	**-2.5%**		18	Washington	17.0%
	30	Minnesota	9.7%		45	West Virginia	5.0%
	39	Mississippi	7.6%		43	Wisconsin	5.4%
	44	Missouri	5.3%		5	Wyoming	28.1%

Source: Computed with data from Bureau of Economic Analysis (2000 – 2014)

Exhibit 32: Non-farm Payroll Employment Growth (2000-2014)



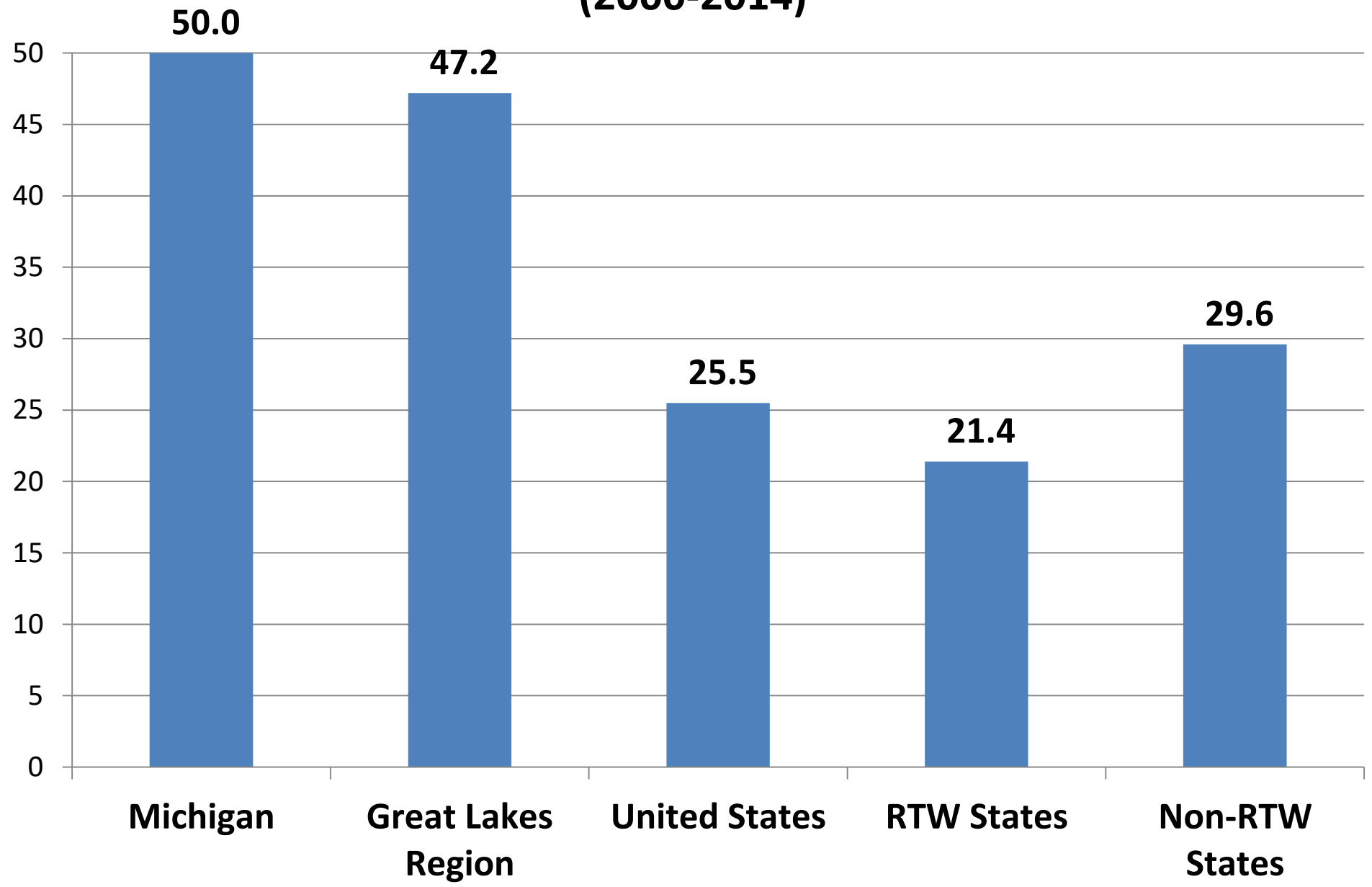
Source: Computed with data from Bureau of Economic Analysis (2000 - 2014)

Exhibit 33: Non-farm Payroll Employment Growth Rank (2000-2014)

Alabama	34	Montana	11
Alaska	9	Nebraska	26
Arizona	7	Nevada	4
Arkansas	40	New Hampshire	36
California	17	New Jersey	29
Colorado	15	New Mexico	21
Connecticut	37	New York	19
Delaware	28	North Carolina	24
Florida	6	North Dakota	1
Georgia	14	Ohio	49
Hawaii	10	Oklahoma	16
Idaho	8	Oregon	25
Illinois	46	Pennsylvania	33
Indiana	48	Rhode Island	42
Iowa	35	South Carolina	22
Kansas	31	South Dakota	12
Kentucky	38	Tennessee	27
Louisiana	13	Texas	2
Maine	47	Utah	3
Maryland	20	Vermont	41
Massachusetts	32	Virginia	23
Michigan	**50**	Washington	18
Minnesota	30	West Virginia	45
Mississippi	39	Wisconsin	43
Missouri	44	Wyoming	5

Source: Computed with data from Bureau of Economic Analysis (2000 - 2014)

Exhibit 34: Non-farm Payroll Employment Growth Rank (2000-2014)



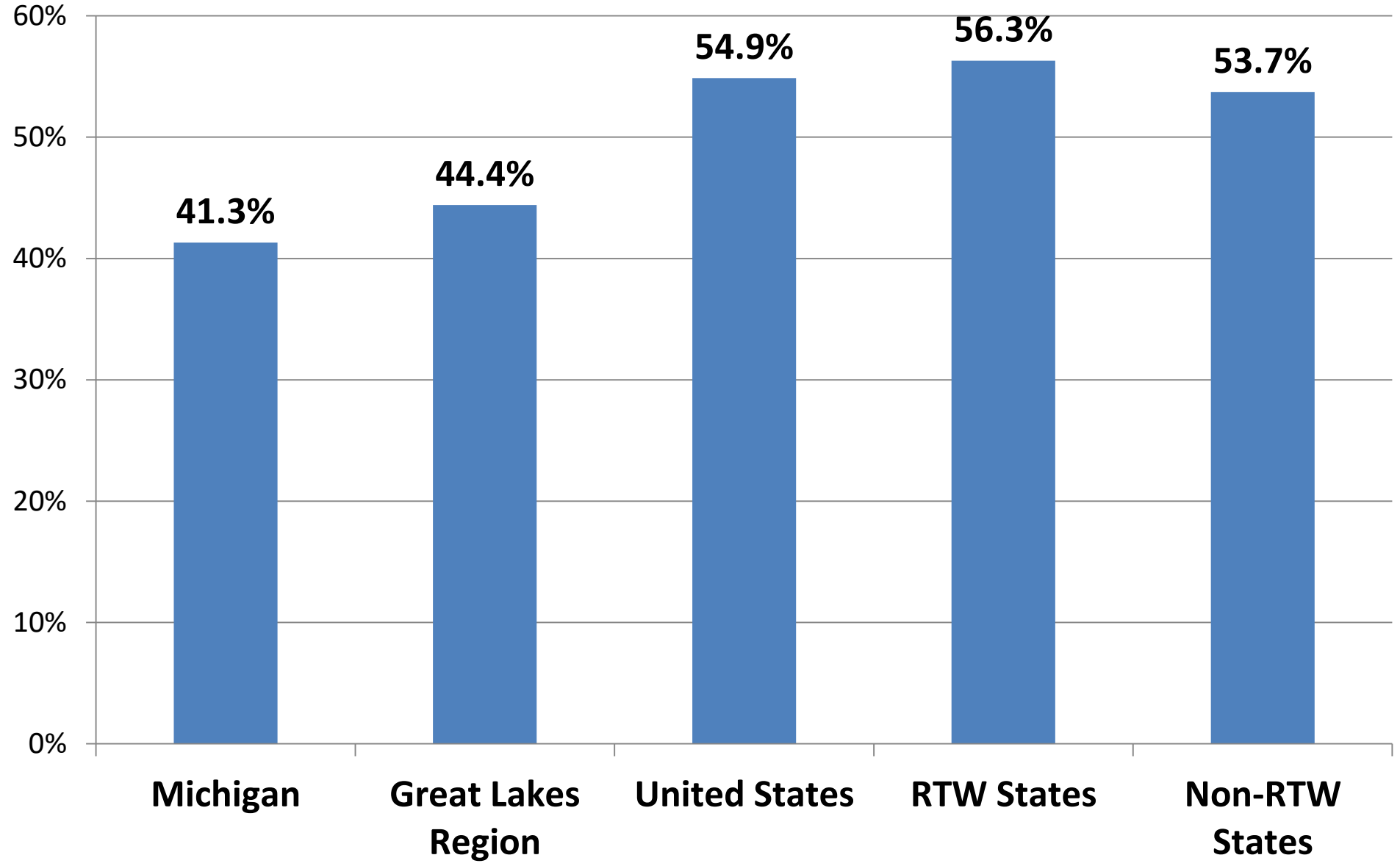
Source: Computed with data from Bureau of Economic Analysis (2000 - 2014)

Exhibit 35: Personal Income Per Capita Growth (2000-2015)

Rank				Rank			
	26	Alabama	58.1%		6	Montana	75.0%
	5	Alaska	77.7%		11	Nebraska	65.7%
	45	Arizona	47.1%		50	Nevada	35.1%
	7	Arkansas	71.5%		21	New Hampshire	59.8%
	27	California	57.7%		35	New Jersey	52.6%
	44	Colorado	47.3%		16	New Mexico	64.1%
	25	Connecticut	58.7%		17	New York	63.3%
	43	Delaware	48.4%		46	North Carolina	45.8%
	40	Florida	49.0%		1	North Dakota	110.2%
	48	Georgia	41.3%		37	Ohio	51.9%
	12	Hawaii	65.1%		4	Oklahoma	78.5%
	42	Idaho	48.5%		41	Oregon	48.8%
	39	Illinois	50.2%		19	Pennsylvania	61.3%
	47	Indiana	45.8%		10	Rhode Island	65.8%
	18	Iowa	63.2%		38	South Carolina	51.3%
	22	Kansas	59.6%		13	South Dakota	65.0%
	30	Kentucky	56.2%		34	Tennessee	53.0%
	3	Louisiana	83.5%		14	Texas	64.8%
	33	Maine	55.2%		28	Utah	57.6%
	23	Maryland	58.8%		8	Vermont	67.6%
	24	Massachusetts	58.8%		20	Virginia	60.6%
	49	**Michigan**	**41.3%**		31	Washington	55.5%
	29	Minnesota	56.3%		9	West Virginia	67.6%
	15	Mississippi	64.2%		32	Wisconsin	55.3%
	36	Missouri	52.6%		2	Wyoming	91.0%

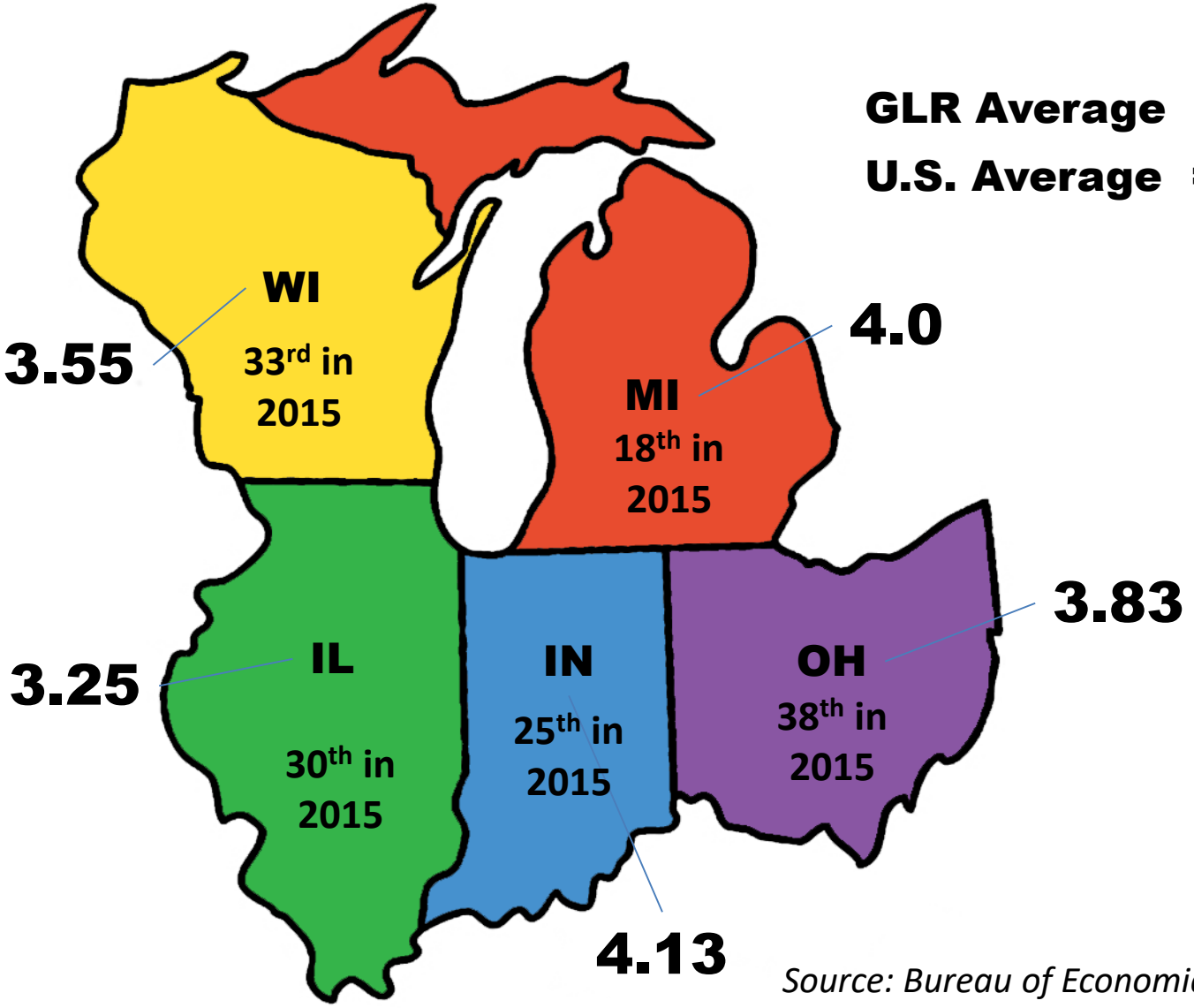
Source: Computed with data from Bureau of Economic Analysis (2000 – 2015)

Exhibit 36: Personal Income Per Capita Growth (2000-2015)



Source: Computed with data from Bureau of Economic Analysis (2000 - 2015)

Exhibit 37: Great Lakes Average Personal Income Per Capita Growth (2010-2015)



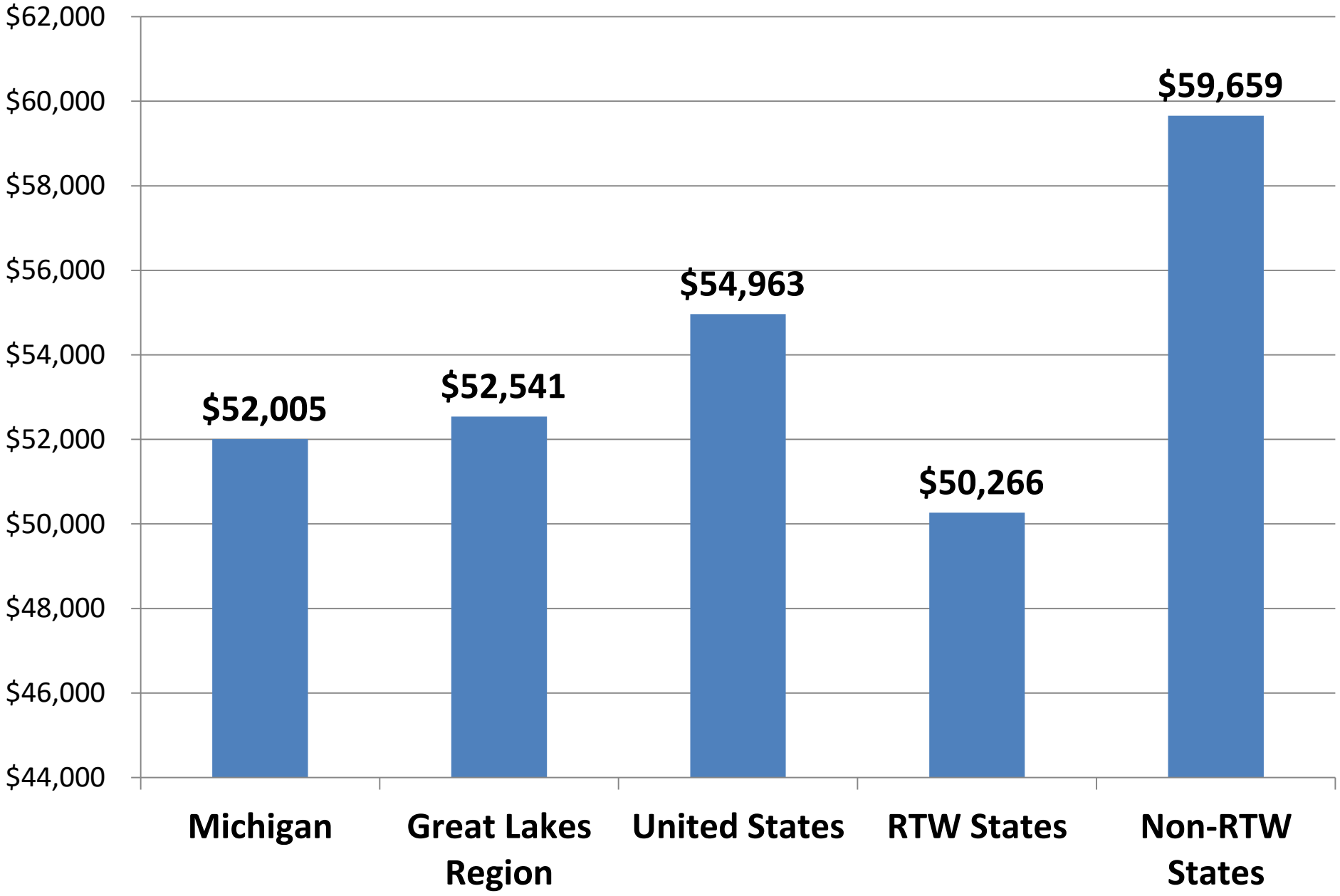
Source: Bureau of Economic Analysis

Exhibit 38: Median Household Income (2015)

Rank				Rank			
	48	Alabama	$42,278		33	Montana	$51,102
	5	Alaska	$67,629		21	Nebraska	$56,870
	37	Arizona	$49,254		34	Nevada	$49,875
	44	Arkansas	$44,922		2	New Hampshire	$73,397
	14	California	$60,487		8	New Jersey	$65,243
	11	Colorado	$60,940		41	New Mexico	$46,686
	4	Connecticut	$70,161		26	New York	$54,310
	20	Delaware	$57,522		40	North Carolina	$46,784
	42	Florida	$46,140		12	North Dakota	$60,730
	36	Georgia	$49,555		35	Ohio	$49,644
	3	Hawaii	$71,223		39	Oklahoma	$47,199
	29	Idaho	$53,438		16	Oregon	$58,875
	25	Illinois	$54,916		24	Pennsylvania	$55,173
	38	Indiana	$48,060		17	Rhode Island	$58,633
	19	Iowa	$57,810		43	South Carolina	$44,929
	28	Kansas	$53,444		30	South Dakota	$53,053
	46	Kentucky	$42,786		45	Tennessee	$43,716
	47	Louisiana	$42,406		27	Texas	$53,875
	32	Maine	$51,710		9	Utah	$63,383
	1	Maryland	$76,165		13	Vermont	$60,708
	10	Massachusetts	$63,151		7	Virginia	$66,155
	31	**Michigan**	**$52,005**		15	Washington	$59,068
	6	Minnesota	$67,244		49	West Virginia	$39,552
	50	Mississippi	$35,521		18	Wisconsin	$58,080
	22	Missouri	$56,630		23	Wyoming	$55,690

Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 39: Median Household Income (2015)



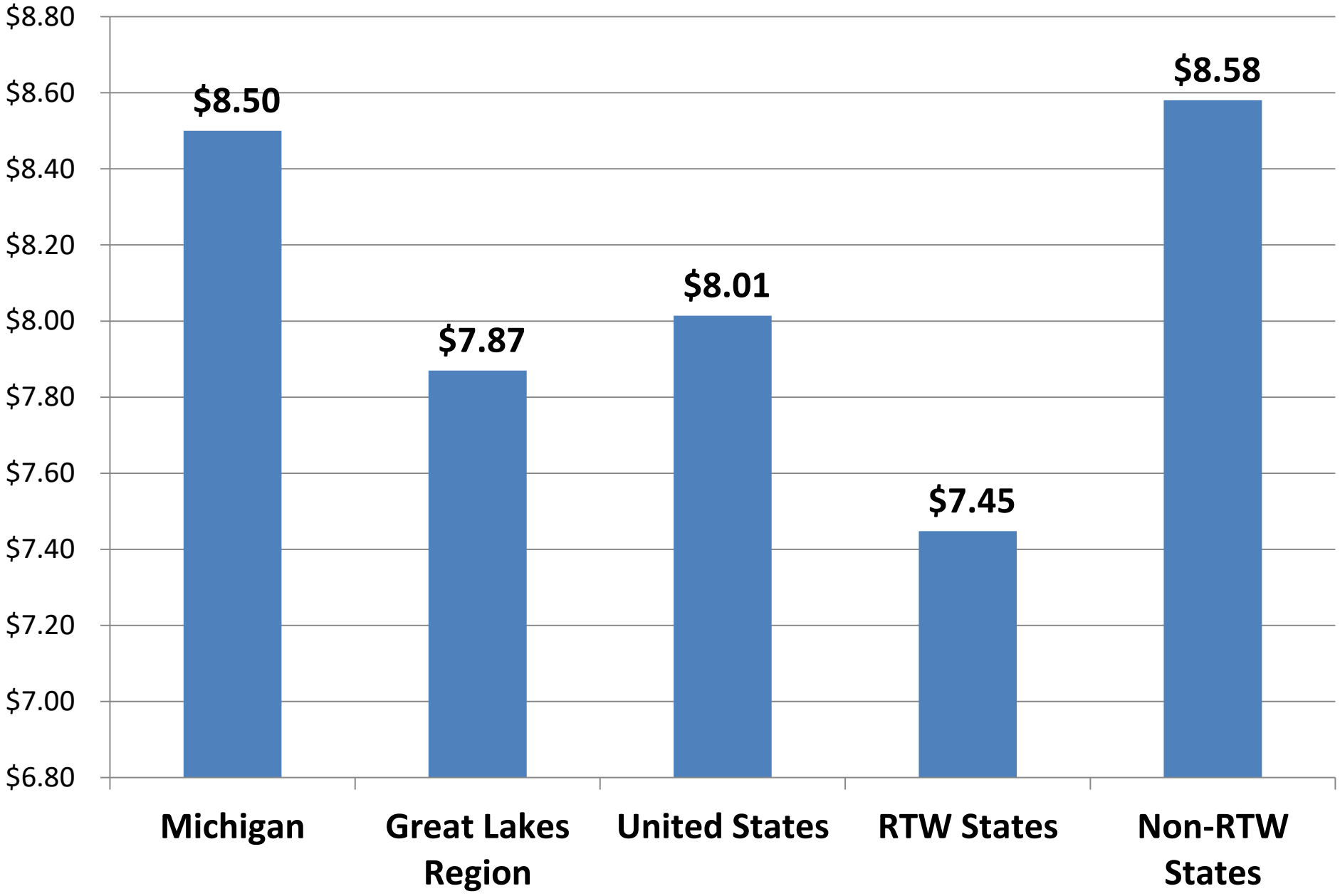
Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 40: State Minimum Wage (Aug. 1, 2016)

Rank				Rank			
	3	Alabama	$7.25		26	Montana	$8.05
	47	Alaska	$9.75		40	Nebraska	$9.00
	26	Arizona	$8.05		30	Nevada	$8.25
	25	Arkansas	$8.00		3	New Hampshire	$7.25
	49	California	$10.00		34	New Jersey	$8.38
	33	Colorado	$8.31		22	New Mexico	$7.50
	44	Connecticut	$9.60		40	New York	$9.00
	30	Delaware	$8.25		3	North Carolina	$7.25
	26	Florida	$8.05		3	North Dakota	$7.25
	1	Georgia	$5.15		29	Ohio	$8.10
	35	Hawaii	$8.50		3	Oklahoma	$7.25
	3	Idaho	$7.25		47	Oregon	$9.75
	30	Illinois	$8.25		3	Pennsylvania	$7.25
	3	Indiana	$7.25		44	Rhode Island	$9.60
	3	Iowa	$7.25		3	South Carolina	$7.25
	3	Kansas	$7.25		37	South Dakota	$8.55
	3	Kentucky	$7.25		3	Tennessee	$7.25
	3	Louisiana	$7.25		3	Texas	$7.25
	22	Maine	$7.50		3	Utah	$7.25
	38	Maryland	$8.75		44	Vermont	$9.60
	49	Massachusetts	$10.00		3	Virginia	$7.25
	35	**Michigan**	**$8.50**		42	Washington	$9.47
	43	Minnesota	$9.50		38	West Virginia	$8.75
	3	Mississippi	$7.25		3	Wisconsin	$7.25
	24	Missouri	$7.65		1	Wyoming	$5.15

Source: Bureau of Labor Statistics (2016)

Exhibit 41: State Minimum Wage (Aug. 1, 2016)



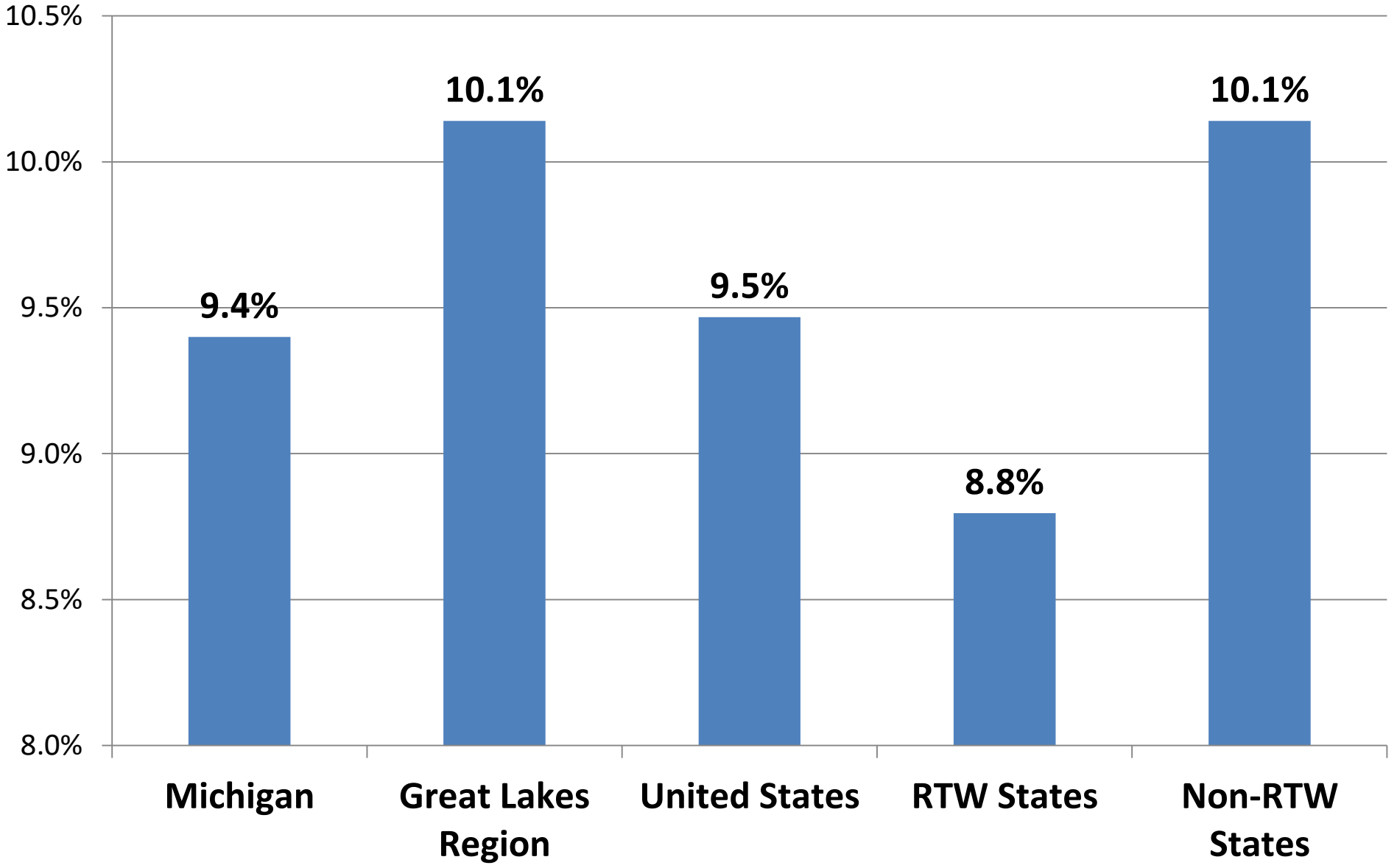
Source: Computed with data from Bureau of Labor Statistics (2016)

Exhibit 42: State and Local Tax Burden as a % of Income (FY 2014)

Rank				Rank			
	12	Alabama	8.7%		12	Montana	8.7%
	1	Alaska	6.5%		20	Nebraska	9.2%
	15	Arizona	8.9%		8	Nevada	8.1%
	34	Arkansas	10.1%		7	New Hampshire	7.9%
	45	California	11.0%		48	New Jersey	12.2%
	15	Colorado	8.9%		12	New Mexico	8.7%
	49	Connecticut	12.6%		50	New York	12.7%
	35	Delaware	10.2%		31	North Carolina	9.8%
	15	Florida	8.9%		18	North Dakota	9.0%
	19	Georgia	9.1%		31	Ohio	9.8%
	35	Hawaii	10.2%		10	Oklahoma	8.6%
	25	Idaho	9.4%		41	Oregon	10.4%
	45	Illinois	11.0%		35	Pennsylvania	10.2%
	27	Indiana	9.5%		42	Rhode Island	10.8%
	20	Iowa	9.2%		9	South Carolina	8.4%
	27	Kansas	9.5%		2	South Dakota	7.1%
	27	Kentucky	9.5%		4	Tennessee	7.4%
	5	Louisiana	7.6%		5	Texas	7.6%
	35	Maine	10.2%		30	Utah	9.6%
	43	Maryland	10.9%		39	Vermont	10.3%
	39	Massachusetts	10.3%		22	Virginia	9.3%
	25	**Michigan**	9.4%		22	Washington	9.3%
	43	Minnesota	10.9%		31	West Virginia	9.8%
	10	Mississippi	8.6%		45	Wisconsin	11.0%
	22	Missouri	9.3%		2	Wyoming	7.1%

Source: Tax Foundation (2015)

Exhibit 43: State and Local Tax Burden as a % of Income (FY 2014)



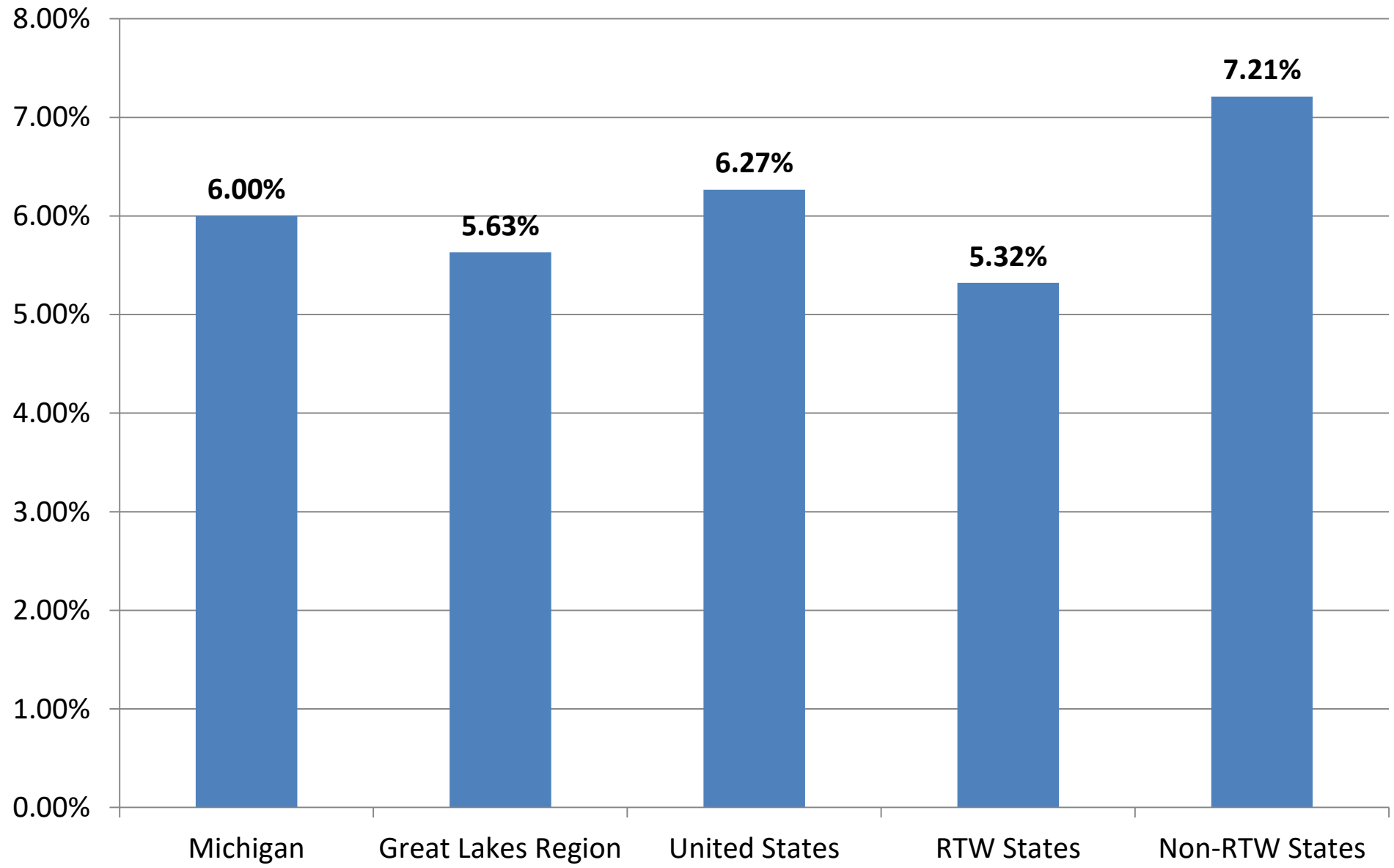
Source: Computed with data from Tax Foundation (2015)

Exhibit 44: Average State and Local Corporate Tax Rate (2016)

Rank				Rank			
	22	Alabama	6.50%		29	Montana	6.75%
	47	Alaska	9.40%		35	Nebraska	7.81%
	13	Arizona	5.50%		1	Nevada	0.00%
	22	Arkansas	6.50%		40	New Hampshire	8.50%
	43	California	8.84%		45	New Jersey	9.00%
	9	Colorado	4.63%		28	New Mexico	6.60%
	45	Connecticut	9.00%		22	New York	6.50%
	42	Delaware	8.70%		7	North Carolina	4.00%
	13	Florida	5.50%		8	North Dakota	4.30%
	15	Georgia	6.00%		1	Ohio	0.00%
	21	Hawaii	6.40%		15	Oklahoma	6.00%
	32	Idaho	7.40%		33	Oregon	7.60%
	34	Illinois	7.75%		49	Pennsylvania	9.99%
	22	Indiana	6.50%		30	Rhode Island	7.00%
	50	Iowa	12.00%		10	South Carolina	5.00%
	30	Kansas	7.00%		1	South Dakota	0.00%
	15	Kentucky	6.00%		22	Tennessee	6.50%
	37	Louisiana	8.00%		1	Texas	0.00%
	44	Maine	8.93%		10	Utah	5.00%
	39	Maryland	8.25%		40	Vermont	8.50%
	37	Massachusetts	8.00%		15	Virginia	6.00%
	15	**Michigan**	**6.00%**		1	Washington	0.00%
	48	Minnesota	9.80%		22	West Virginia	6.50%
	10	Mississippi	5.00%		36	Wisconsin	7.90%
	20	Missouri	6.25%		1	Wyoming	0.00%

Source: Tax Foundation (2016)

Exhibit 45: Average State and Local Corporate Tax Rate (2016)



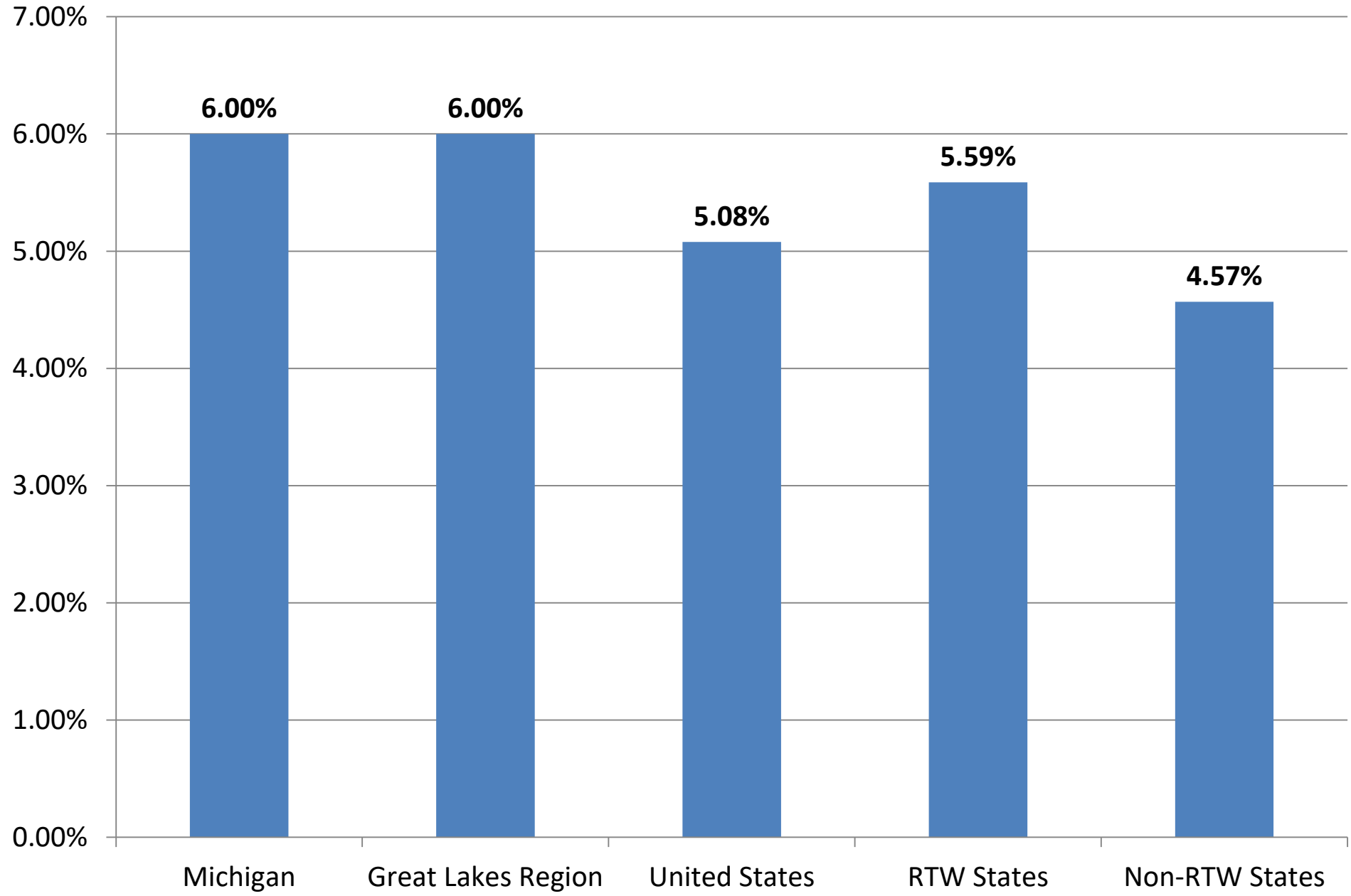
Source: Computed with data from Tax Foundation (2016)

Exhibit 46: Average State Sales Tax Rate (2016)

Rank	State	Rate
7	Alabama	4.00%
1	Alaska	0.00%
23	Arizona	5.60%
40	Arkansas	6.50%
50	California	7.50%
6	Colorado	2.90%
39	Connecticut	6.35%
1	Delaware	0.00%
26	Florida	6.00%
7	Georgia	4.00%
7	Hawaii	4.00%
26	Idaho	6.00%
36	Illinois	6.25%
45	Indiana	7.00%
26	Iowa	6.00%
40	Kansas	6.50%
26	Kentucky	6.00%
7	Louisiana	4.00%
21	Maine	5.50%
26	Maryland	6.00%
36	Massachusetts	6.25%
26	**Michigan**	**6.00%**
44	Minnesota	6.88%
45	Mississippi	7.00%
14	Missouri	4.23%
1	Montana	0.00%
21	Nebraska	5.50%
43	Nevada	6.85%
1	New Hampshire	0.00%
45	New Jersey	7.00%
19	New Mexico	5.13%
7	New York	4.00%
16	North Carolina	4.75%
17	North Dakota	5.00%
24	Ohio	5.75%
15	Oklahoma	4.50%
1	Oregon	0.00%
26	Pennsylvania	6.00%
45	Rhode Island	7.00%
26	South Carolina	6.00%
7	South Dakota	4.00%
45	Tennessee	7.00%
36	Texas	6.25%
25	Utah	5.95%
26	Vermont	6.00%
20	Virginia	5.30%
40	Washington	6.50%
26	West Virginia	6.00%
17	Wisconsin	5.00%
7	Wyoming	4.00%

Source: Tax Foundation (2016)

Exhibit 47: State Sales Tax Rate (2016)



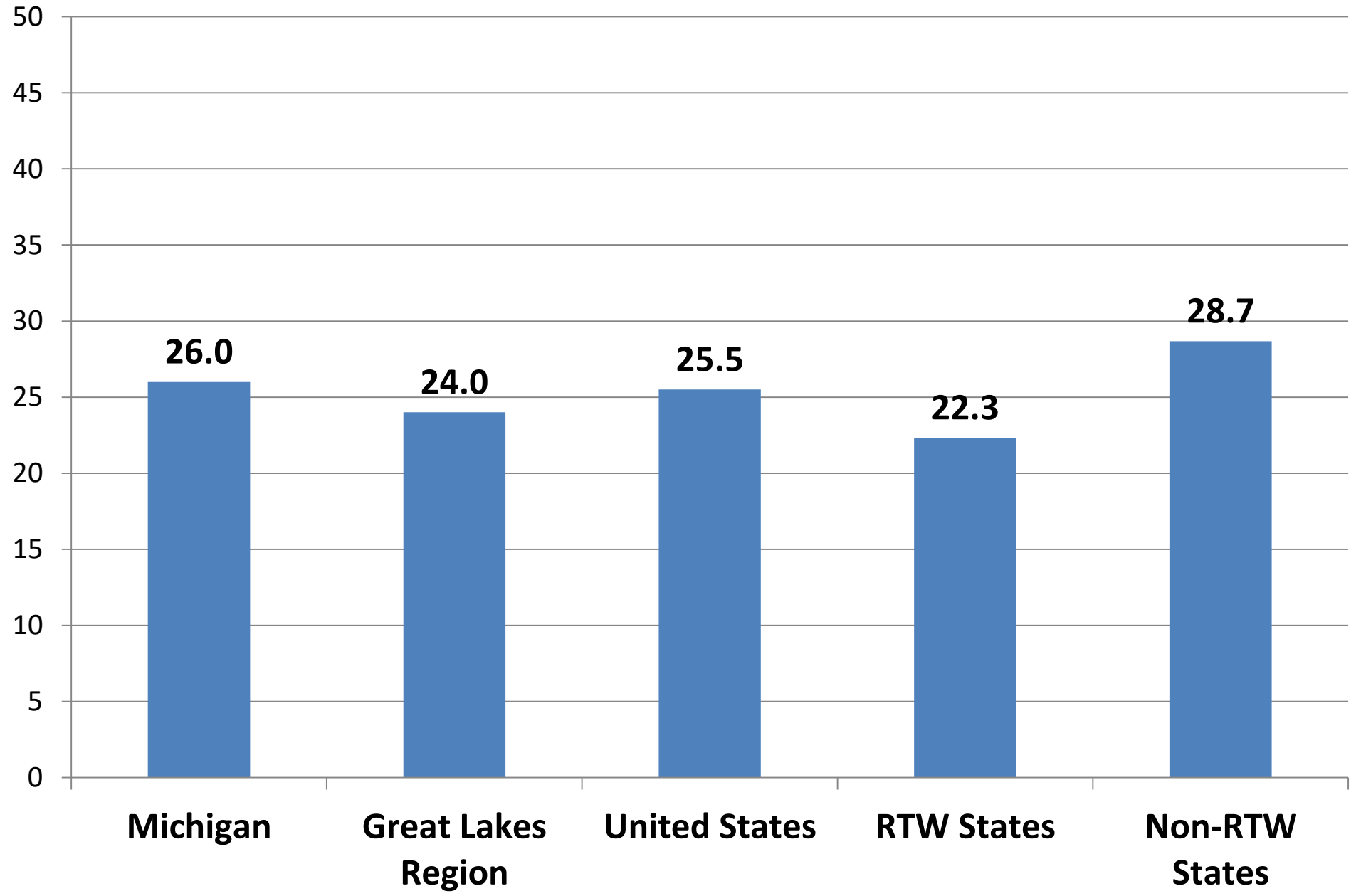
Source: Computed with data from Tax Foundation (2016)

Exhibit 48: Property Tax Burden Ranking (2016)

Alabama	17	Montana	9
Alaska	21	Nebraska	39
Arizona	6	Nevada	7
Arkansas	27	New Hampshire	43
California	13	New Jersey	50
Colorado	12	New Mexico	1
Connecticut	49	New York	47
Delaware	15	North Carolina	32
Florida	20	North Dakota	3
Georgia	31	Ohio	11
Hawaii	14	Oklahoma	18
Idaho	4	Oregon	10
Illinois	45	Pennsylvania	38
Indiana	5	Rhode Island	44
Iowa	40	South Carolina	25
Kansas	19	South Dakota	22
Kentucky	23	Tennessee	37
Louisiana	28	Texas	34
Maine	41	Utah	2
Maryland	42	Vermont	48
Massachusetts	46	Virginia	29
Michigan	**26**	Washington	24
Minnesota	30	West Virginia	16
Mississippi	35	Wisconsin	33
Missouri	8	Wyoming	36

Source: Tax Foundation (2016)

Exhibit 49: Property Tax Burden Ranking (2016)



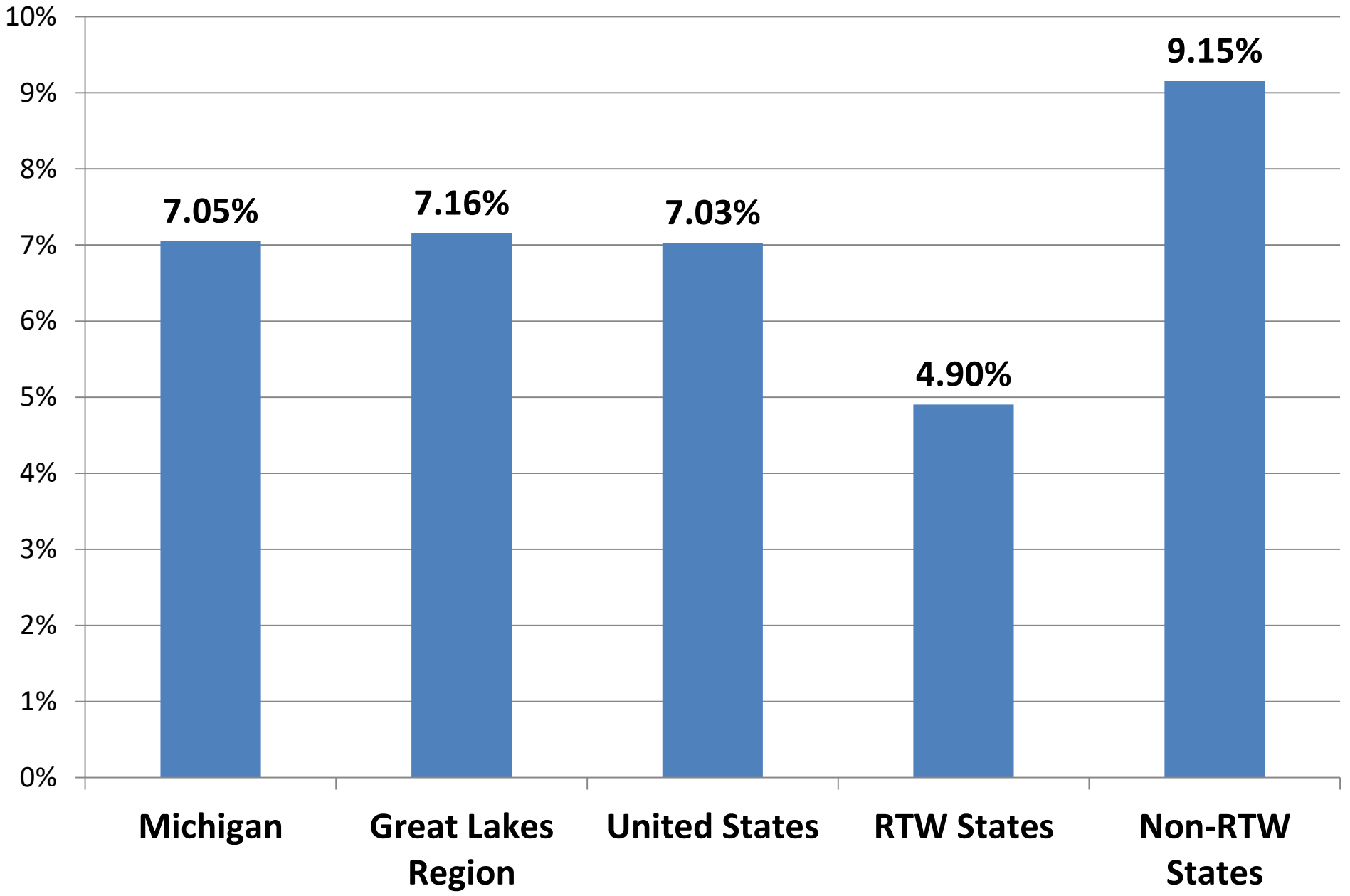
Source: Computed with data from Tax Foundation (2016)

Exhibit 50: State Debt as a % of GSP (2015)

Rank				Rank			
	12	Alabama	4.51%		33	Montana	7.62%
	42	Alaska	10.42%		1	Nebraska	1.72%
	16	Arizona	5.08%		5	Nevada	2.63%
	9	Arkansas	3.74%		46	New Hampshire	11.51%
	24	California	6.74%		47	New Jersey	12.12%
	18	Colorado	5.54%		30	New Mexico	7.27%
	48	Connecticut	13.25%		40	New York	9.85%
	38	Delaware	8.18%		10	North Carolina	3.76%
	11	Florida	4.35%		7	North Dakota	3.24%
	6	Georgia	2.84%		20	Ohio	5.72%
	44	Hawaii	11.03%		14	Oklahoma	4.76%
	19	Idaho	5.69%		29	Oregon	7.17%
	39	Illinois	8.87%		27	Pennsylvania	7.07%
	22	Indiana	6.51%		50	Rhode Island	17.04%
	8	Iowa	3.72%		37	South Carolina	7.96%
	13	Kansas	4.60%		28	South Dakota	7.10%
	36	Kentucky	7.87%		2	Tennessee	2.02%
	35	Louisiana	7.73%		4	Texas	2.61%
	41	Maine	9.95%		17	Utah	5.21%
	32	Maryland	7.53%		45	Vermont	11.10%
	49	Massachusetts	16.27%		21	Virginia	6.00%
	26	**Michigan**	**7.05%**		31	Washington	7.47%
	15	Minnesota	4.94%		43	West Virginia	10.73%
	25	Mississippi	6.77%		34	Wisconsin	7.63%
	23	Missouri	6.72%		3	Wyoming	2.27%

Source: Computed with data from United States Census Bureau (2016)

Exhibit 51: State Debt as a % of GSP (2015)



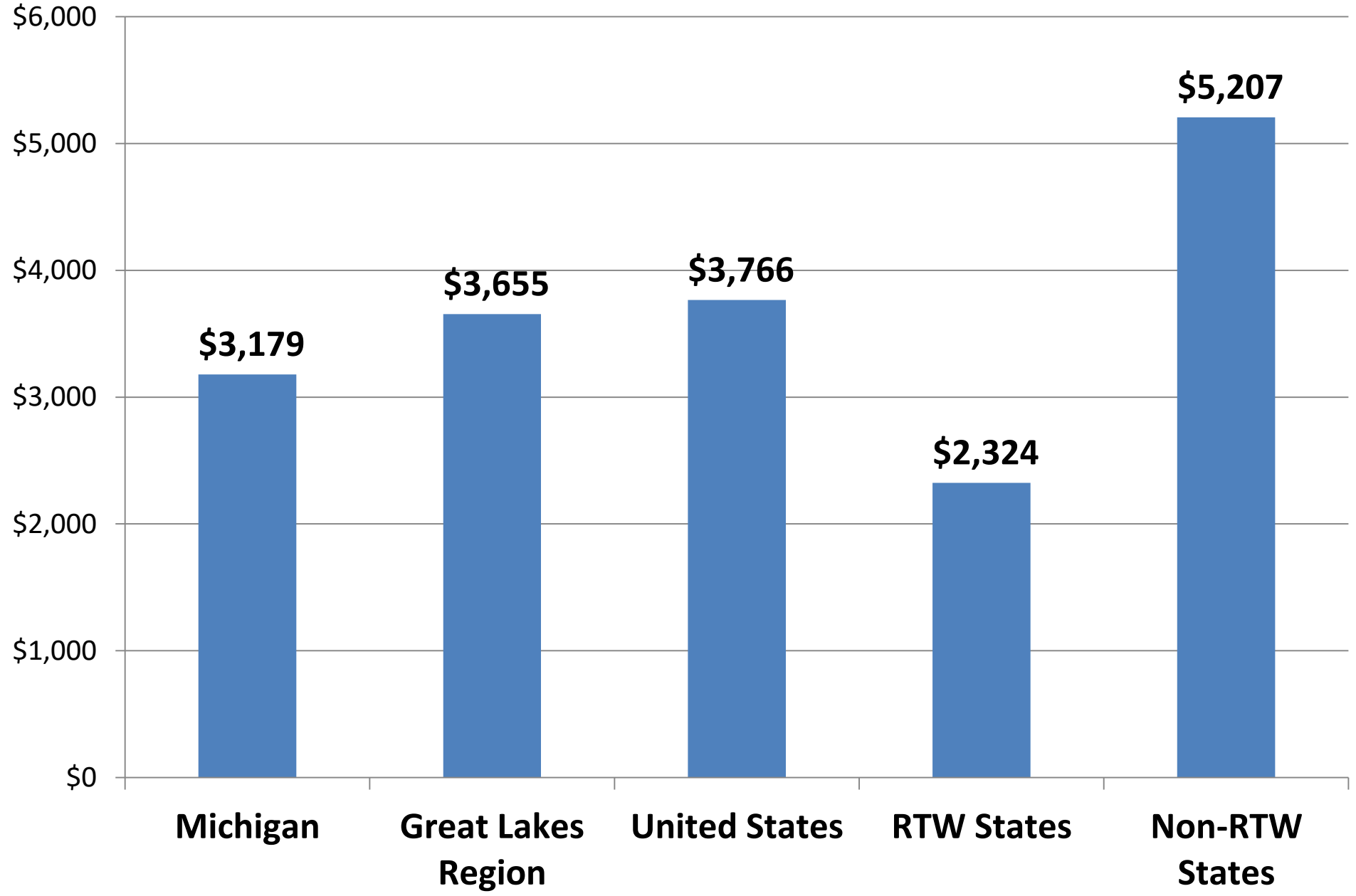
Source: Computed with data from United States Census Bureau (2016)

Exhibit 52: State Debt Per Capita (2015)

Rank	State	$	Rank	State	$
10	Alabama	$1,838	27	Montana	$3,325
47	Alaska	$8,207	2	Nebraska	$1,014
12	Arizona	$2,128	3	Nevada	$1,240
5	Arkansas	$1,528	44	New Hampshire	$6,099
34	California	$4,042	46	New Jersey	$7,394
23	Colorado	$3,161	26	New Mexico	$3,302
49	Connecticut	$9,244	45	New York	$6,909
42	Delaware	$5,721	8	North Carolina	$1,796
9	Florida	$1,826	18	North Dakota	$2,550
4	Georgia	$1,325	20	Ohio	$2,903
43	Hawaii	$5,933	15	Oklahoma	$2,332
13	Idaho	$2,206	30	Oregon	$3,672
40	Illinois	$5,110	31	Pennsylvania	$3,718
25	Indiana	$3,201	48	Rhode Island	$8,899
11	Iowa	$2,040	21	South Carolina	$3,125
14	Kansas	$2,323	32	South Dakota	$3,796
29	Kentucky	$3,361	1	Tennessee	$924
35	Louisiana	$4,086	6	Texas	$1,551
36	Maine	$4,115	17	Utah	$2,488
38	Maryland	$4,415	41	Vermont	$5,251
50	Massachusetts	$10,989	28	Virginia	$3,331
24	**Michigan**	**$3,179**	39	Washington	$4,474
19	Minnesota	$2,899	37	West Virginia	$4,320
16	Mississippi	$2,373	33	Wisconsin	$3,884
22	Missouri	$3,140	7	Wyoming	$1,591

Source: Computed with data from United States Census Bureau (2016)

Exhibit 53: State Debt Per Capita (2015)



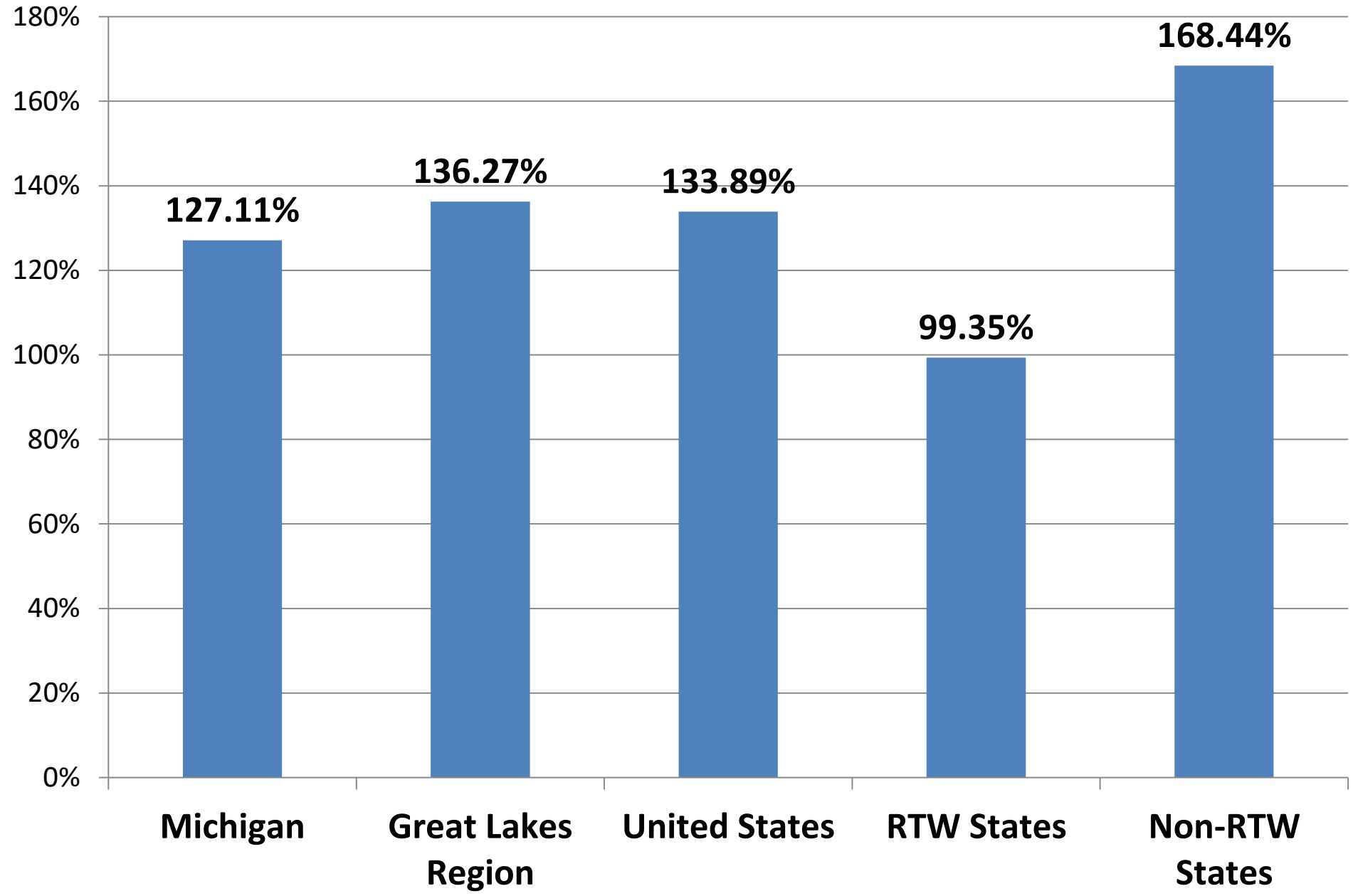
Source: Computed with data from United States Census Bureau (2016)

Exhibit 54: State Debt as a Share of Tax Revenue (2015)

Rank				Rank			
	14	Alabama	95.85%		26	Montana	128.12%
	43	Alaska	178.27%		2	Nebraska	39.13%
	18	Arizona	109.41%		4	Nevada	49.29%
	5	Arkansas	50.73%		50	New Hampshire	354.83%
	20	California	113.57%		47	New Jersey	222.68%
	33	Colorado	144.01%		22	New Mexico	119.62%
	46	Connecticut	208.50%		42	New York	177.24%
	39	Delaware	168.58%		10	North Carolina	76.31%
	17	Florida	102.72%		1	North Dakota	30.83%
	8	Georgia	71.83%		23	Ohio	124.58%
	31	Hawaii	139.67%		16	Oklahoma	99.39%
	15	Idaho	98.22%		36	Oregon	150.60%
	38	Illinois	168.01%		29	Pennsylvania	139.13%
	24	Indiana	125.37%		49	Rhode Island	316.53%
	11	Iowa	76.69%		40	South Carolina	168.92%
	12	Kansas	91.93%		45	South Dakota	201.38%
	27	Kentucky	133.56%		6	Tennessee	51.24%
	44	Louisiana	195.93%		9	Texas	75.74%
	32	Maine	142.28%		21	Utah	116.07%
	30	Maryland	139.35%		19	Vermont	111.09%
	48	Massachusetts	294.16%		34	Virginia	146.39%
	25	**Michigan**	**127.11%**		37	Washington	162.49%
	7	Minnesota	68.39%		35	West Virginia	148.45%
	13	Mississippi	93.79%		28	Wisconsin	136.30%
	41	Missouri	169.40%		3	Wyoming	41.07%

Source: Computed with data from United States Census Bureau (2016)

Exhibit 55: State Debt as a Share of Tax Revenue (2015)



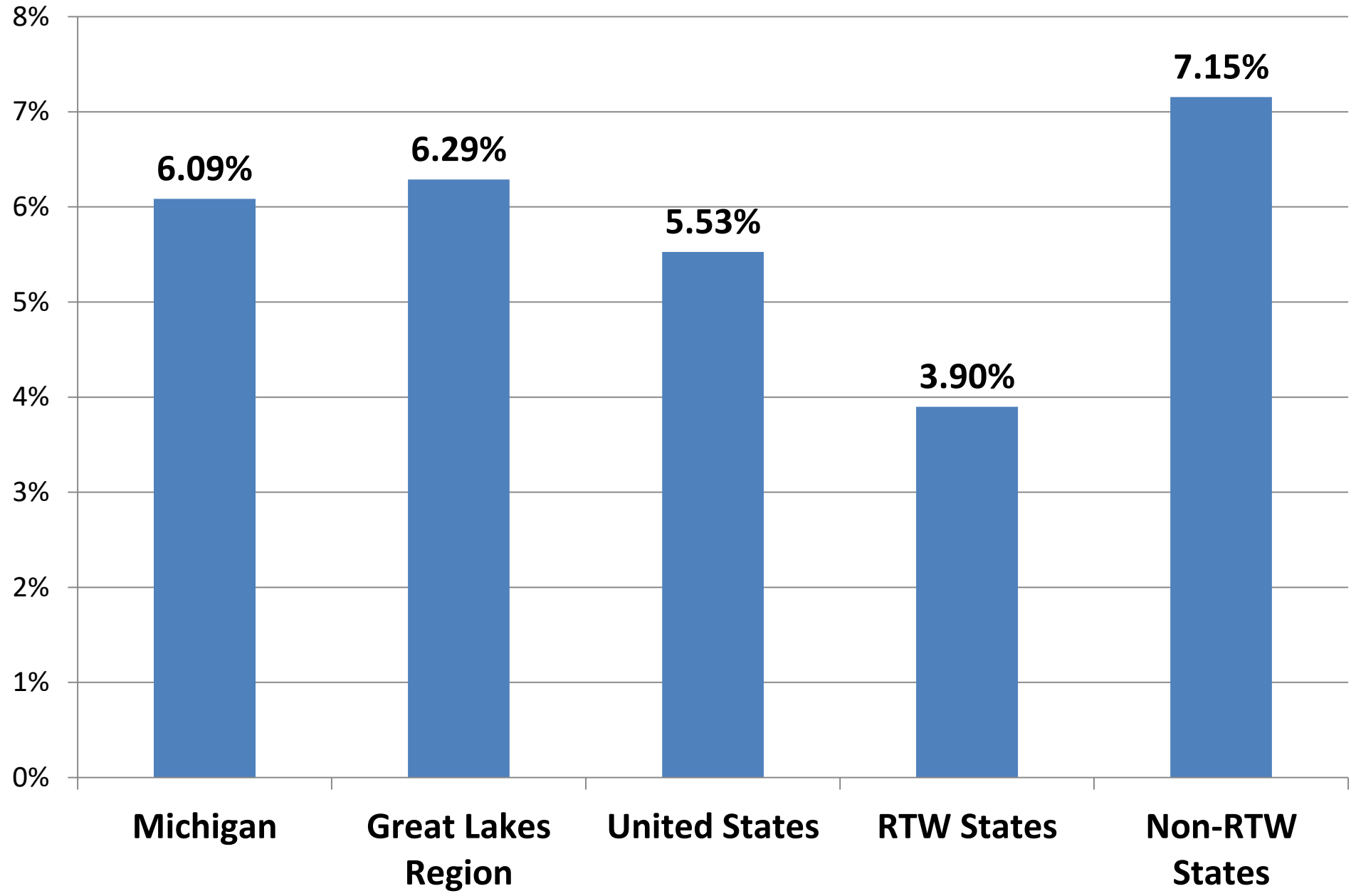
Source: Computed with data from United States Census Bureau (2016)

Exhibit 56: Debt Service as a Share of Tax Revenue (2015)

Rank				Rank			
	23	Alabama	4.88%		22	Montana	4.71%
	42	Alaska	7.50%		1	Nebraska	1.27%
	17	Arizona	3.98%		7	Nevada	2.34%
	4	Arkansas	1.57%		49	New Hampshire	15.03%
	27	California	5.40%		40	New Jersey	7.09%
	41	Colorado	7.20%		24	New Mexico	4.99%
	46	Connecticut	8.92%		43	New York	7.55%
	47	Delaware	11.21%		8	North Carolina	2.59%
	13	Florida	3.35%		2	North Dakota	1.29%
	14	Georgia	3.54%		25	Ohio	5.06%
	35	Hawaii	6.35%		26	Oklahoma	5.23%
	19	Idaho	4.14%		18	Oregon	4.10%
	45	Illinois	8.65%		21	Pennsylvania	4.27%
	29	Indiana	5.76%		50	Rhode Island	16.32%
	9	Iowa	2.84%		36	South Carolina	6.58%
	12	Kansas	3.08%		38	South Dakota	6.70%
	33	Kentucky	6.07%		6	Tennessee	2.16%
	44	Louisiana	8.26%		10	Texas	2.95%
	28	Maine	5.66%		20	Utah	4.17%
	32	Maryland	6.03%		11	Vermont	3.02%
	48	Massachusetts	12.05%		31	Virginia	5.92%
	34	**Michigan**	**6.09%**		39	Washington	7.01%
	5	Minnesota	2.07%		15	West Virginia	3.59%
	16	Mississippi	3.67%		30	Wisconsin	5.88%
	37	Missouri	6.70%		3	Wyoming	1.55%

Source: Computed with data from United States Census Bureau (2016)

Exhibit 57: Debt Service as a Share of Tax Revenue (2015)



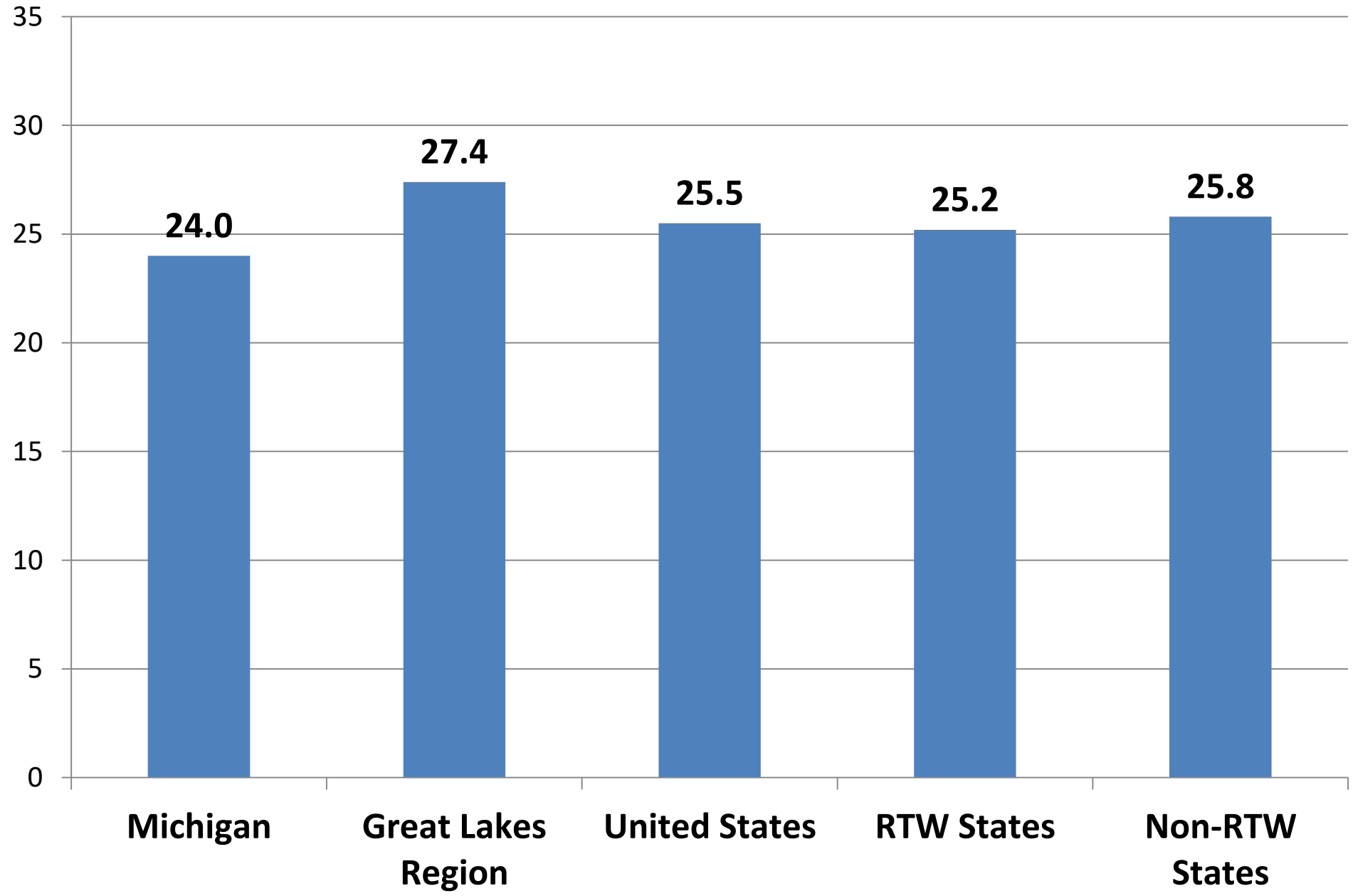
Source: Computed with data from United States Census Bureau (2016)

Exhibit 58: State Liability System Ranking (2015)

Alabama	46	Montana	34
Alaska	12	Nebraska	3
Arizona	25	Nevada	35
Arkansas	41	New Hampshire	5
California	47	New Jersey	38
Colorado	16	New Mexico	45
Connecticut	22	New York	21
Delaware	1	North Carolina	7
Florida	44	North Dakota	15
Georgia	31	Ohio	27
Hawaii	30	Oklahoma	33
Idaho	6	Oregon	32
Illinois	48	Pennsylvania	37
Indiana	18	Rhode Island	26
Iowa	4	South Carolina	36
Kansas	19	South Dakota	9
Kentucky	39	Tennessee	23
Louisiana	49	Texas	40
Maine	14	Utah	10
Maryland	28	Vermont	2
Massachusetts	17	Virginia	11
Michigan	**24**	Washington	29
Minnesota	13	West Virginia	50
Mississippi	43	Wisconsin	20
Missouri	42	Wyoming	8

Source: Computed with data from United States Chamber of Commerce (2016)

Exhibit 59: State Liability System Ranking (2015)



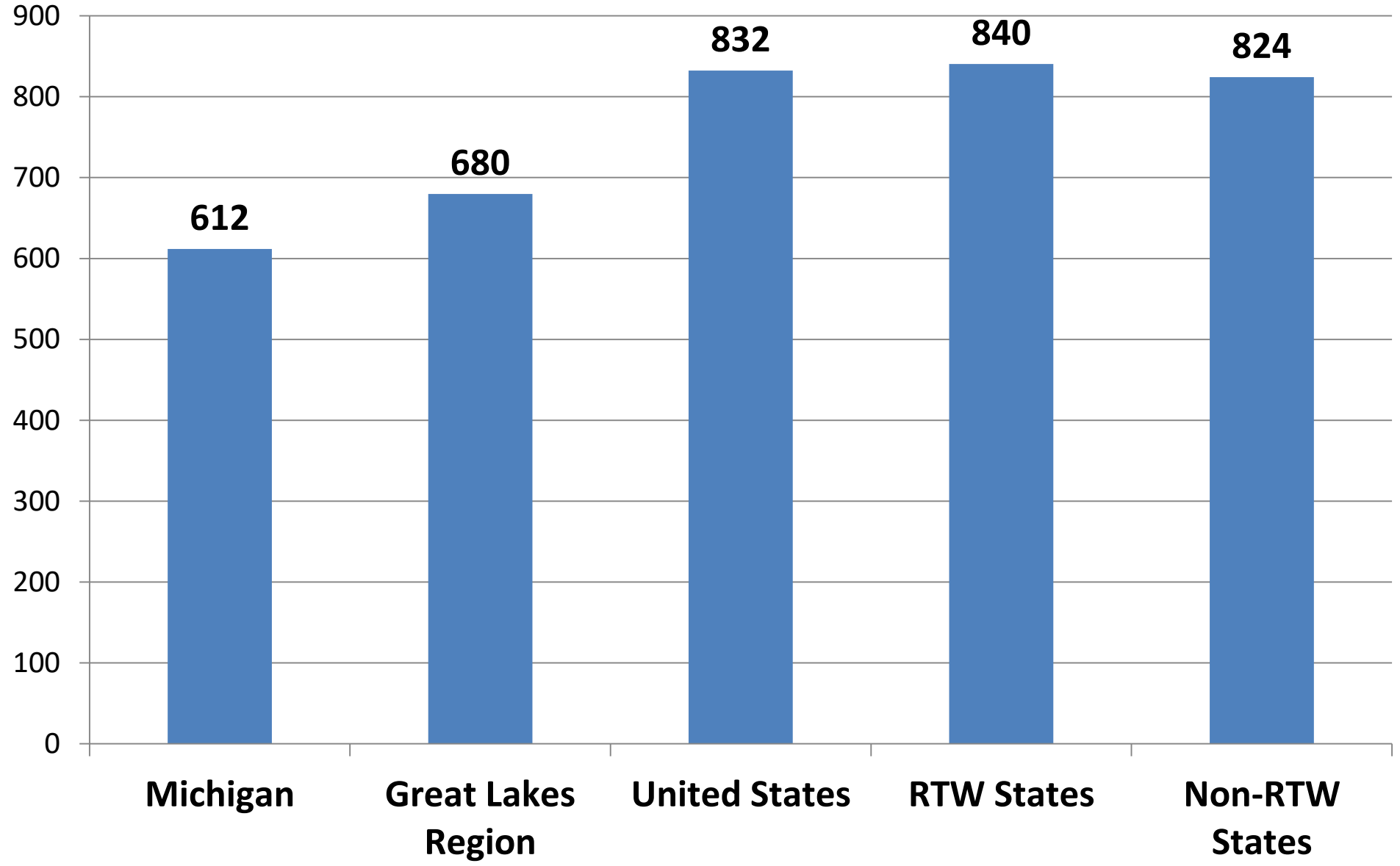
Source: Computed with data from United States Chamber of Commerce (2016)

Exhibit 60: Total Government Employees per 10,000 People (2015)

Rank				Rank			
	29	Alabama	825		39	Montana	930
	50	Alaska	1,435		38	Nebraska	926
	5	Arizona	661		2	Nevada	593
	24	Arkansas	782		15	New Hampshire	715
	7	California	675		13	New Jersey	693
	36	Colorado	880		44	New Mexico	1,001
	16	Connecticut	728		18	New York	737
	26	Delaware	797		33	North Carolina	859
	1	Florida	582		47	North Dakota	1,183
	20	Georgia	757		12	Ohio	686
	49	Hawaii	1,292		42	Oklahoma	952
	22	Idaho	779		14	Oregon	699
	8	Illinois	676		3	Pennsylvania	610
	6	Indiana	671		10	Rhode Island	681
	34	Iowa	860		30	South Carolina	830
	45	Kansas	1,018		43	South Dakota	990
	28	Kentucky	823		9	Tennessee	680
	25	Louisiana	790		17	Texas	735
	27	Maine	801		31	Utah	831
	41	Maryland	948		40	Vermont	931
	11	Massachusetts	685		46	Virginia	1,038
	4	**Michigan**	**612**		35	Washington	876
	21	Minnesota	770		32	West Virginia	848
	37	Mississippi	917		19	Wisconsin	755
	23	Missouri	781		48	Wyoming	1,292

Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 61: Total Government Employees per 10,000 People (2015)



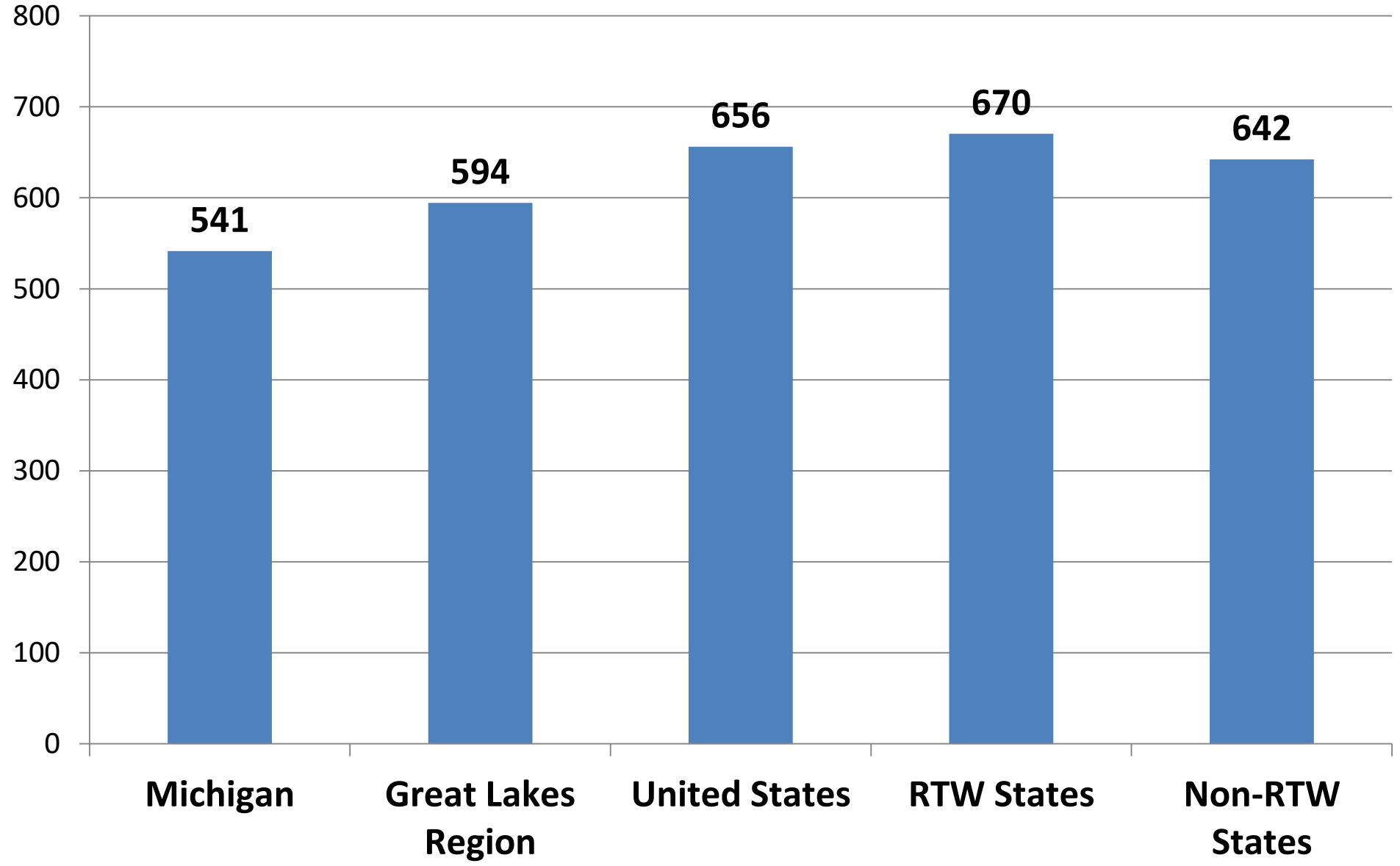
Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 62: State and Local Government Employees per 10,000 people (2015)

Rank				Rank			
	28	Alabama	652		39	Montana	724
	48	Alaska	875		45	Nebraska	770
	5	Arizona	531		1	Nevada	463
	29	Arkansas	653		19	New Hampshire	624
	7	California	558		17	New Jersey	610
	38	Colorado	680		46	New Mexico	776
	21	Connecticut	641		27	New York	649
	23	Delaware	643		32	North Carolina	656
	2	Florida	467		49	North Dakota	903
	8	Georgia	564		14	Ohio	590
	31	Hawaii	655		41	Oklahoma	745
	26	Idaho	647		16	Oregon	600
	11	Illinois	581		3	Pennsylvania	507
	12	Indiana	583		4	Rhode Island	514
	44	Iowa	764		30	South Carolina	654
	47	Kansas	808		43	South Dakota	764
	18	Kentucky	624		9	Tennessee	572
	25	Louisiana	644		15	Texas	600
	22	Maine	642		33	Utah	659
	10	Maryland	578		42	Vermont	752
	13	Massachusetts	588		24	Virginia	643
	6	**Michigan**	**541**		34	Washington	667
	36	Minnesota	675		35	West Virginia	671
	40	Mississippi	738		37	Wisconsin	676
	20	Missouri	629		50	Wyoming	1,062

Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 63: State and Local Government Employees per 10,000 people (2015)



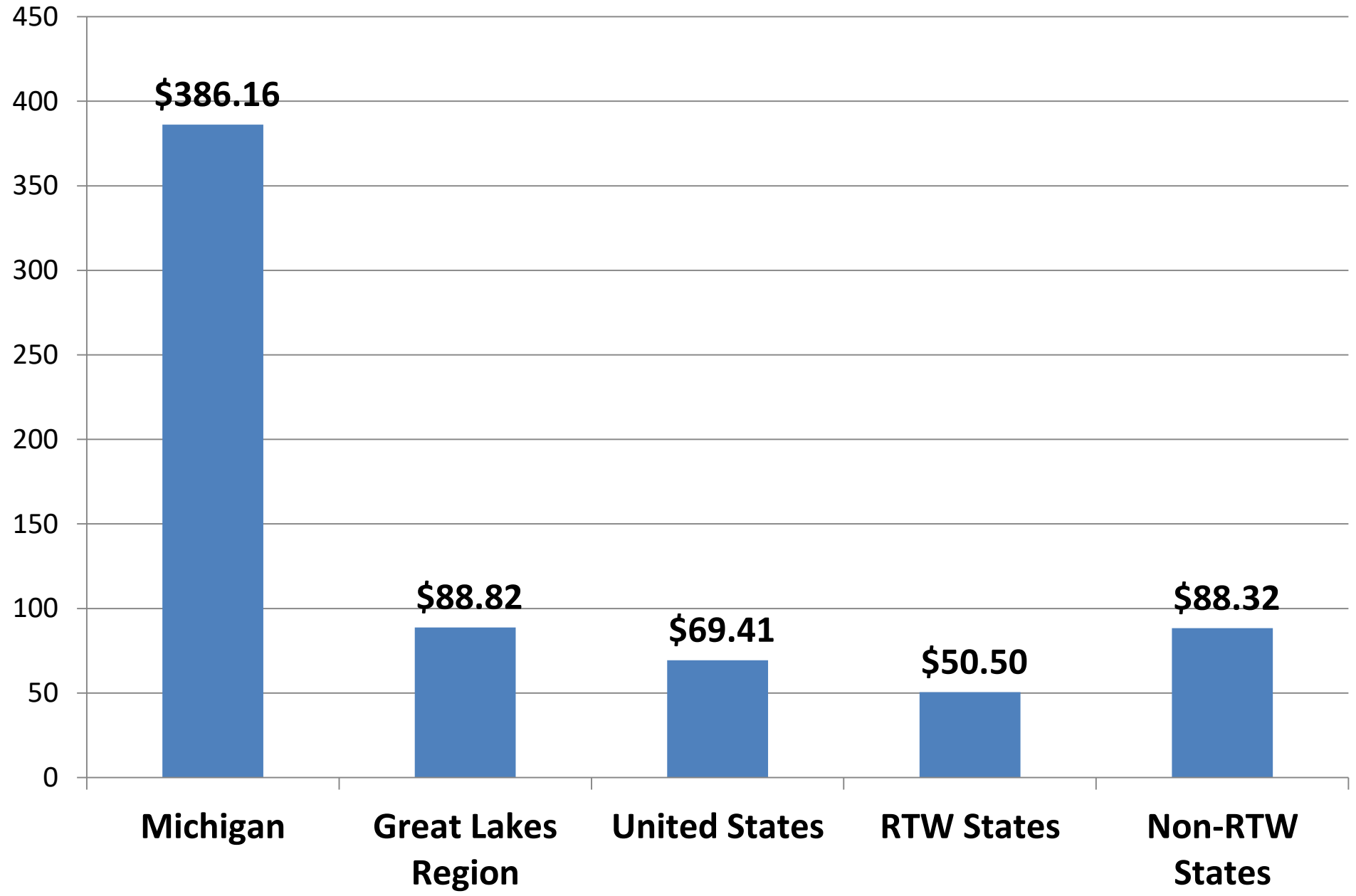
Source: Computed with data from Bureau of Economic Analysis (2016)

Exhibit 64: Bailout Funds Per Capita (August 2016 bailout funds; 2015 population)

Rank				Rank			
	41	Alabama	$59.34		1	Montana	$0.80
	7	Alaska	$4.32		3	Nebraska	$2.70
	9	Arizona	$4.57		31	Nevada	$17.68
	26	Arkansas	$9.13		11	New Hampshire	$5.10
	24	California	$8.03		28	New Jersey	$12.69
	10	Colorado	$4.69		15	New Mexico	$5.75
	44	Connecticut	$118.61		47	New York	$217.66
	50	Delaware	$1,557.52		45	North Carolina	$125.57
	13	Florida	$5.25		39	North Dakota	$28.35
	34	Georgia	$21.15		38	Ohio	$27.93
	36	Hawaii	$23.75		16	Oklahoma	$6.21
	17	Idaho	$6.24		29	Oregon	$15.04
	18	Illinois	$6.61		33	Pennsylvania	$20.40
	12	Indiana	$5.23		40	Rhode Island	$34.84
	43	Iowa	$74.91		23	South Carolina	$7.87
	4	Kansas	$2.88		35	South Dakota	$23.63
	22	Kentucky	$7.45		21	Tennessee	$7.31
	14	Louisiana	$5.46		5	Texas	$3.61
	25	Maine	$8.79		46	Utah	$155.06
	6	Maryland	$3.82		2	Vermont	$1.74
	37	Massachusetts	$26.64		48	Virginia	$273.16
	49	**Michigan**	**$386.16**		20	Washington	$7.27
	42	Minnesota	$63.25		30	West Virginia	$15.67
	27	Mississippi	$10.92		32	Wisconsin	$18.18
	19	Missouri	$7.08		8	Wyoming	$4.53

Source: Computed with data from Propublica (August 2016)

Exhibit 65: Bailout Funds Per Capita (August, 2016)



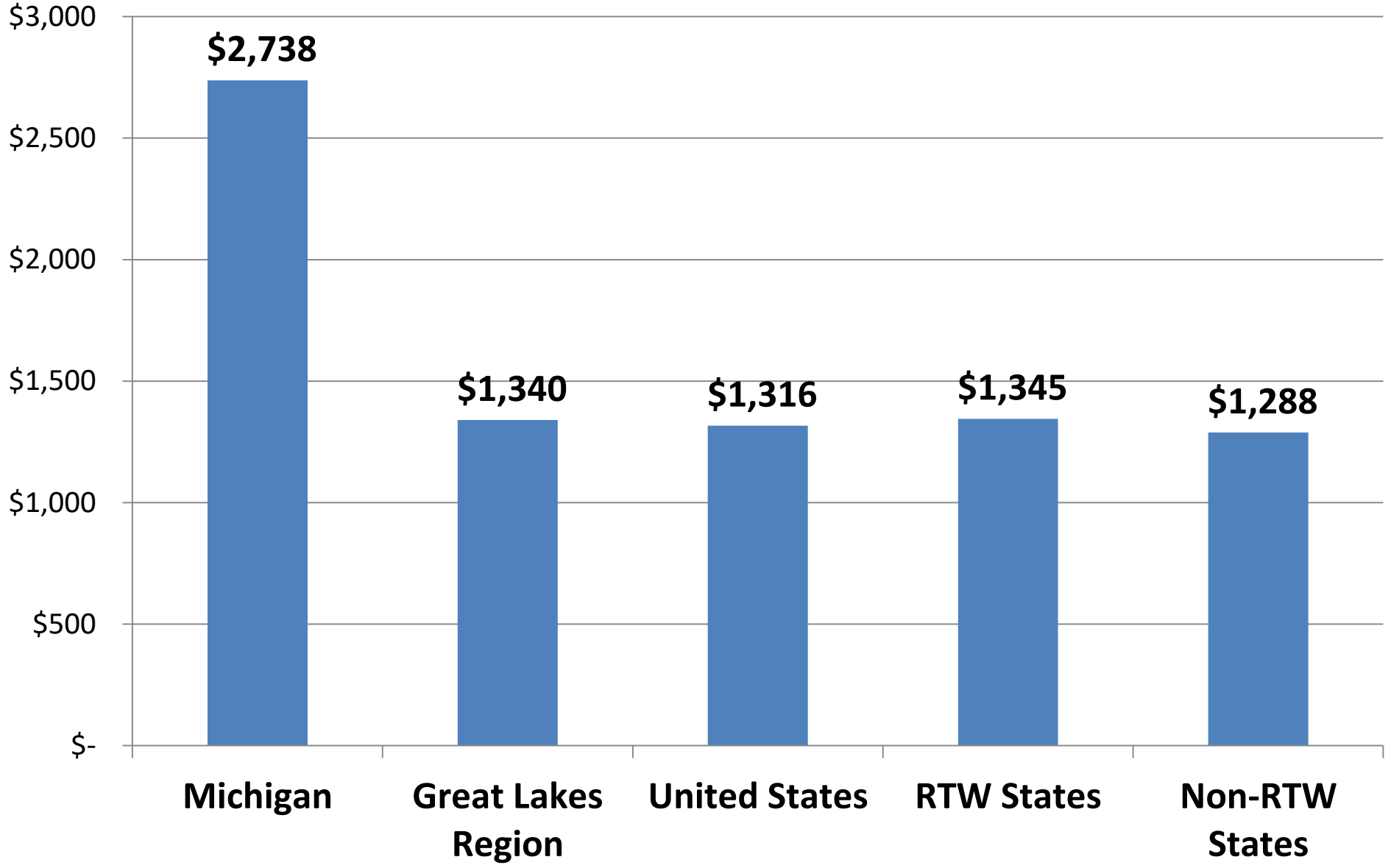
Source: Computed with data from Propublica (August, 2016)

Exhibit 66: Average Price of Annual Car Insurance Policy (2016)

Rank				Rank			
	32	Alabama	$1,337		49	Montana	$2,297
	15	Alaska	$1,078		21	Nebraska	$1,188
	21	Arizona	$1,188		24	Nevada	$1,221
	33	Arkansas	$1,345		5	New Hampshire	$941
	45	California	$1,752		48	New Jersey	$1,905
	36	Colorado	$1,393		27	New Mexico	$1,277
	35	Connecticut	$1,367		12	New York	$1,050
	41	Delaware	$1,607		7	North Carolina	$987
	44	Florida	$1,654		23	North Dakota	$1,200
	40	Georgia	$1,559		2	Ohio	$900
	11	Hawaii	$1,049		46	Oklahoma	$1,778
	4	Idaho	$935		26	Oregon	$1,267
	10	Illinois	$1,035		30	Pennsylvania	$1,305
	16	Indiana	$1,113		42	Rhode Island	$1,608
	8	Iowa	$989		34	South Carolina	$1,353
	17	Kansas	$1,135		19	South Dakota	$1,168
	29	Kentucky	$1,295		18	Tennessee	$1,145
	47	Louisiana	$1,842		39	Texas	$1,510
	1	Maine	$808		14	Utah	$1,061
	43	Maryland	$1,610		6	Vermont	$942
	31	Massachusetts	$1,325		9	Virginia	$1,020
	50	**Michigan**	**$2,738**		19	Washington	$1,168
	25	Minnesota	$1,257		38	West Virginia	$1,456
	27	Mississippi	$1,277		3	Wisconsin	$912
	13	Missouri	$1,056		37	Wyoming	$1,421

Source: CorInsuranceQuotes.com (2016)

Exhibit 67: Average Price of Annual Car Insurance Policy (2016)



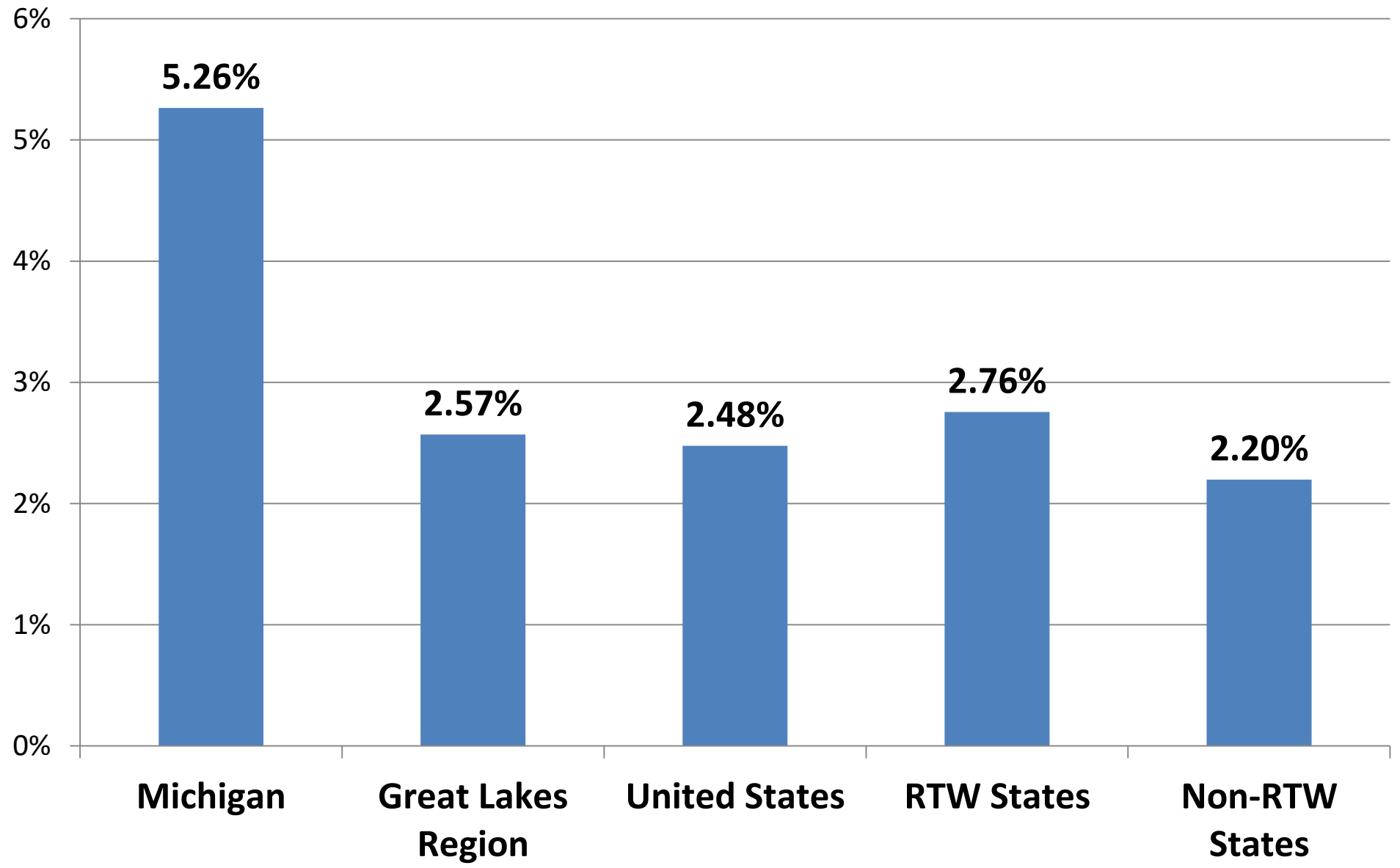
Source: Computed with data from CarInsuranceQuotes.com (2016)

Exhibit 68: % of Household Income to Purchase Car Insurance (2016)

Rank				Rank			
	43	Alabama	3.162%		49	Montana	4.495%
	7	Alaska	1.594%		19	Nebraska	2.089%
	29	Arizona	2.412%		30	Nevada	2.448%
	39	Arkansas	2.994%		1	New Hampshire	1.282%
	37	California	2.896%		38	New Jersey	2.920%
	26	Colorado	2.286%		33	New Mexico	2.735%
	16	Connecticut	1.948%		15	New York	1.933%
	35	Delaware	2.794%		21	North Carolina	2.110%
	44	Florida	3.585%		17	North Dakota	1.976%
	42	Georgia	3.146%		11	Ohio	1.813%
	2	Hawaii	1.473%		47	Oklahoma	3.767%
	10	Idaho	1.750%		24	Oregon	2.152%
	14	Illinois	1.885%		28	Pennsylvania	2.365%
	27	Indiana	2.316%		34	Rhode Island	2.742%
	9	Iowa	1.711%		40	South Carolina	3.011%
	23	Kansas	2.124%		25	South Dakota	2.202%
	41	Kentucky	3.027%		32	Tennessee	2.619%
	48	Louisiana	4.344%		36	Texas	2.803%
	5	Maine	1.563%		8	Utah	1.674%
	22	Maryland	2.114%		4	Vermont	1.552%
	20	Massachusetts	2.098%		3	Virginia	1.542%
	50	**Michigan**	**5.265%**		18	Washington	1.977%
	13	Minnesota	1.869%		46	West Virginia	3.681%
	45	Mississippi	3.595%		6	Wisconsin	1.570%
	12	Missouri	1.865%		31	Wyoming	2.552%

Source: Computed with data from Bureau of Economic Analysis (2014) and CarInsuranceQuotes.com (2016)

Exhibit 69: % of Household Income to Purchase Car Insurance (2016)



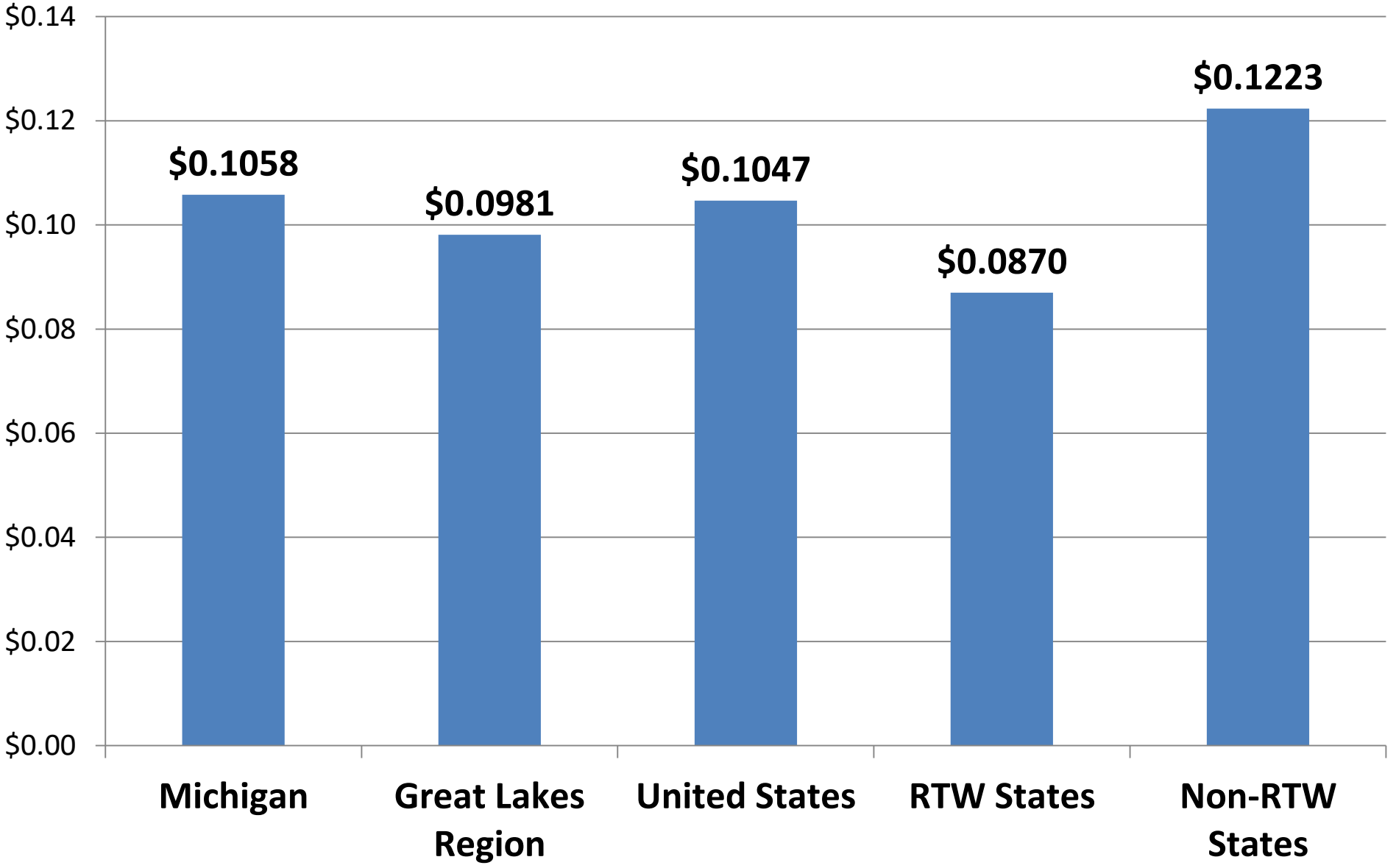
Source: Computed with data from Bureau of Economic Analysis (2014) and CarInsuranceQuotes.com (2016)

Exhibit 70: Average Retail Price For Electricity (cents/kWh)(April 2016)

Rank				Rank			
	27	Alabama	$ 0.0928		16	Montana	$ 0.0869
	49	Alaska	$ 0.1864		19	Nebraska	$ 0.0879
	33	Arizona	$ 0.0992		5	Nevada	$ 0.0765
	3	Arkansas	$ 0.0757		45	New Hampshire	$ 0.1577
	41	California	$ 0.1267		42	New Jersey	$ 0.1293
	28	Colorado	$ 0.0944		13	New Mexico	$ 0.0836
	48	Connecticut	$ 0.1760		43	New York	$ 0.1385
	38	Delaware	$ 0.1123		23	North Carolina	$ 0.0903
	32	Florida	$ 0.0989		14	North Dakota	$ 0.0867
	21	Georgia	$ 0.0890		30	Ohio	$ 0.0969
	50	Hawaii	$ 0.2268		2	Oklahoma	$ 0.0729
	8	Idaho	$ 0.0787		18	Oregon	$ 0.0871
	22	Illinois	$ 0.0902		35	Pennsylvania	$ 0.1024
	25	Indiana	$ 0.0912		46	Rhode Island	$ 0.1658
	6	Iowa	$ 0.0768		24	South Carolina	$ 0.0910
	34	Kansas	$ 0.1021		29	South Dakota	$ 0.0964
	9	Kentucky	$ 0.0798		20	Tennessee	$ 0.0880
	1	Louisiana	$ 0.0709		7	Texas	$ 0.0774
	39	Maine	$ 0.1168		11	Utah	$ 0.0828
	40	Maryland	$ 0.1214		44	Vermont	$ 0.1433
	47	Massachusetts	$ 0.1693		26	Virginia	$ 0.0917
	36	**Michigan**	**$ 0.1058**		3	Washington	$ 0.0757
	31	Minnesota	$ 0.0980		16	West Virginia	$ 0.0869
	12	Mississippi	$ 0.0830		37	Wisconsin	$ 0.1065
	15	Missouri	$ 0.0868		10	Wyoming	$ 0.0816

Source: U.S. Energy Information Administration (April 2016)

Exhibit 71: Average Retail Price For Electricity (cents/kWh)(April 2016)



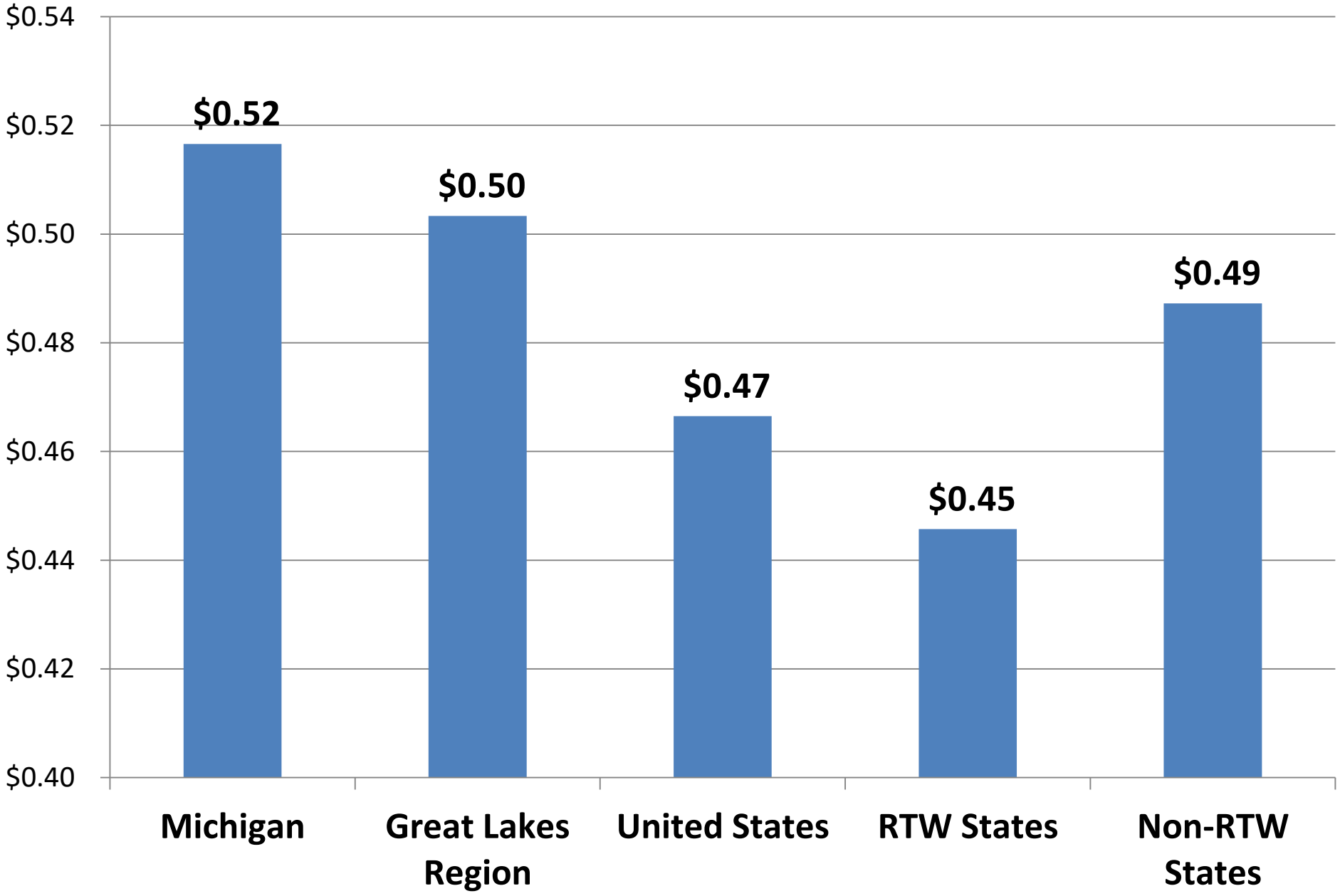
Source: Computed with information U.S. Energy Information Administration (April 2016)

Exhibit 72: Gas Taxes Per Gallon (2016)

Rank				Rank			
	11	Alabama	$0.39		24	Montana	$0.46
	1	Alaska	$0.31		23	Nebraska	$0.45
	8	Arizona	$0.37		41	Nevada	$0.52
	13	Arkansas	$0.40		18	New Hampshire	$0.42
	46	California	$0.57		2	New Jersey	$0.33
	14	Colorado	$0.40		7	New Mexico	$0.37
	45	Connecticut	$0.57		48	New York	$0.62
	16	Delaware	$0.41		43	North Carolina	$0.53
	44	Florida	$0.55		16	North Dakota	$0.41
	32	Georgia	$0.50		25	Ohio	$0.46
	47	Hawaii	$0.61		4	Oklahoma	$0.35
	36	Idaho	$0.51		31	Oregon	$0.50
	39	Illinois	$0.52		50	Pennsylvania	$0.70
	34	Indiana	$0.50		42	Rhode Island	$0.52
	33	Iowa	$0.50		3	South Carolina	$0.35
	20	Kansas	$0.42		28	South Dakota	$0.48
	21	Kentucky	$0.44		12	Tennessee	$0.40
	10	Louisiana	$0.38		9	Texas	$0.38
	29	Maine	$0.48		27	Utah	$0.48
	40	Maryland	$0.52		30	Vermont	$0.49
	22	Massachusetts	$0.45		15	Virginia	$0.41
	38	**Michigan**	**$0.52**		49	Washington	$0.68
	26	Minnesota	$0.47		37	West Virginia	$0.52
	6	Mississippi	$0.37		35	Wisconsin	$0.51
	5	Missouri	$0.36		19	Wyoming	$0.42

Source: American Petroleum Institute (2016)

Exhibit 73: Gas Taxes Per Gallon (2016)



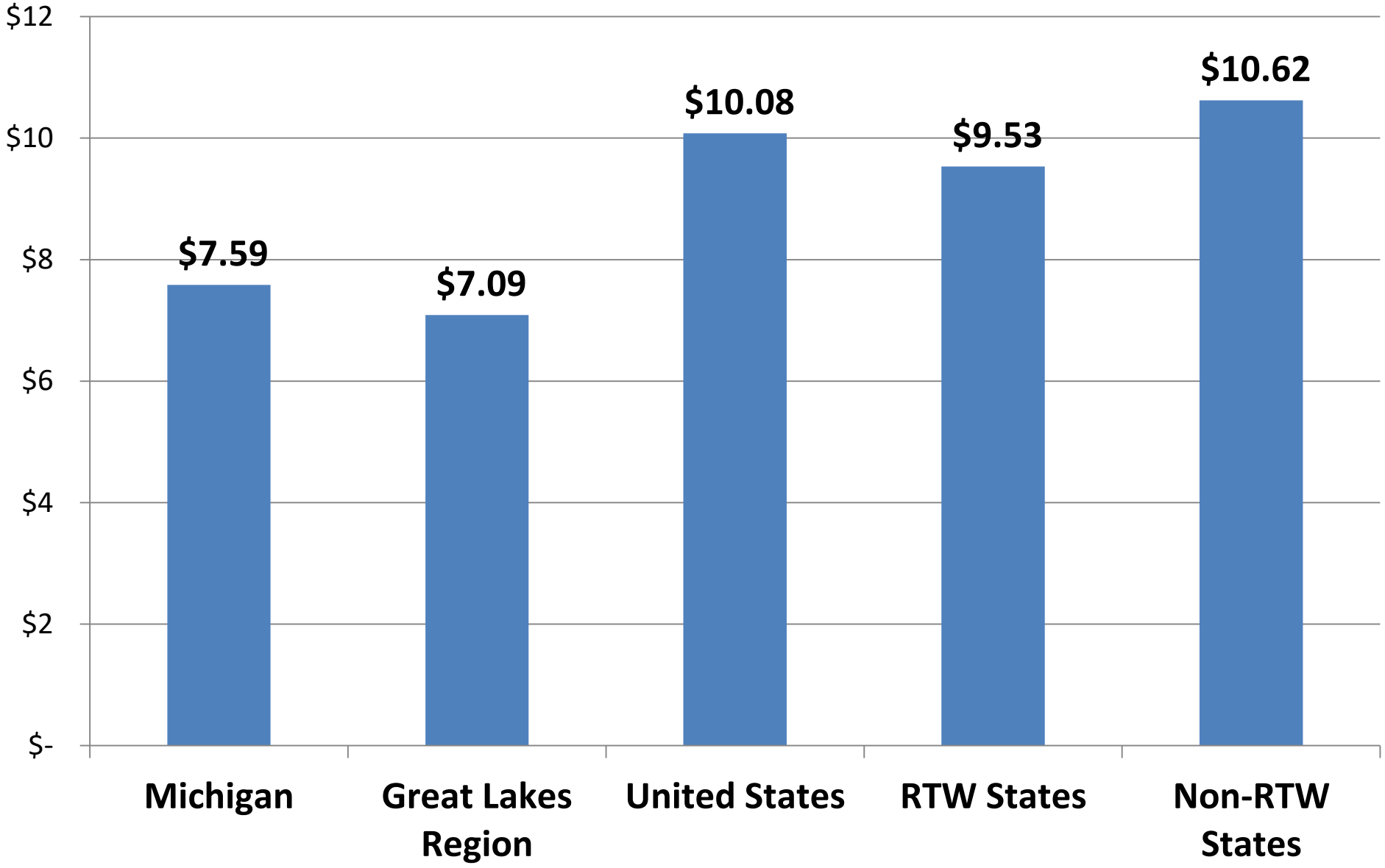
Source: Computed with data from American Petroleum Institute (2016)

Exhibit 74: Residential Natural Gas Prices (Average Jan.-Apr. 2016)

Rank				Rank			
	42	Alabama	$12.35		8	Montana	$6.87
	23	Alaska	$9.16		9	Nebraska	$7.00
	48	Arizona	$15.10		34	Nevada	$10.24
	31	Arkansas	$9.95		43	New Hampshire	$12.68
	37	California	$11.02		15	New Jersey	$7.66
	2	Colorado	$6.50		6	New Mexico	$6.80
	38	Connecticut	$11.38		30	New York	$9.83
	35	Delaware	$10.38		36	North Carolina	$10.88
	49	Florida	$16.92		1	North Dakota	$6.09
	45	Georgia	$12.81		10	Ohio	$7.02
	50	Hawaii	$35.21		17	Oklahoma	$8.32
	18	Idaho	$8.46		41	Oregon	$12.05
	3	Illinois	$6.68		25	Pennsylvania	$9.20
	5	Indiana	$6.75		44	Rhode Island	$12.78
	7	Iowa	$6.81		40	South Carolina	$11.91
	22	Kansas	$9.03		4	South Dakota	$6.70
	19	Kentucky	$8.67		16	Tennessee	$8.04
	32	Louisiana	$9.98		27	Texas	$9.32
	47	Maine	$12.94		21	Utah	$8.96
	33	Maryland	$10.15		46	Vermont	$12.93
	39	Massachusetts	$11.89		29	Virginia	$9.76
	14	**Michigan**	**$7.59**		28	Washington	$9.76
	11	Minnesota	$7.38		20	West Virginia	$8.69
	26	Mississippi	$9.28		12	Wisconsin	$7.41
	24	Missouri	$9.18		13	Wyoming	$7.42

Source: U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 75: Residential Natural Gas Prices (Avg. Jan.-Apr. 2016)



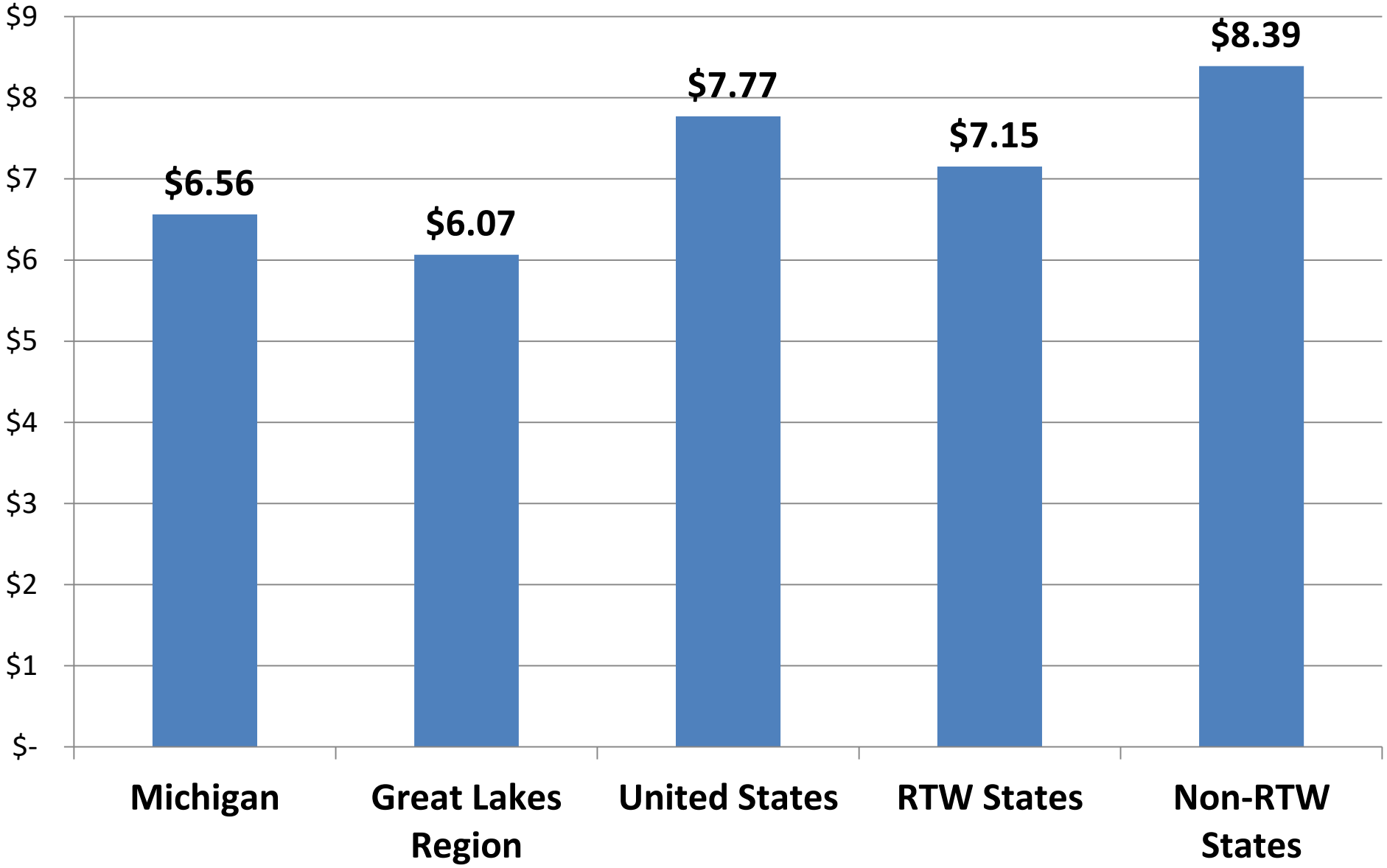
Source: Computed with data from U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 76: Commercial Natural Gas Prices (Average Jan.-Apr. 2016)

Rank				Rank			
	45	Alabama	$10.00		18	Montana	$6.81
	33	Alaska	$7.71		4	Nebraska	$5.30
	42	Arizona	$9.26		26	Nevada	$7.41
	20	Arkansas	$6.97		46	New Hampshire	$10.36
	36	California	$7.92		27	New Jersey	$7.43
	7	Colorado	$5.90		2	New Mexico	$5.13
	39	Connecticut	$8.16		14	New York	$6.45
	41	Delaware	$8.86		28	North Carolina	$7.49
	48	Florida	$10.53		1	North Dakota	$5.11
	23	Georgia	$7.26		5	Ohio	$5.33
	50	Hawaii	$25.80		15	Oklahoma	$6.49
	25	Idaho	$7.41		43	Oregon	$9.28
	10	Illinois	$6.21		34	Pennsylvania	$7.74
	8	Indiana	$5.92		47	Rhode Island	$10.40
	6	Iowa	$5.51		38	South Carolina	$8.08
	30	Kansas	$7.52		3	South Dakota	$5.19
	21	Kentucky	$7.04		22	Tennessee	$7.13
	32	Louisiana	$7.65		9	Texas	$5.95
	49	Maine	$10.76		31	Utah	$7.57
	40	Maryland	$8.52		17	Vermont	$6.74
	44	Massachusetts	$9.36		19	Virginia	$6.84
	16	**Michigan**	**$6.56**		37	Washington	$7.95
	12	Minnesota	$6.30		29	West Virginia	$7.49
	35	Mississippi	$7.87		13	Wisconsin	$6.32
	24	Missouri	$7.26		11	Wyoming	$6.29

Source: U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 77: Commercial Natural Gas Prices (Avg. Jan.-Apr. 2016)



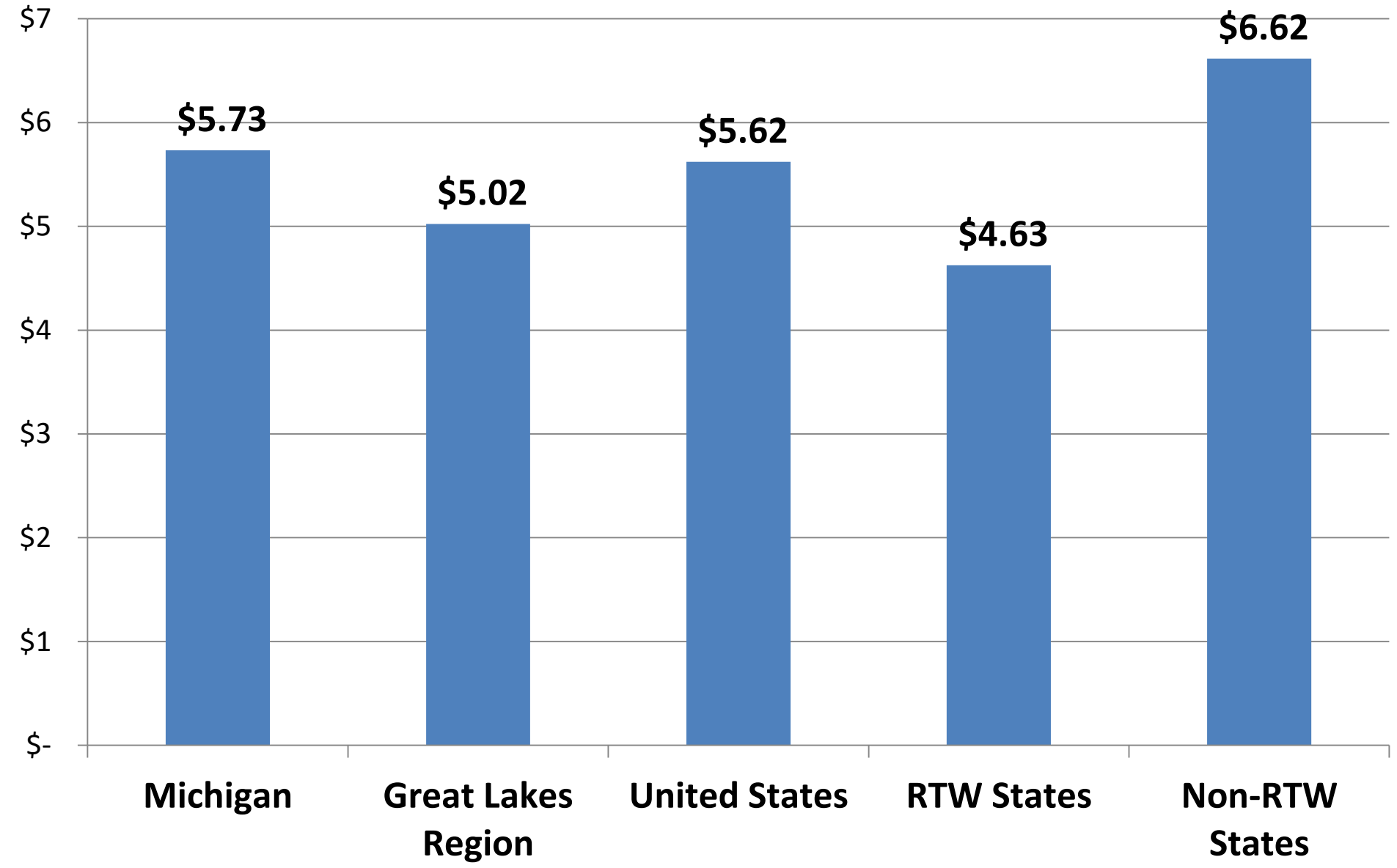
Source: Computed with data from U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 78: Industrial Natural Gas Prices (Average Jan.-Apr. 2016)

Rank				Rank			
	5	Alabama	$3.33		28	Montana	$5.75
	39	Alaska	$6.70		14	Nebraska	$4.24
	35	Arizona	$6.13		38	Nevada	$6.55
	29	Arkansas	$5.81		40	New Hampshire	$6.76
	37	California	$6.49		41	New Jersey	$7.02
	17	Colorado	$4.48		26	New Mexico	$5.69
	34	Connecticut	$6.12		36	New York	$6.40
	45	Delaware	$8.07		23	North Carolina	$5.40
	33	Florida	$6.12		2	North Dakota	$2.36
	7	Georgia	$3.72		21	Ohio	$5.14
	50	Hawaii	$14.70		42	Oklahoma	$7.03
	24	Idaho	$5.46		25	Oregon	$5.48
	16	Illinois	$4.46		44	Pennsylvania	$7.46
	17	Indiana	$4.48		49	Rhode Island	$8.56
	19	Iowa	$4.65		11	South Carolina	$4.03
	30	Kansas	$5.86		10	South Dakota	$4.01
	6	Kentucky	$3.39		13	Tennessee	$4.23
	3	Louisiana	$2.85		1	Texas	$2.18
	48	Maine	$8.49		32	Utah	$6.00
	47	Maryland	$8.29		20	Vermont	$5.05
	46	Massachusetts	$8.27		15	Virginia	$4.30
	27	**Michigan**	**$5.73**		43	Washington	$7.43
	9	Minnesota	$3.94		4	West Virginia	$3.07
	12	Mississippi	$4.22		22	Wisconsin	$5.30
	31	Missouri	$5.99		8	Wyoming	$3.90

Source: U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 79: Industrial Natural Gas Prices (Avg. Jan.-Apr. 2016)



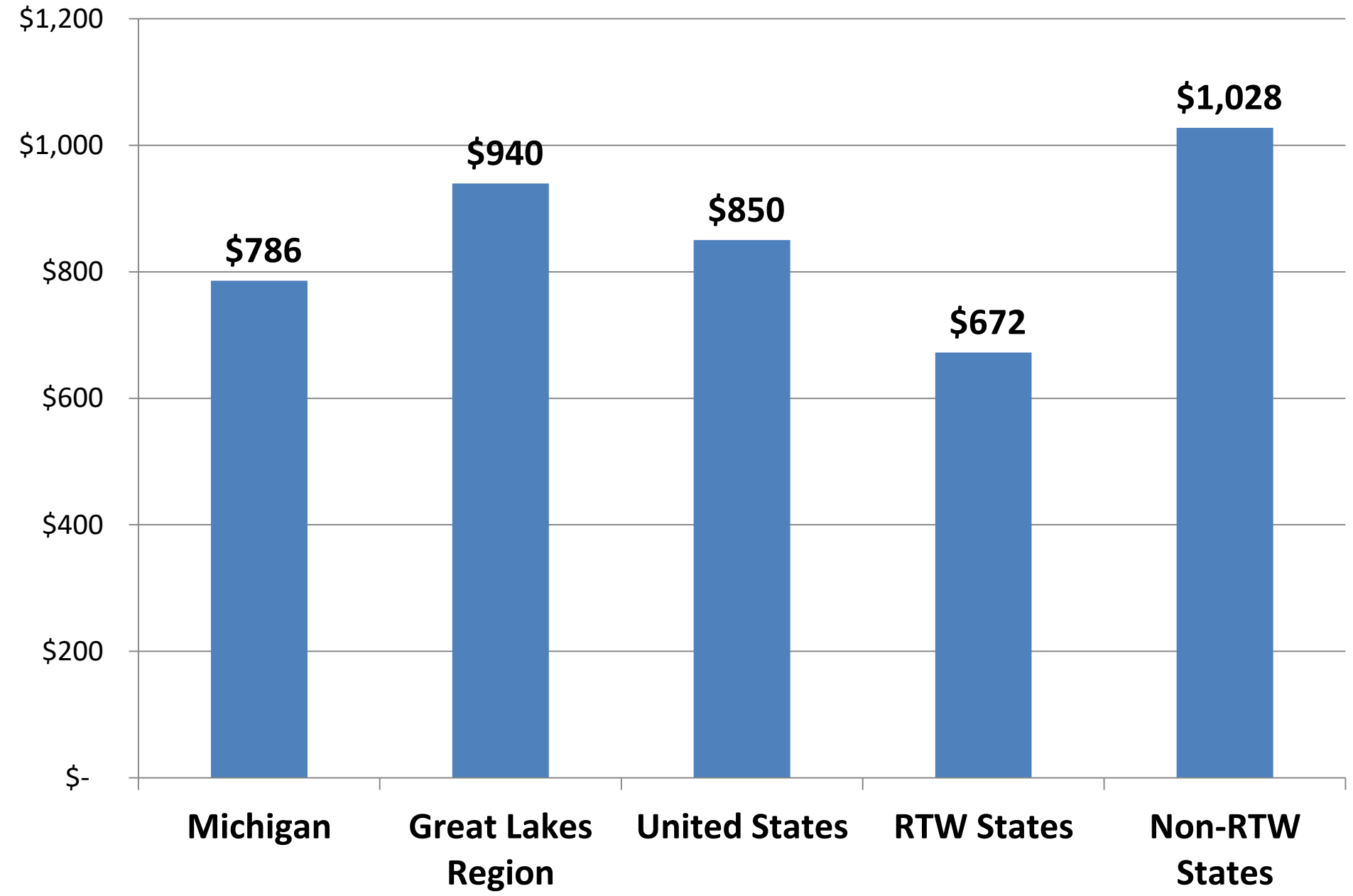
Source: Computed with data from U.S. Energy Information Administration (Average Jan.-Apr. 2016)

Exhibit 80: Insurance Trust Expenditures Per Capita (2015)

Rank				Rank			
	18	Alabama	$693		29	Montana	$897
	50	Alaska	$1,718		1	Nebraska	$368
	11	Arizona	$610		27	Nevada	$835
	14	Arkansas	$624		6	New Hampshire	$551
	43	California	$1,232		49	New Jersey	$1,495
	38	Colorado	$1,014		39	New Mexico	$1,067
	44	Connecticut	$1,257		41	New York	$1,086
	21	Delaware	$726		10	North Carolina	$591
	3	Florida	$433		30	North Dakota	$908
	15	Georgia	$631		48	Ohio	$1,459
	34	Hawaii	$935		17	Oklahoma	$654
	13	Idaho	$620		45	Oregon	$1,258
	40	Illinois	$1,082		36	Pennsylvania	$974
	4	Indiana	$450		47	Rhode Island	$1,269
	24	Iowa	$783		22	South Carolina	$729
	16	Kansas	$636		7	South Dakota	$565
	35	Kentucky	$952		2	Tennessee	$372
	33	Louisiana	$927		9	Texas	$590
	23	Maine	$755		8	Utah	$568
	19	Maryland	$703		12	Vermont	$611
	42	Massachusetts	$1,125		5	Virginia	$535
	25	**Michigan**	**$786**		37	Washington	$977
	32	Minnesota	$922		26	West Virginia	$802
	28	Mississippi	$838		31	Wisconsin	$921
	20	Missouri	$710		46	Wyoming	$1,262

Source: United States Census Bureau (2016)

Exhibit 81: Insurance Trust Expenditure Per Capita (2015)



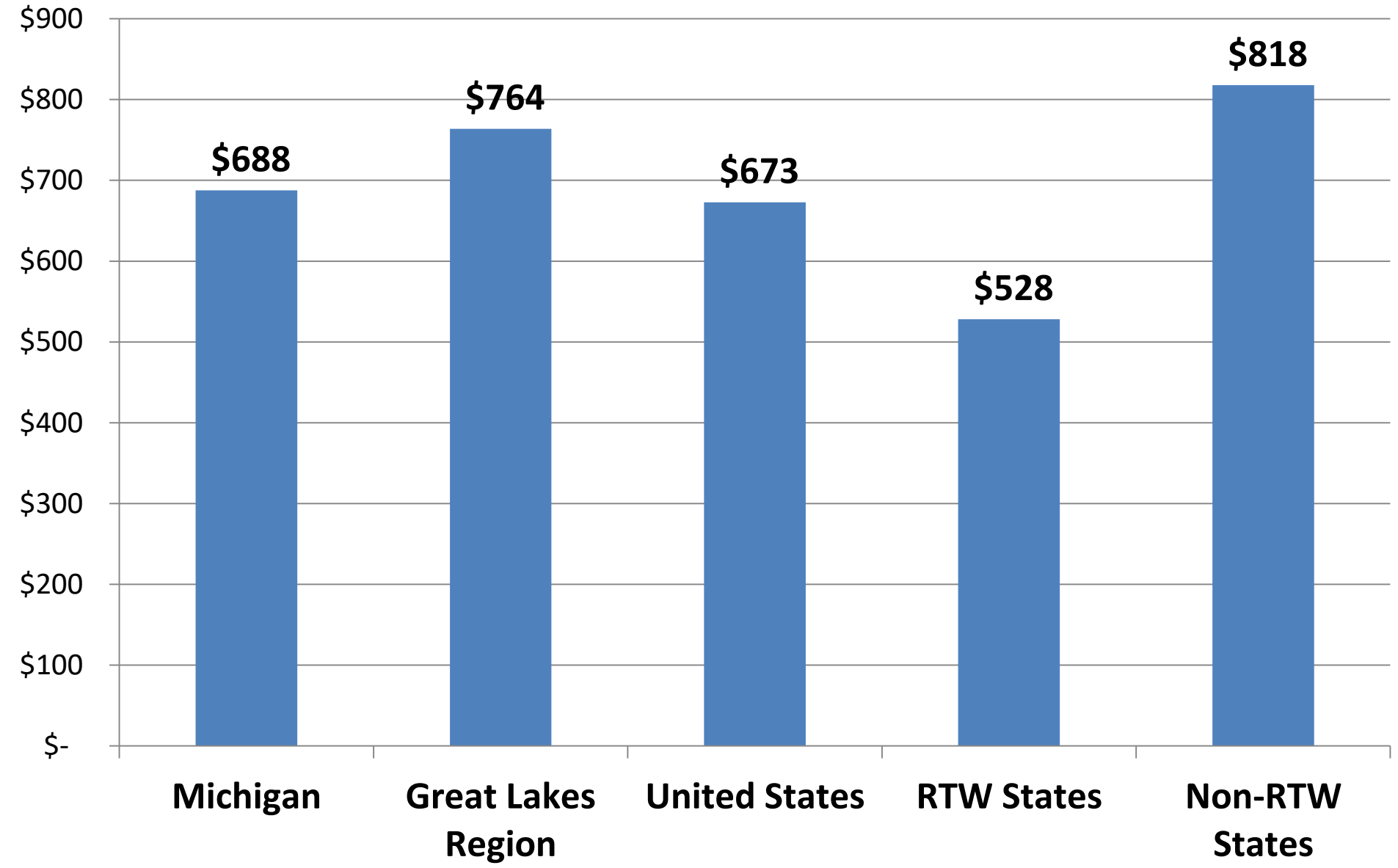
Source: Computed with data from United States Census Bureau (2016)

Exhibit 82: Average Insurance Trust Expenditures Per Capita (2000-2015)

Rank				Rank			
	15	Alabama	$512		30	Montana	$686
	50	Alaska	$1,423		1	Nebraska	$265
	13	Arizona	$497		27	Nevada	$648
	10	Arkansas	$473		6	New Hampshire	$409
	44	California	$913		49	New Jersey	$1,166
	37	Colorado	$780		32	New Mexico	$720
	45	Connecticut	$952		42	New York	$894
	25	Delaware	$593		21	North Carolina	$564
	7	Florida	$415		20	North Dakota	$556
	12	Georgia	$494		48	Ohio	$1,155
	34	Hawaii	$770		17	Oklahoma	$545
	16	Idaho	$534		47	Oregon	$1,123
	36	Illinois	$775		39	Pennsylvania	$805
	4	Indiana	$404		46	Rhode Island	$1,066
	22	Iowa	$572		26	South Carolina	$617
	14	Kansas	$510		5	South Dakota	$407
	33	Kentucky	$740		2	Tennessee	$331
	29	Louisiana	$685		11	Texas	$486
	24	Maine	$583		9	Utah	$459
	19	Maryland	$549		8	Vermont	$448
	40	Massachusetts	$872		3	Virginia	$402
	31	**Michigan**	**$688**		43	Washington	$905
	35	Minnesota	$773		28	West Virginia	$677
	23	Mississippi	$582		38	Wisconsin	$798
	18	Missouri	$546		41	Wyoming	$881

Source: United States Census Bureau (2016)

Exhibit 83: Average Insurance Trust Expenditure Per Capita (2000-2015)



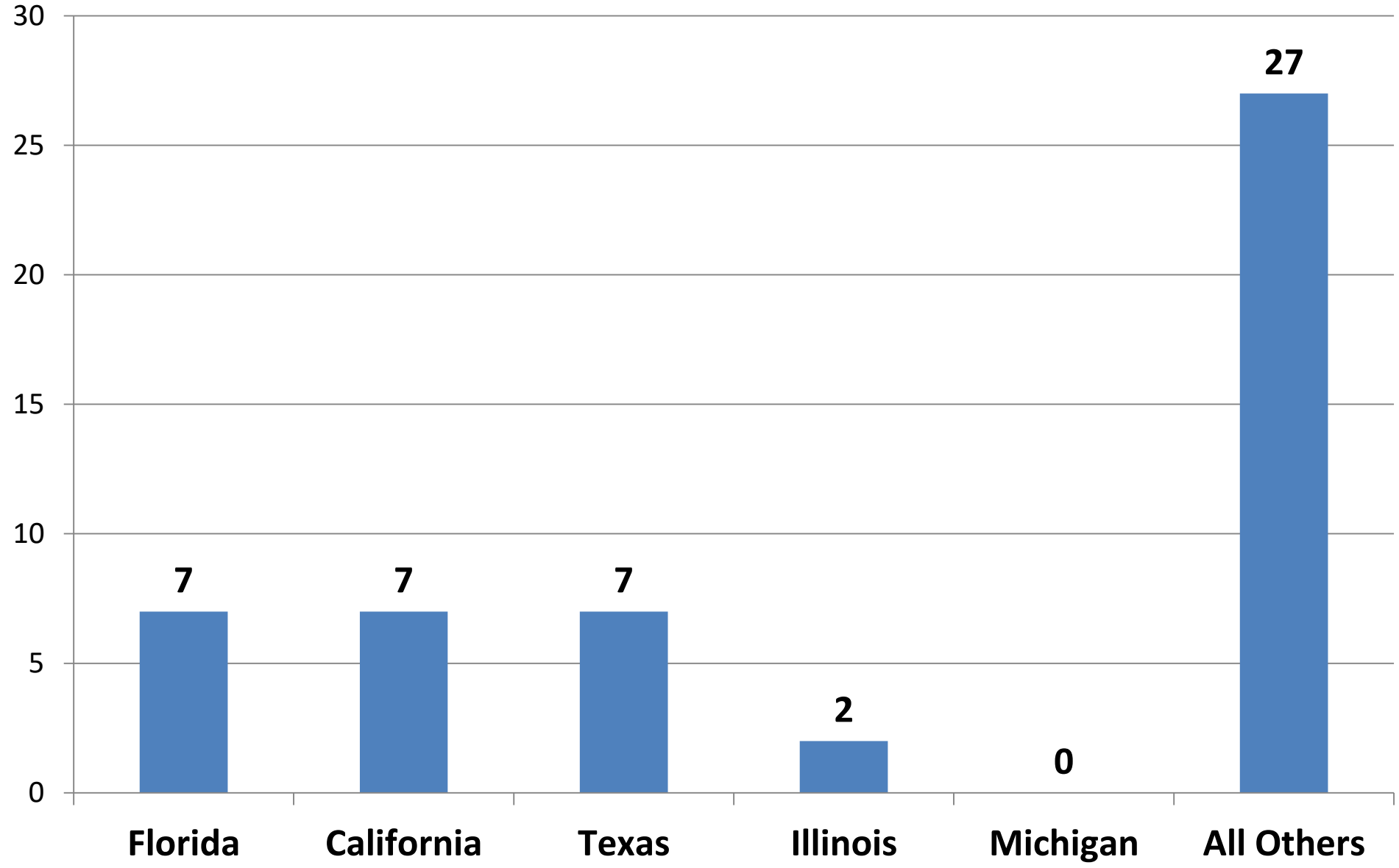
Source: Computed with data from United States Census Bureau (2016)

Exhibit 84: Number of Cities in the Top 50 Destinations (2016)

Rank				Rank			
	26	Alabama	0		26	Montana	0
	26	Alaska	0		26	Nebraska	0
	4	Arizona	3		9	Nevada	1
	26	Arkansas	0		26	New Hampshire	0
	1	California	7		26	New Jersey	0
	9	Colorado	1		26	New Mexico	0
	26	Connecticut	0		9	New York	1
	26	Delaware	0		9	North Carolina	1
	1	Florida	7		26	North Dakota	0
	9	Georgia	1		9	Ohio	1
	26	Hawaii	0		26	Oklahoma	0
	26	Idaho	0		9	Oregon	1
	5	Illinois	2		5	Pennsylvania	2
	9	Indiana	1		26	Rhode Island	0
	26	Iowa	0		9	South Carolina	1
	26	Kansas	0		26	South Dakota	0
	9	Kentucky	1		9	Tennessee	1
	9	Louisiana	1		1	Texas	7
	26	Maine	0		9	Utah	1
	5	Maryland	2		26	Vermont	0
	9	Massachusetts	1		9	Virginia	1
	26	**Michigan**	**0**		9	Washington	1
	9	Minnesota	1		26	West Virginia	0
	26	Mississippi	0		26	Wisconsin	0
	5	Missouri	2		26	Wyoming	0

Source: CNBC (2016)

Exhibit 85: Number of Cities in the Top 50 Destinations (2016)



Source: Computed with data from CNBC (2016)

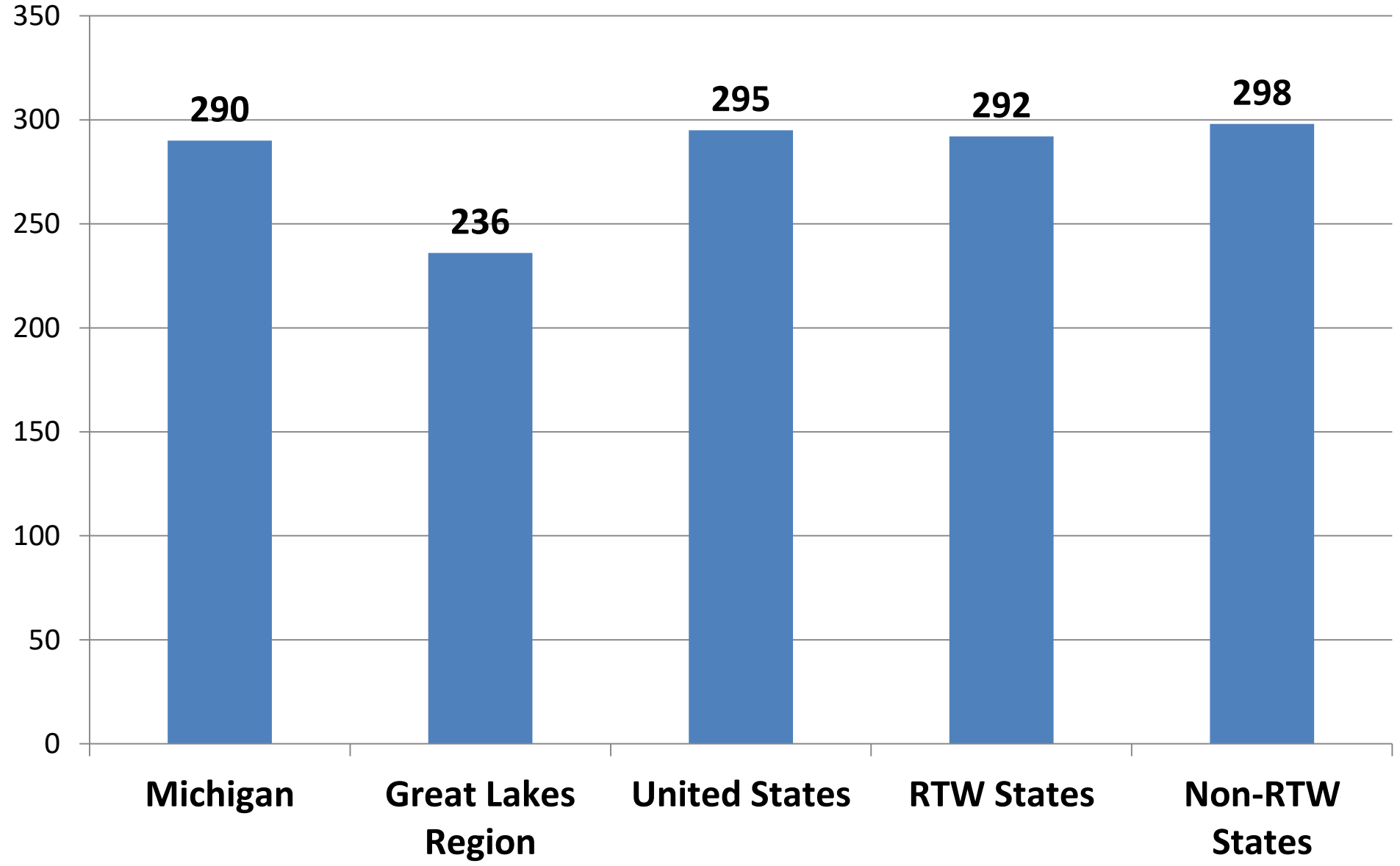
Exhibit 86: Kauffman Index of Entrepreneurial Activity (2015)

Rank			
	35	Alabama	250
	2	Alaska	480
	31	Arizona	270
	31	Arkansas	270
	4	California	390
	11	Colorado	330
	19	Connecticut	290
	39	Delaware	240
	8	Florida	360
	19	Georgia	290
	11	Hawaii	330
	15	Idaho	320
	44	Illinois	230
	44	Indiana	230
	49	Iowa	180
	31	Kansas	270
	26	Kentucky	280
	26	Louisiana	280
	19	Maine	290
	26	Maryland	280
	19	Massachusetts	290
	19	**Michigan**	**290**
	35	Minnesota	250
	11	Mississippi	330
	19	Missouri	290

Rank			
	1	Montana	500
	35	Nebraska	250
	7	Nevada	380
	39	New Hampshire	240
	15	New Jersey	320
	15	New Mexico	320
	10	New York	350
	11	North Carolina	330
	26	North Dakota	280
	39	Ohio	240
	3	Oklahoma	400
	18	Oregon	310
	49	Pennsylvania	180
	44	Rhode Island	230
	19	South Carolina	290
	31	South Dakota	270
	35	Tennessee	250
	4	Texas	390
	26	Utah	280
	8	Vermont	360
	39	Virginia	240
	39	Washington	240
	47	West Virginia	210
	48	Wisconsin	190
	4	Wyoming	390

Source: The Kauffman Foundation (2016)

Exhibit 87: Kauffman Index of Entrepreneurial Activity (2015)



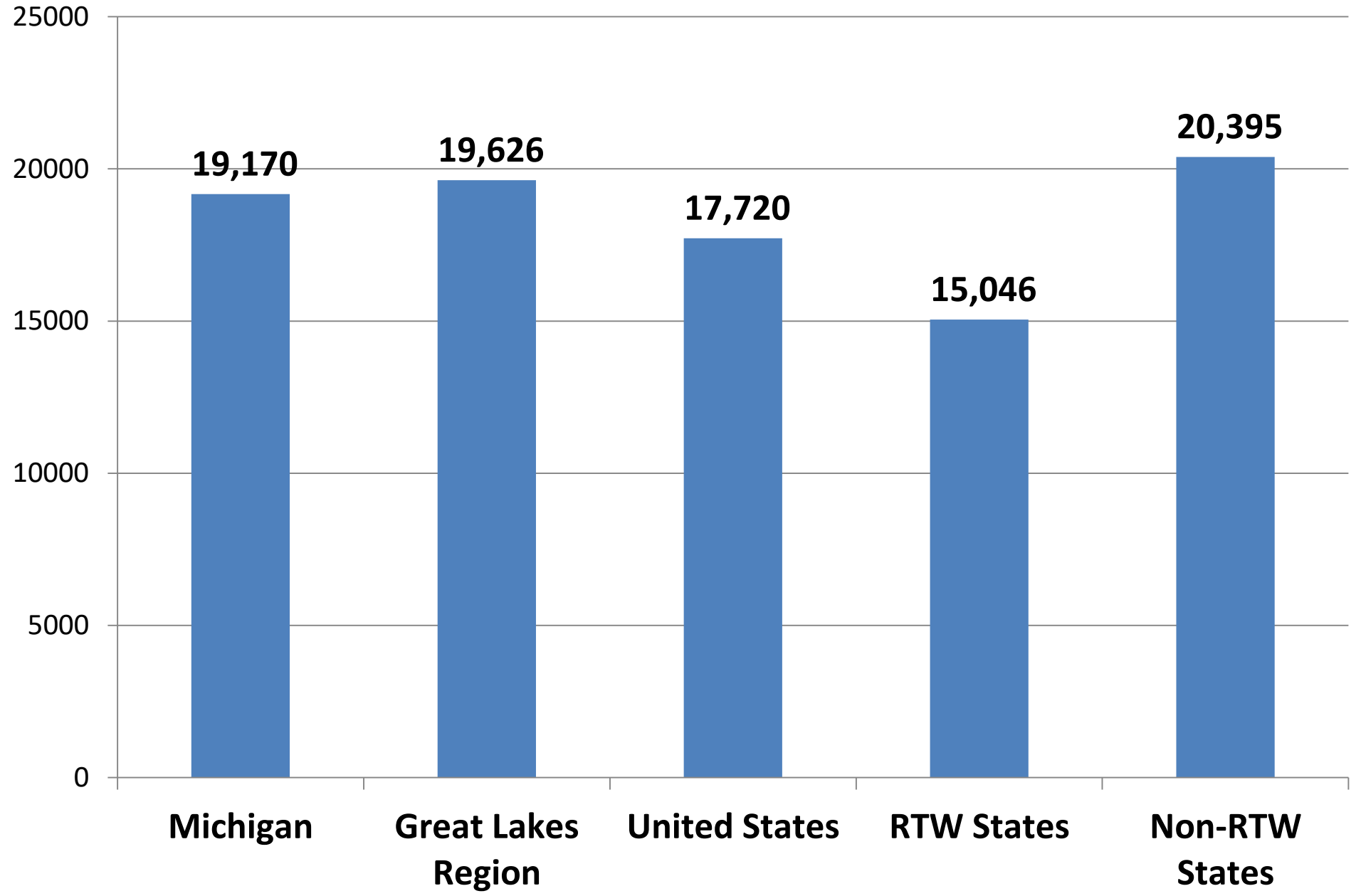
Source: Computed with data from The Kauffman Foundation (2016)

Exhibit 88: Business Births (Seasonally Adjusted, 2014)

Rank				Rank			
	29	Alabama	9,157		42	Montana	3,622
	50	Alaska	1,911		35	Nebraska	6,695
	17	Arizona	15,314		30	Nevada	8,872
	34	Arkansas	7,006		39	New Hampshire	4,455
	1	California	158,534		9	New Jersey	24,912
	12	Colorado	20,781		37	New Mexico	5,694
	31	Connecticut	8,312		4	New York	56,753
	45	Delaware	3,212		10	North Carolina	23,644
	2	Florida	74,757		44	North Dakota	3,251
	7	Georgia	27,391		11	Ohio	21,280
	46	Hawaii	3,169		28	Oklahoma	9,640
	36	Idaho	6,076		22	Oregon	12,426
	5	Illinois	31,839		6	Pennsylvania	27,478
	23	Indiana	12,348		43	Rhode Island	3,388
	32	Iowa	7,279		24	South Carolina	10,870
	33	Kansas	7,159		47	South Dakota	2,543
	26	Kentucky	10,373		20	Tennessee	12,940
	27	Louisiana	10,000		3	Texas	61,027
	40	Maine	3,832		25	Utah	10,441
	18	Maryland	15,223		49	Vermont	1,973
	8	Massachusetts	25,960		14	Virginia	19,373
	15	**Michigan**	**19,170**		13	Washington	20,322
	21	Minnesota	12,709		41	West Virginia	3,629
	38	Mississippi	5,375		19	Wisconsin	13,495
	16	Missouri	18,222		48	Wyoming	2,184

Source: Bureau of Labor Statistics (2014)

Exhibit 89: Business Births (Seasonally Adjusted, 2014)



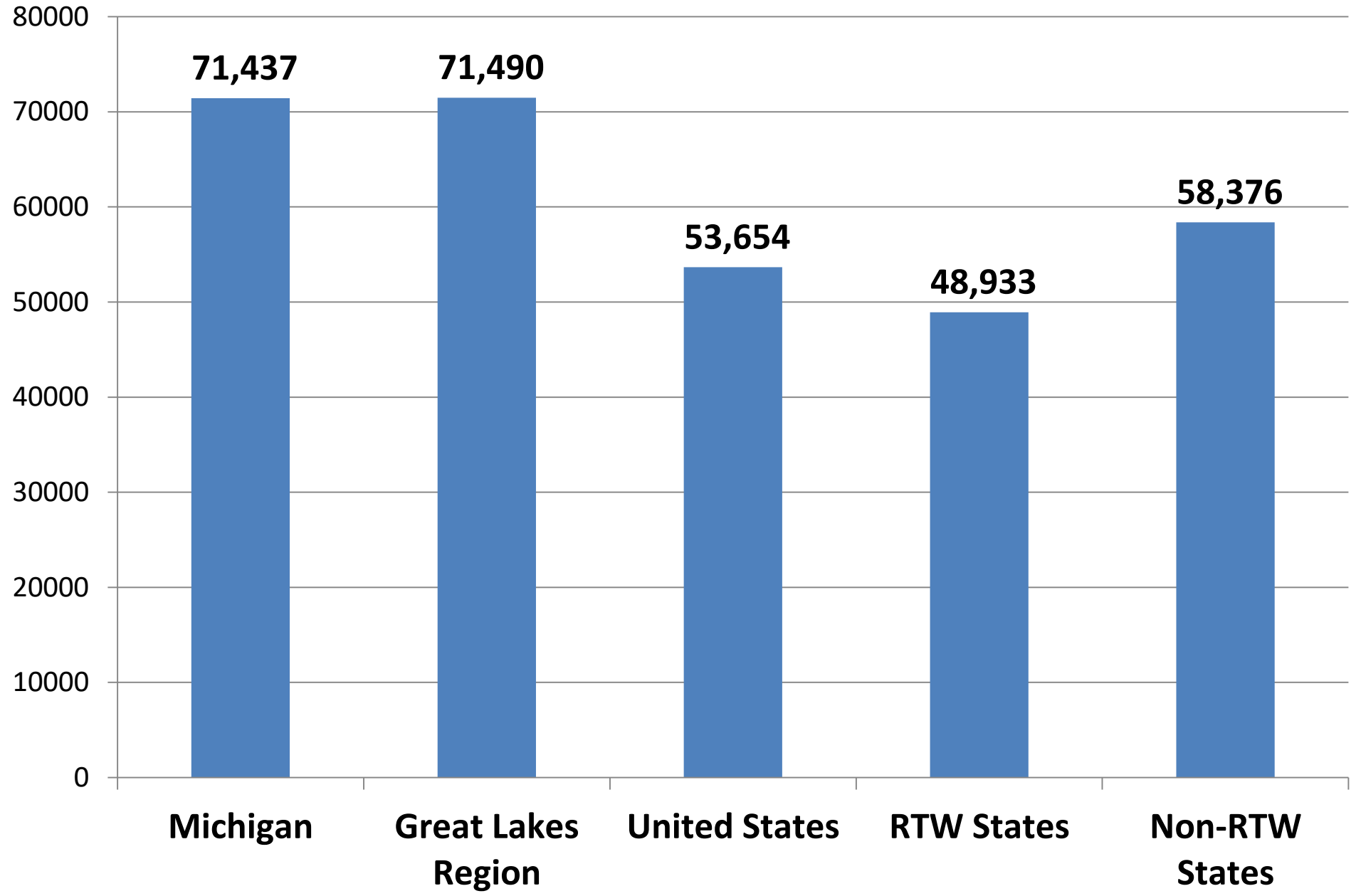
Source: Computed with data from the Bureau of Labor Statistics (2014)

Exhibit 90: Business Deaths (Seasonally Adjusted, 2014)

Rank				Rank			
	26	Alabama	32,468		11	Montana	5,302
	1	Alaska	1,753		14	Nebraska	16,494
	35	Arizona	51,170		18	Nevada	22,946
	16	Arkansas	21,389		12	New Hampshire	9,737
	50	California	393,515		45	New Jersey	101,159
	34	Colorado	48,991		15	New Mexico	16,722
	19	Connecticut	24,227		47	New York	195,324
	5	Delaware	2,740		41	North Carolina	78,883
	49	Florida	252,943		6	North Dakota	2,811
	44	Georgia	91,305		43	Ohio	84,752
	7	Hawaii	3,076		23	Oklahoma	29,866
	13	Idaho	13,738		24	Oregon	30,211
	46	Illinois	118,128		42	Pennsylvania	81,646
	31	Indiana	42,987		8	Rhode Island	3,145
	22	Iowa	26,481		27	South Carolina	32,472
	21	Kansas	25,409		3	South Dakota	2,081
	25	Kentucky	31,143		30	Tennessee	42,575
	28	Louisiana	40,024		48	Texas	204,051
	9	Maine	3,614		20	Utah	25,258
	36	Maryland	51,779		2	Vermont	1,796
	38	Massachusetts	60,861		39	Virginia	69,137
	40	**Michigan**	**71,437**		37	Washington	56,234
	32	Minnesota	46,251		10	West Virginia	3,696
	17	Mississippi	21,605		29	Wisconsin	40,146
	33	Missouri	47,139		4	Wyoming	2,097

Source: Bureau of Labor Statistics (2014)

Exhibit 91: Business Deaths (Seasonally Adjusted, 2014)



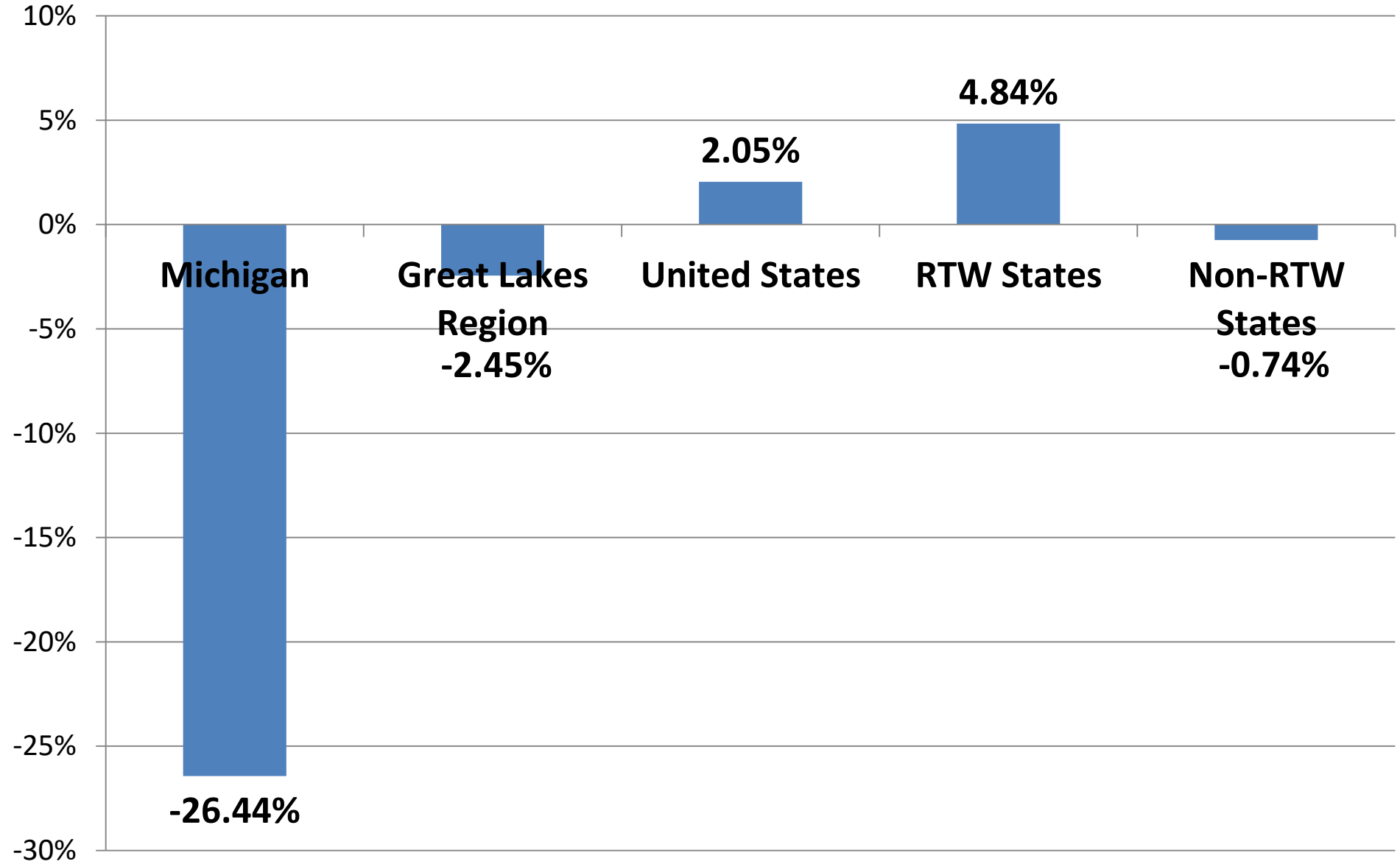
Source: Computed with data from the Bureau of Labor Statistics (2014)

Exhibit 92: Growth in Establishment Births (Seasonally Adjusted 2000-2014)

Rank				Rank			
	37	Alabama	-9.96%		19	Montana	3.49%
	28	Alaska	-2.35%		2	Nebraska	44.76%
	26	Arizona	-1.94%		11	Nevada	11.01%
	30	Arkansas	-3.58%		44	New Hampshire	-13.96%
	9	California	13.04%		48	New Jersey	-22.44%
	23	Colorado	0.19%		14	New Mexico	7.11%
	42	Connecticut	-13.48%		41	New York	-12.91%
	35	Delaware	-9.21%		13	North Carolina	7.26%
	8	Florida	18.24%		1	North Dakota	102.43%
	46	Georgia	-14.99%		38	Ohio	-10.97%
	32	Hawaii	-6.21%		12	Oklahoma	9.92%
	10	Idaho	11.71%		25	Oregon	-1.37%
	15	Illinois	6.70%		39	Pennsylvania	-11.56%
	33	Indiana	-7.00%		31	Rhode Island	-4.27%
	18	Iowa	3.56%		27	South Carolina	-2.14%
	47	Kansas	-19.79%		16	South Dakota	6.62%
	5	Kentucky	25.55%		22	Tennessee	0.66%
	34	Louisiana	-7.51%		7	Texas	19.24%
	40	Maine	-12.21%		17	Utah	6.54%
	20	Maryland	2.77%		21	Vermont	0.77%
	4	Massachusetts	34.67%		24	Virginia	-1.19%
	49	**Michigan**	**-26.44%**		50	Washington	-40.00%
	45	Minnesota	-14.99%		36	West Virginia	-9.39%
	43	Mississippi	-13.53%		6	Wisconsin	25.46%
	3	Missouri	37.75%		29	Wyoming	-3.41%

Source: Computed with data from the Bureau of Labor Statistics (2000-2014)

Exhibit 93: Growth in Establishment Births (Seasonally Adjusted, 2000-2014)



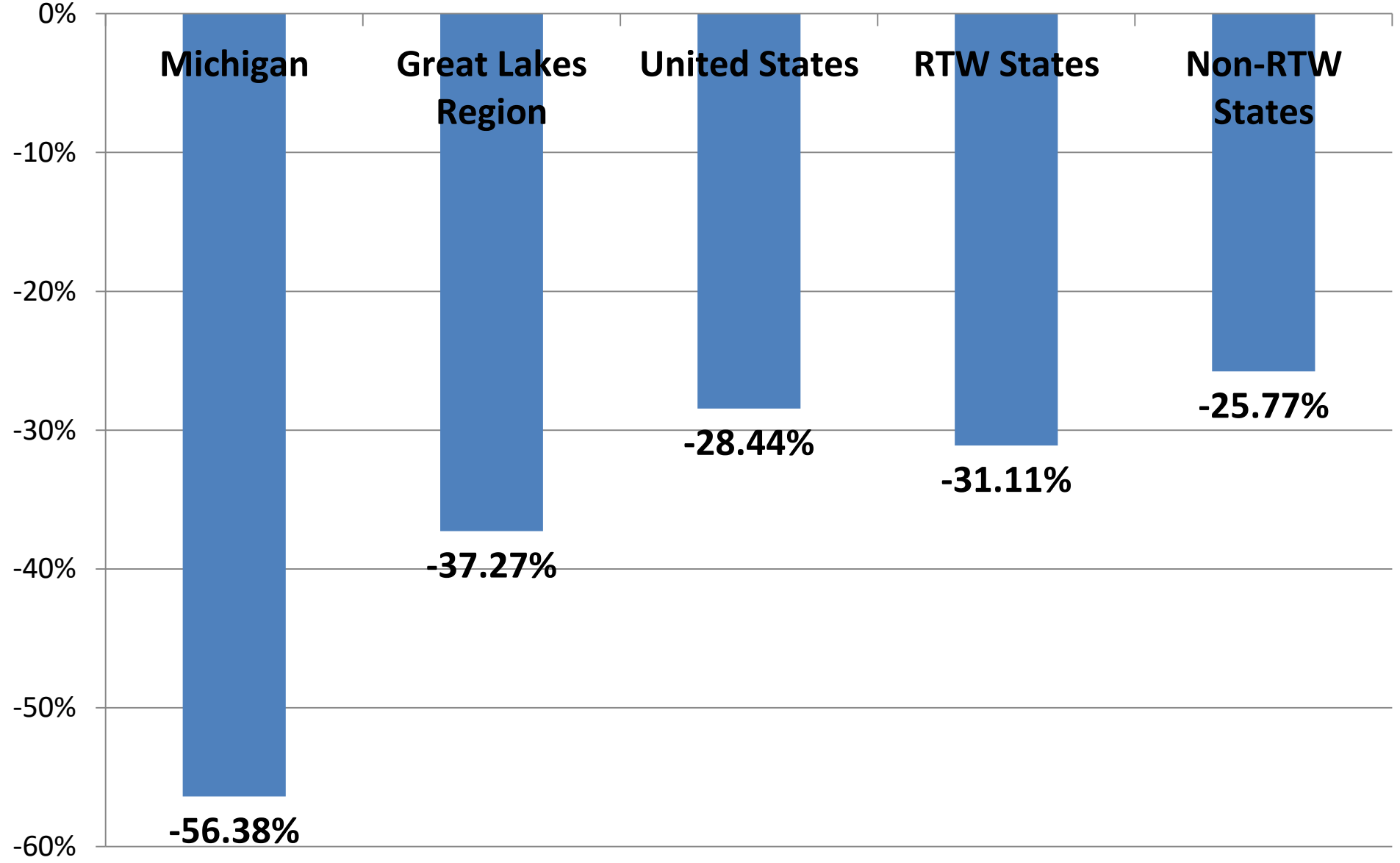
Source: Computed with data from the Bureau of Labor Statistics (2000-2014)

Exhibit 94: Growth in Establishment Deaths (Seasonally Adjusted 2000-2014)

Rank				Rank			
	23	Alabama	-36.05%		50	Montana	64.20%
	40	Alaska	-14.28%		48	Nebraska	11.54%
	13	Arizona	-46.56%		24	Nevada	-34.98%
	31	Arkansas	-28.82%		4	New Hampshire	-52.36%
	21	California	-38.06%		11	New Jersey	-48.50%
	33	Colorado	-28.01%		34	New Mexico	-27.96%
	6	Connecticut	-51.81%		15	New York	-43.97%
	45	Delaware	2.66%		25	North Carolina	-34.66%
	38	Florida	-20.43%		49	North Dakota	60.81%
	5	Georgia	-52.35%		19	Ohio	-39.29%
	46	Hawaii	5.41%		14	Oklahoma	-45.73%
	32	Idaho	-28.71%		12	Oregon	-47.10%
	39	Illinois	-17.20%		18	Pennsylvania	-41.21%
	7	Indiana	-51.04%		41	Rhode Island	-4.17%
	30	Iowa	-29.40%		9	South Carolina	-49.85%
	10	Kansas	-49.12%		42	South Dakota	-3.66%
	28	Kentucky	-31.98%		8	Tennessee	-50.97%
	17	Louisiana	-41.86%		36	Texas	-25.38%
	43	Maine	-1.42%		29	Utah	-31.78%
	22	Maryland	-37.78%		44	Vermont	1.47%
	27	Massachusetts	-32.48%		35	Virginia	-27.65%
	2	**Michigan**	**-56.38%**		3	Washington	-55.08%
	16	Minnesota	-43.83%		1	West Virginia	-81.64%
	26	Mississippi	-32.96%		37	Wisconsin	-22.45%
	20	Missouri	-39.14%		47	Wyoming	9.85%

Source: Computed with data from the Bureau of Labor Statistics (2000-2014)

Exhibit 95: Growth in Establishment Deaths (Seasonally Adjusted, 2000-2014)



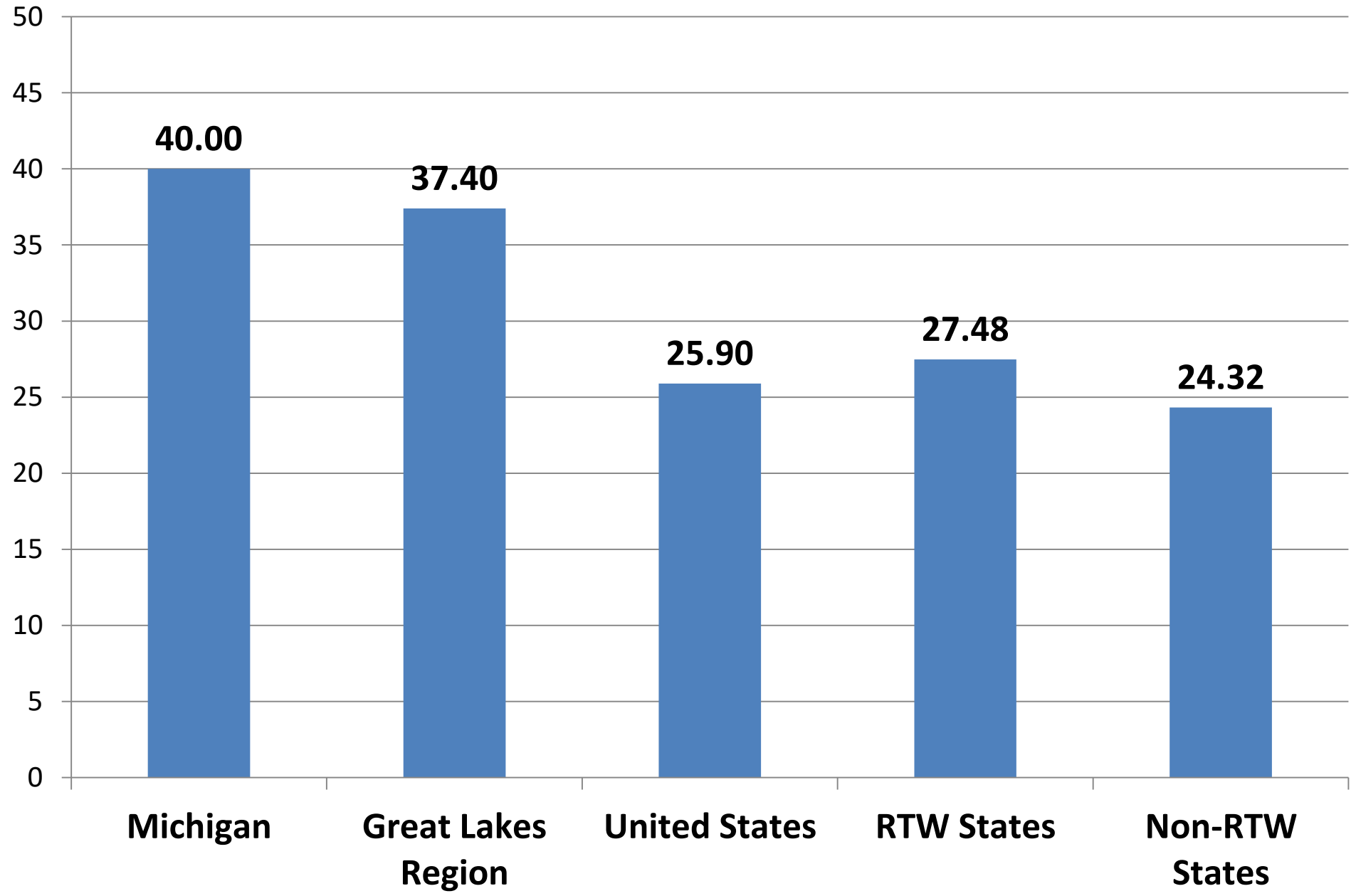
Source: Computed with data from the Bureau of Labor Statistics (2000-2014)

Exhibit 96: Happiness (2015)

Alabama	30	Montana	3
Alaska	2	Nebraska	20
Arizona	9	Nevada	37
Arkansas	44	New Hampshire	22
California	11	New Jersey	33
Colorado	4	New Mexico	16
Connecticut	17	New York	41
Delaware	26	North Carolina	23
Florida	13	North Dakota	15
Georgia	42	Ohio	47
Hawaii	1	Oklahoma	49
Idaho	36	Oregon	32
Illinois	38	Pennsylvania	35
Indiana	48	Rhode Island	27
Iowa	12	South Carolina	19
Kansas	25	South Dakota	5
Kentucky	50	Tennessee	39
Louisiana	43	Texas	10
Maine	21	Utah	8
Maryland	34	Vermont	28
Massachusetts	29	Virginia	18
Michigan	**40**	Washington	24
Minnesota	7	West Virginia	51
Mississippi	45	Wisconsin	14
Missouri	46	Wyoming	6

Source: Mainstreet.com (2015)

Exhibit 97: Happiness (2015)



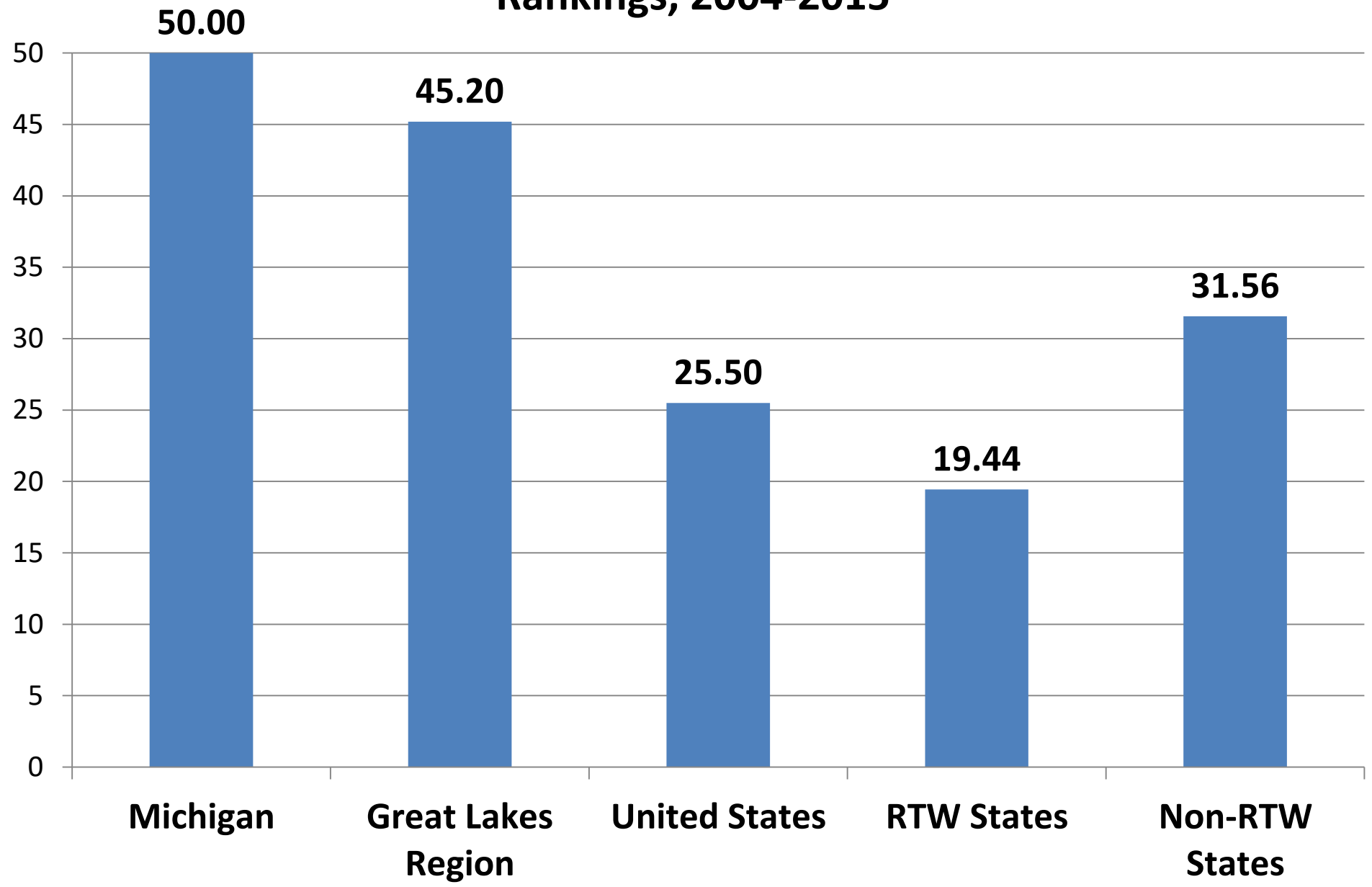
Source: Computed with data from Mainstreet.com (2015)

Exhibit 98: ALEC-Laffer State Economic Performance Rankings, 2004- 2015

Alabama	29	Montana	10
Alaska	13	Nebraska	16
Arizona	14	Nevada	28
Arkansas	24	New Hampshire	35
California	31	New Jersey	47
Colorado	6	New Mexico	36
Connecticut	45	New York	26
Delaware	37	North Carolina	8
Florida	18	North Dakota	4
Georgia	17	Ohio	49
Hawaii	23	Oklahoma	5
Idaho	11	Oregon	9
Illinois	46	Pennsylvania	38
Indiana	40	Rhode Island	48
Iowa	21	South Carolina	15
Kansas	27	South Dakota	12
Kentucky	25	Tennessee	20
Louisiana	33	Texas	1
Maine	44	Utah	3
Maryland	34	Vermont	39
Massachusetts	30	Virginia	19
Michigan	**50**	Washington	2
Minnesota	32	West Virginia	22
Mississippi	42	Wisconsin	41
Missouri	43	Wyoming	7

Source: ALEC's Rich States, Poor States (2016)

Exhibit 99: ALEC-Laffer State Economic Performance Rankings, 2004-2015



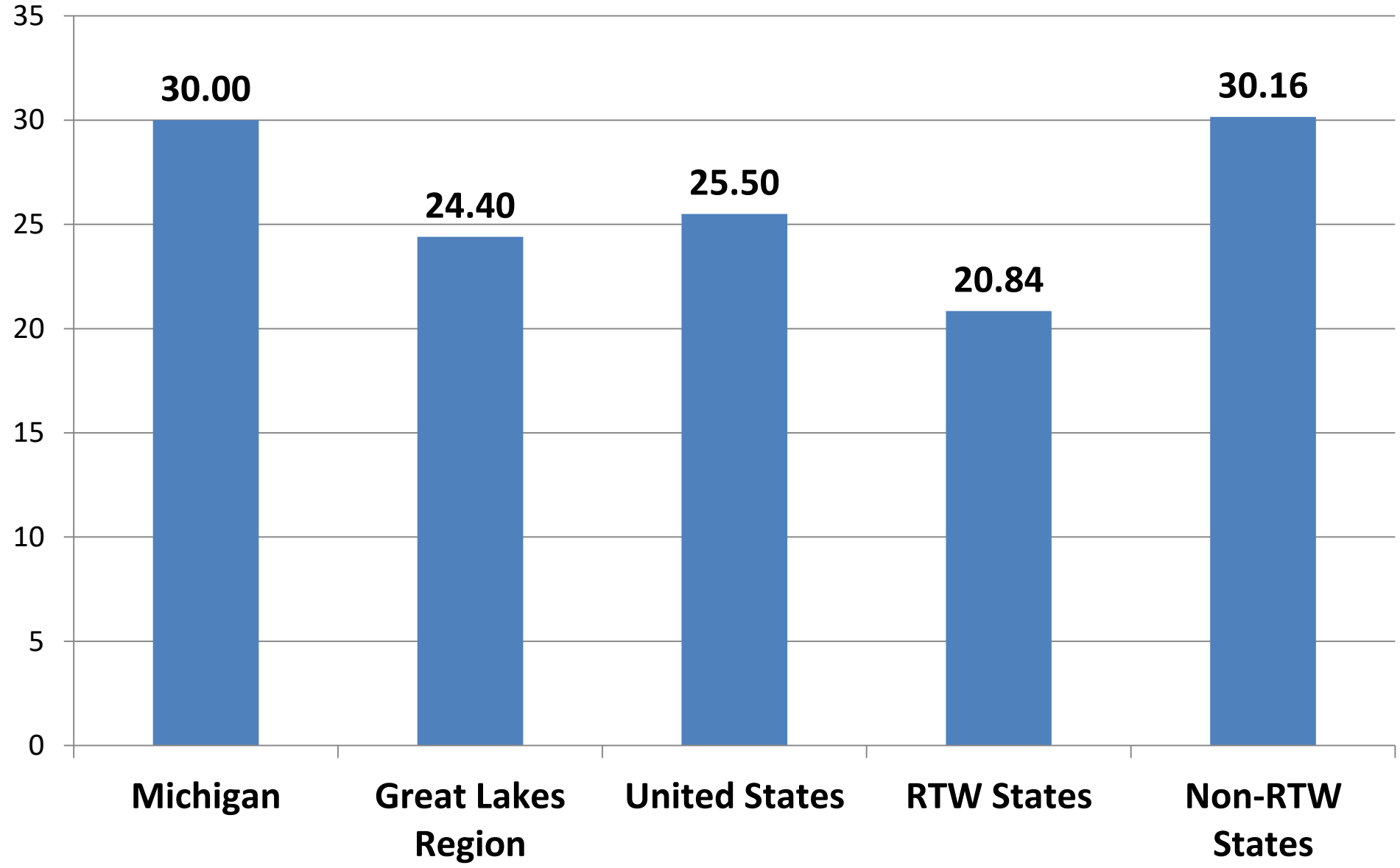
Source: Computed with data from ALEC's Rich States, Poor States (2016)

Exhibit 100: Forbes Best States for Business Rank (2015)

Alabama	45	Montana	24
Alaska	44	Nebraska	3
Arizona	23	Nevada	34
Arkansas	35	New Hampshire	37
California	32	New Jersey	41
Colorado	5	New Mexico	47
Connecticut	39	New York	29
Delaware	17	North Carolina	2
Florida	20	North Dakota	4
Georgia	11	Ohio	15
Hawaii	43	Oklahoma	16
Idaho	22	Oregon	12
Illinois	38	Pennsylvania	36
Indiana	8	Rhode Island	46
Iowa	14	South Carolina	25
Kansas	21	South Dakota	9
Kentucky	28	Tennessee	19
Louisiana	40	Texas	6
Maine	48	Utah	1
Maryland	33	Vermont	42
Massachusetts	18	Virginia	7
Michigan	**30**	Washington	10
Minnesota	13	West Virginia	50
Mississippi	49	Wisconsin	31
Missouri	26	Wyoming	27

Source: Forbes (2015)

Exhibit 101: Forbes Best States for Business Ranking (2015)



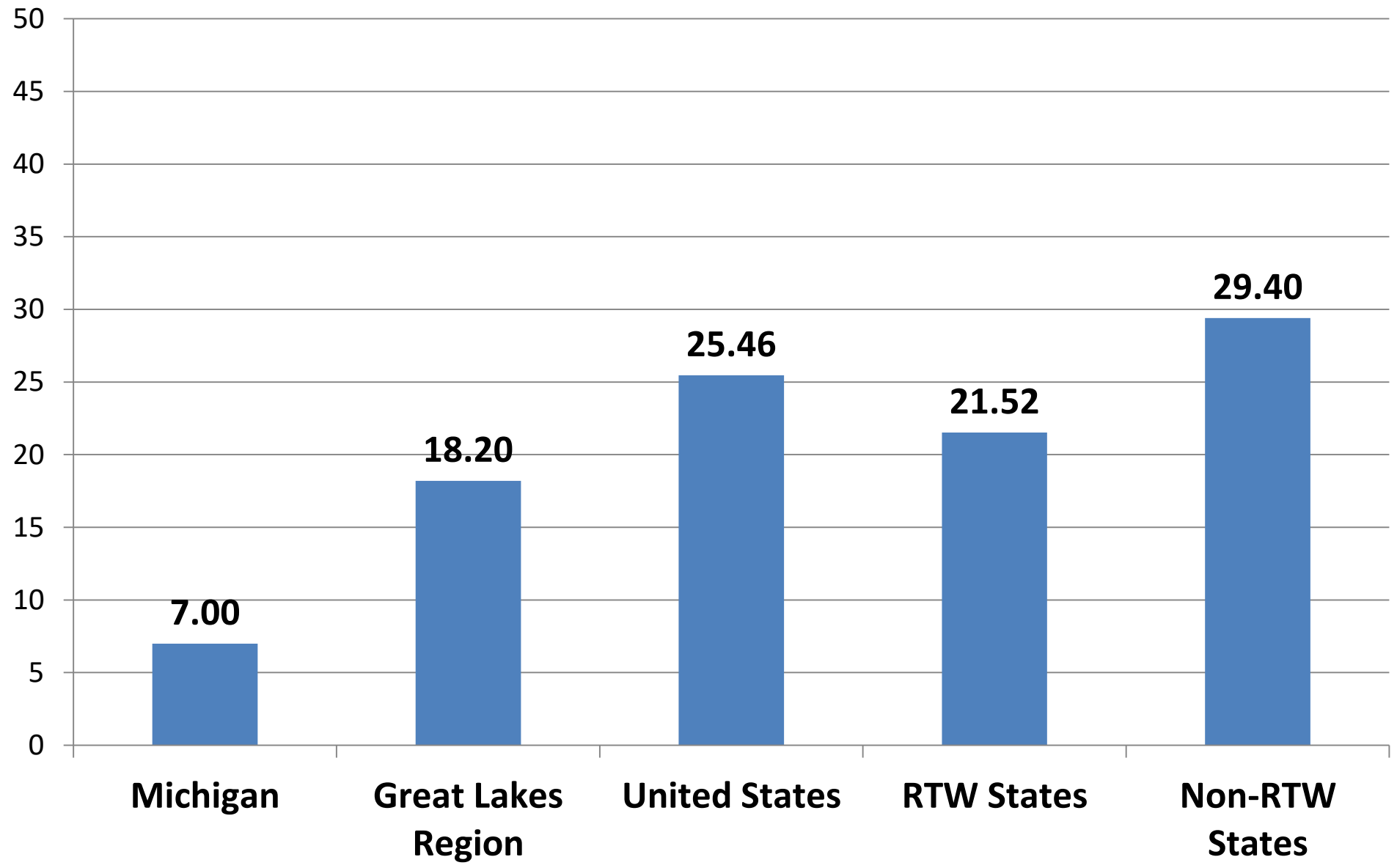
Source: Computed with data from Forbes (2015)

Exhibit 102: CNBC's America's Top States for Business (2016)

Alabama	38	Montana	22
Alaska	45	Nebraska	11
Arizona	25	Nevada	40
Arkansas	41	New Hampshire	26
California	32	New Jersey	34
Colorado	3	New Mexico	39
Connecticut	43	New York	29
Delaware	37	North Carolina	5
Florida	10	North Dakota	12
Georgia	8	Ohio	21
Hawaii	49	Oklahoma	42
Idaho	15	Oregon	17
Illinois	24	Pennsylvania	33
Indiana	16	Rhode Island	50
Iowa	9	South Carolina	27
Kansas	28	South Dakota	19
Kentucky	35	Tennessee	18
Louisiana	44	Texas	2
Maine	46	Utah	1
Maryland	30	Vermont	36
Massachusetts	20	Virginia	13
Michigan	**7**	Washington	6
Minnesota	4	West Virginia	47
Mississippi	47	Wisconsin	23
Missouri	31	Wyoming	13

Source: CNBC (2016)

Exhibit 103: CNBC's America's Top States for Business (2016)



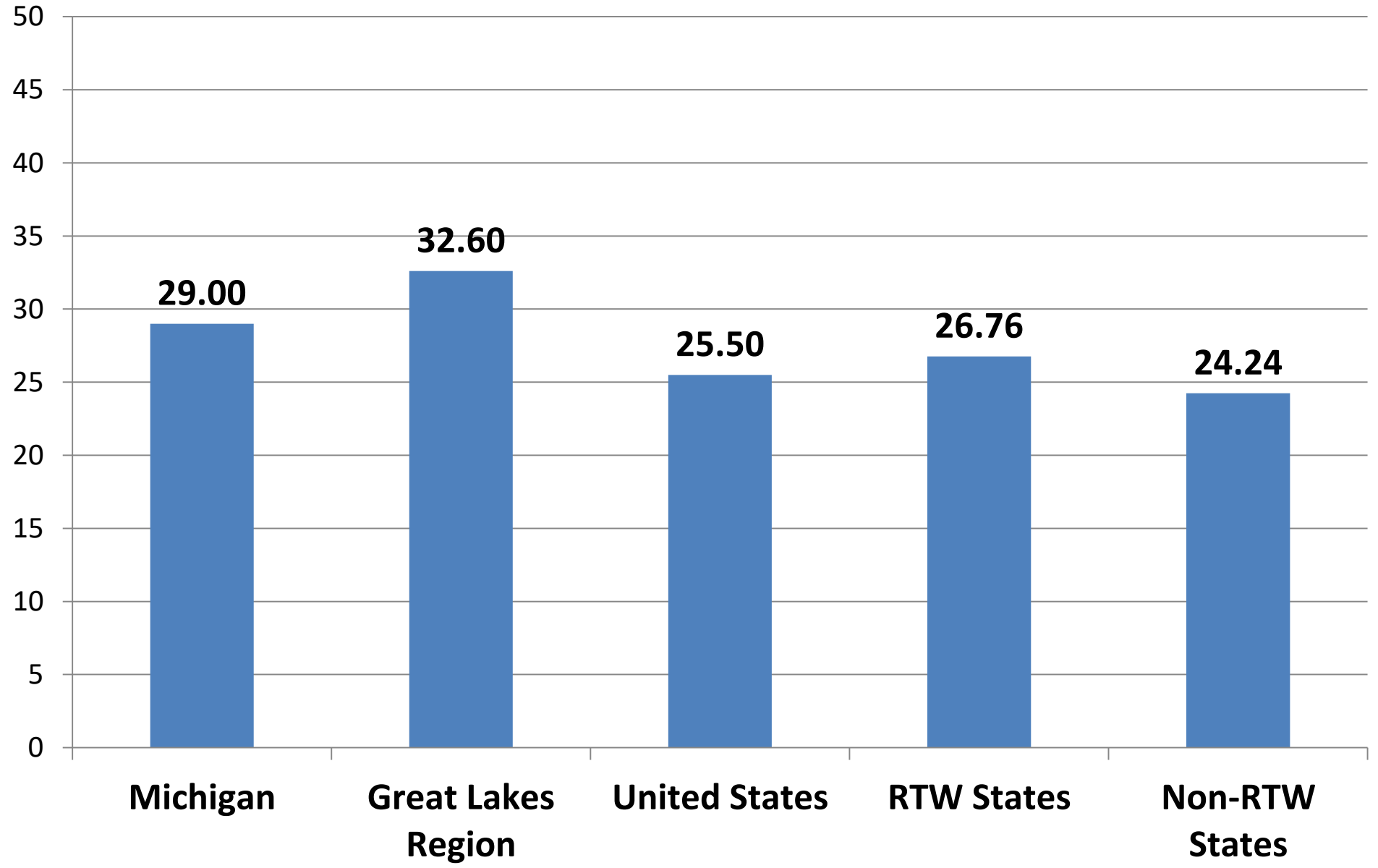
Source: Computed with data from CNBC (2016)

Exhibit 104: Beacon Hill Institute Competitiveness Rankings (2015)

Alabama	48	Montana	38
Alaska	25	Nebraska	6
Arizona	40	Nevada	44
Arkansas	42	New Hampshire	4
California	35	New Jersey	47
Colorado	14	New Mexico	49
Connecticut	32	New York	27
Delaware	17	North Carolina	15
Florida	26	North Dakota	2
Georgia	24	Ohio	34
Hawaii	23	Oklahoma	45
Idaho	21	Oregon	19
Illinois	37	Pennsylvania	36
Indiana	41	Rhode Island	8
Iowa	5	South Carolina	39
Kansas	18	South Dakota	3
Kentucky	30	Tennessee	31
Louisiana	43	Texas	10
Maine	20	Utah	13
Maryland	33	Vermont	9
Massachusetts	1	Virginia	12
Michigan	**29**	Washington	11
Minnesota	7	West Virginia	46
Mississippi	50	Wisconsin	22
Missouri	28	Wyoming	16

Source: The Beacon Hill Institute (2015)

Exhibit 105: Beacon Hill Institute Competitiveness Rankings (2015)



Source: Computed with data from The Beacon Hill Institute (2015)

Exhibit 106: State Business Tax Climate Index 2016

State	Overall Index Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Unemp. Insurance Tax Rank	Property Tax Rank
Wyoming	1	1	1	12	30	36
South Dakota	2	1	1	34	40	22
Alaska	3	30	1	5	21	21
Florida	4	17	1	17	3	20
Nevada	5	4	1	3	4	7
Montana	6	23	20	3	18	9
New Hampshire	7	48	9	2	44	43
Indiana	8	20	11	11	14	5
Utah	9	5	12	16	19	2
Texas	10	41	6	37	15	34
Great Lakes Region						
Michigan	**13**	**11**	**15**	**7**	**48**	**26**
Illinois	23	36	10	33	39	45
Ohio	42	26	47	30	6	11
Wisconsin	43	32	43	13	36	33

Source: Tax Foundation (2016)

Exhibit 107 : Northwood's State Competitiveness Index Rank (2000-2016)

Alabama	32	Montana	21
Alaska	29	Nebraska	6
Arizona	37	Nevada	17
Arkansas	19	New Hampshire	26
California	11	New Jersey	48
Colorado	4	New Mexico	38
Connecticut	49	New York	45
Delaware	40	North Carolina	18
Florida	33	North Dakota	5
Georgia	12	Ohio	30
Hawaii	47	Oklahoma	7
Idaho	9	Oregon	20
Illinois	35	Pennsylvania	42
Indiana	23	Rhode Island	50
Iowa	14	South Carolina	24
Kansas	28	South Dakota	16
Kentucky	43	Tennessee	13
Louisiana	27	Texas	1
Maine	44	Utah	2
Maryland	41	Vermont	39
Massachusetts	46	Virginia	8
Michigan	**25**	Washington	15
Minnesota	34	West Virginia	10
Mississippi	31	Wisconsin	36
Missouri	22	Wyoming	3

Exhibit 108 : Northwood's State Competitiveness Index Rank (2000-2016)

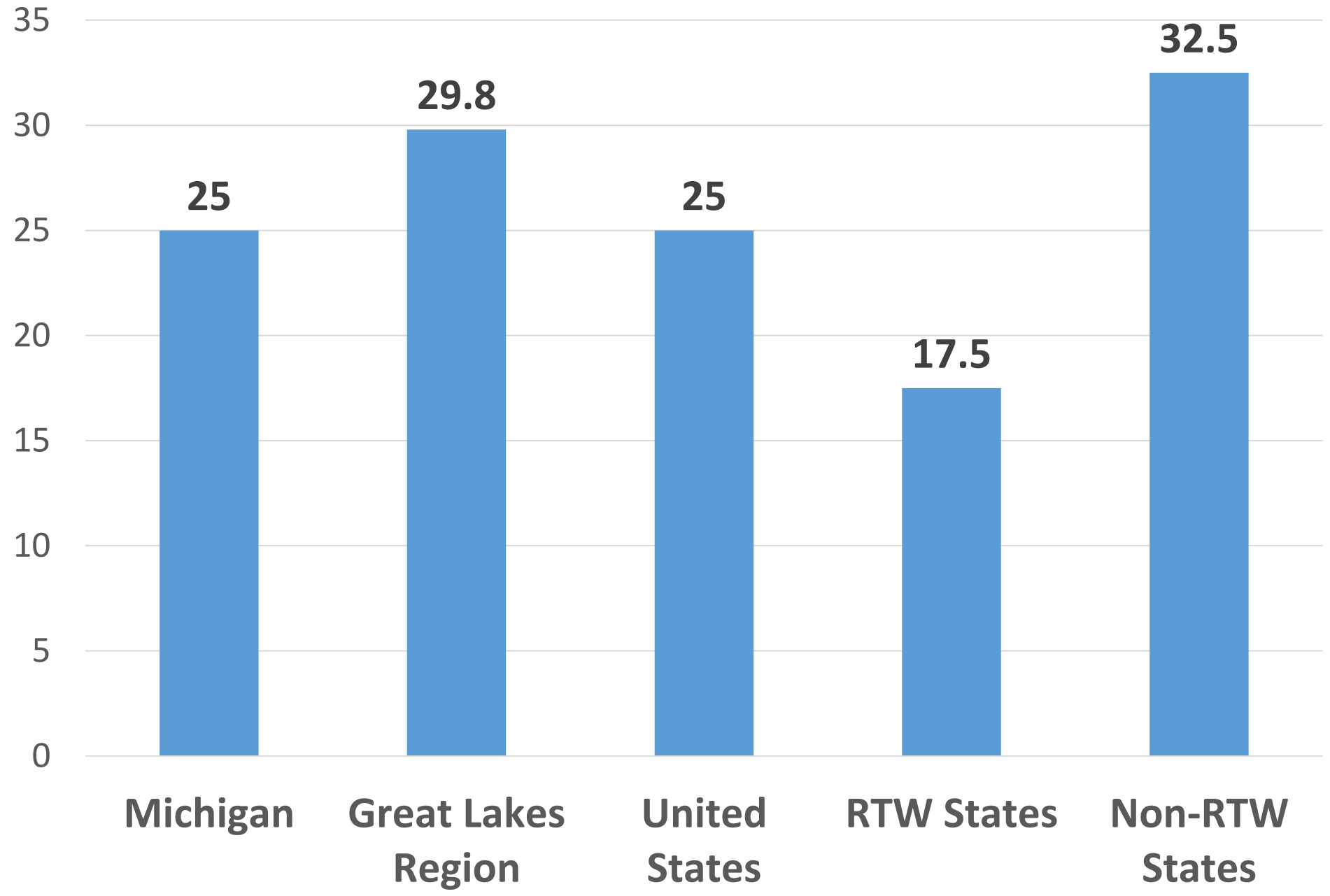


Exhibit 109 : Factor 1 – General Macroeconomic Environment Rank

Alabama	42	Montana	40
Alaska	43	Nebraska	28
Arizona	30	Nevada	33
Arkansas	45	New Hampshire	17
California	12	New Jersey	29
Colorado	3	New Mexico	47
Connecticut	31	New York	7
Delaware	38	North Carolina	9
Florida	2	North Dakota	21
Georgia	13	Ohio	11
Hawaii	26	Oklahoma	32
Idaho	36	Oregon	24
Illinois	15	Pennsylvania	14
Indiana	18	Rhode Island	49
Iowa	34	South Carolina	39
Kansas	35	South Dakota	25
Kentucky	37	Tennessee	22
Louisiana	41	Texas	1
Maine	50	Utah	8
Maryland	19	Vermont	44
Massachusetts	5	Virginia	6
Michigan	**10**	Washington	4
Minnesota	16	West Virginia	46
Mississippi	48	Wisconsin	27
Missouri	20	Wyoming	23

Exhibit 110 : Factor 1 – General Macroeconomic Environment

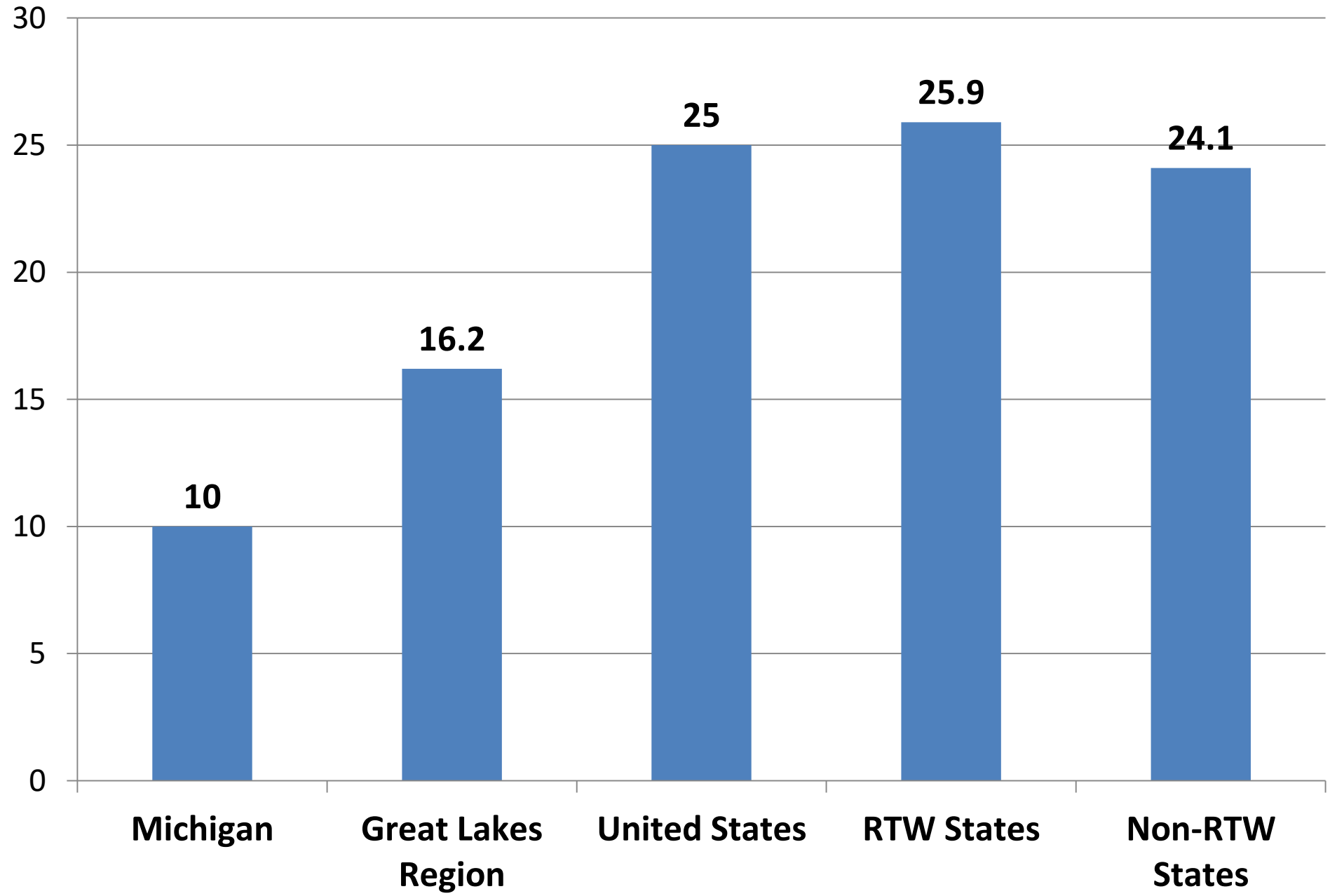


Exhibit 111 : Factor 2 – State Debt and Taxation Rank

Alabama	12	Montana	15
Alaska	33	Nebraska	17
Arizona	7	Nevada	2
Arkansas	24	New Hampshire	37
California	41	New Jersey	50
Colorado	9	New Mexico	23
Connecticut	49	New York	42
Delaware	36	North Carolina	6
Florida	5	North Dakota	3
Georgia	10	Ohio	16
Hawaii	31	Oklahoma	13
Idaho	19	Oregon	29
Illinois	45	Pennsylvania	40
Indiana	22	Rhode Island	48
Iowa	34	South Carolina	27
Kansas	25	South Dakota	8
Kentucky	30	Tennessee	14
Louisiana	35	Texas	4
Maine	43	Utah	11
Maryland	44	Vermont	46
Massachusetts	47	Virginia	28
Michigan	**21**	Washington	26
Minnesota	38	West Virginia	32
Mississippi	20	Wisconsin	39
Missouri	18	Wyoming	1

Exhibit 112: Factor 2 – State Debt and Taxation

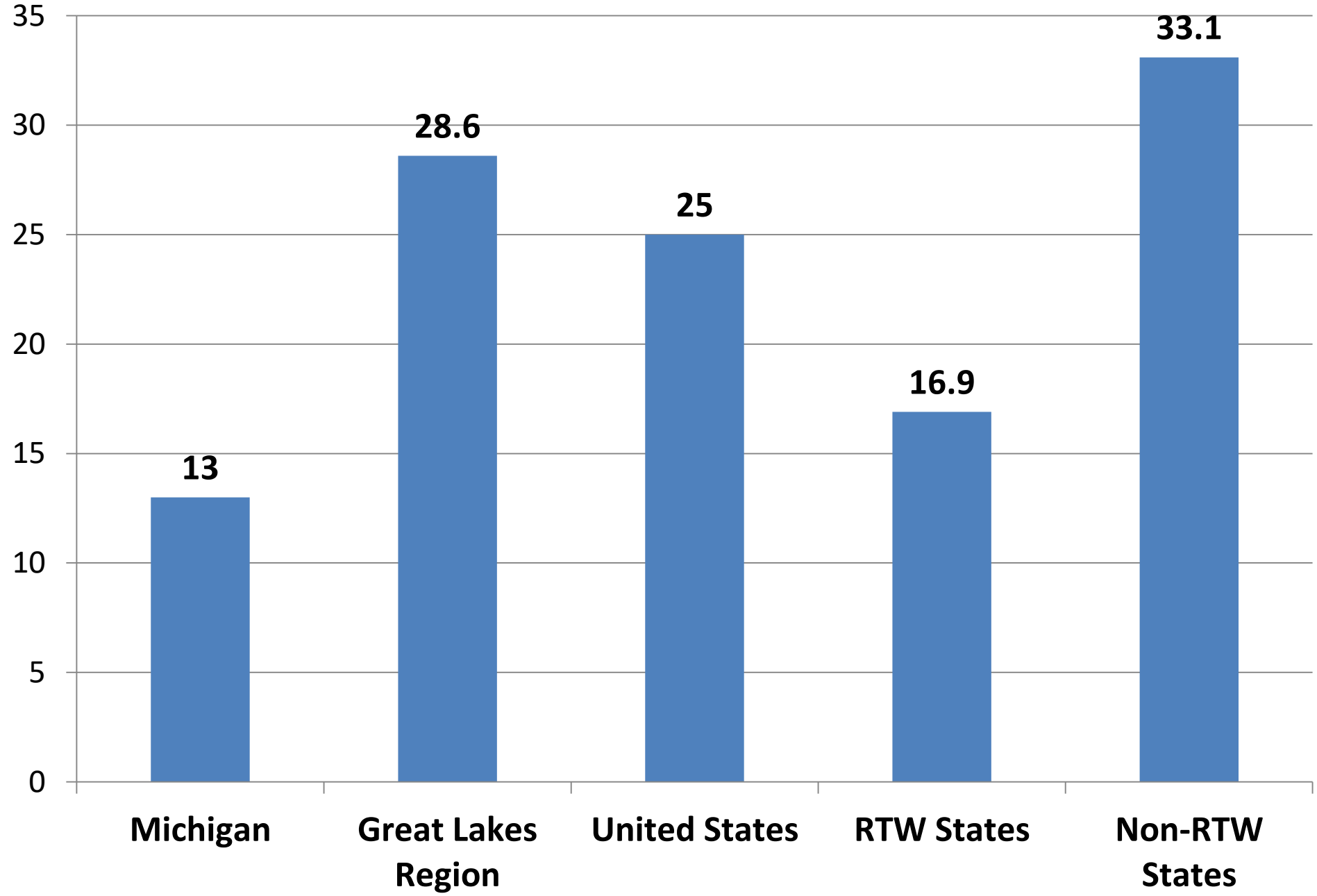


Exhibit 113: Factor 3 – Workforce Compensation and Cost Rank

Alabama	30	Montana	29
Alaska	32	Nebraska	6
Arizona	15	Nevada	26
Arkansas	33	New Hampshire	3
California	46	New Jersey	44
Colorado	23	New Mexico	42
Connecticut	39	New York	38
Delaware	19	North Carolina	11
Florida	21	North Dakota	5
Georgia	12	Ohio	50
Hawaii	22	Oklahoma	17
Idaho	4	Oregon	45
Illinois	48	Pennsylvania	34
Indiana	14	Rhode Island	47
Iowa	9	South Carolina	24
Kansas	13	South Dakota	8
Kentucky	43	Tennessee	10
Louisiana	35	Texas	7
Maine	28	Utah	1
Maryland	20	Vermont	16
Massachusetts	40	Virginia	2
Michigan	**41**	Washington	36
Minnesota	27	West Virginia	49
Mississippi	37	Wisconsin	25
Missouri	31	Wyoming	18

Exhibit 114: Factor 3 – Workforce Compensation and Cost

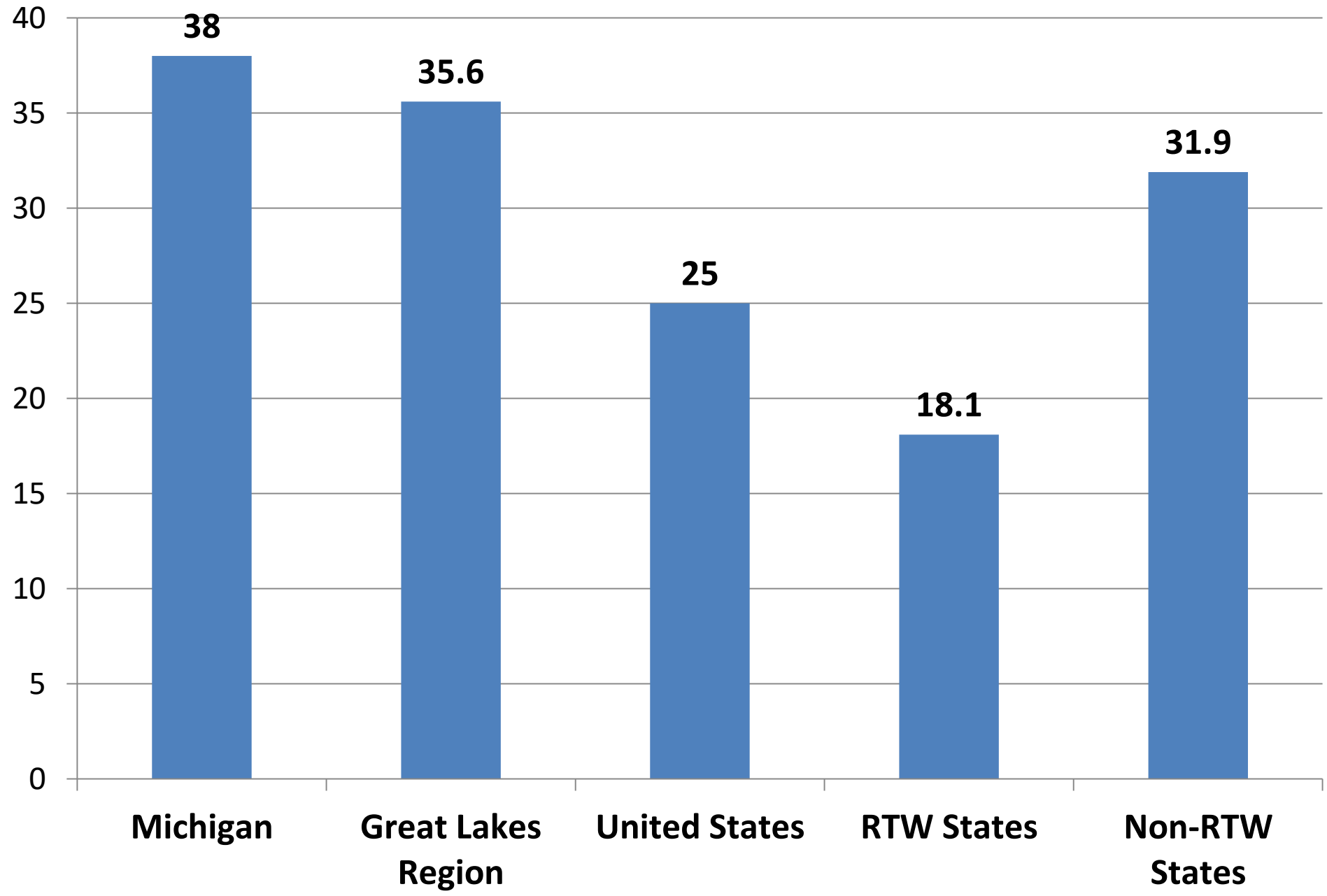


Exhibit 115: Factor 4 – Labor and Capital Formation Rank

Alabama	31	Montana	18
Alaska	21	Nebraska	33
Arizona	12	Nevada	2
Arkansas	25	New Hampshire	27
California	15	New Jersey	41
Colorado	10	New Mexico	19
Connecticut	26	New York	34
Delaware	46	North Carolina	4
Florida	5	North Dakota	20
Georgia	13	Ohio	47
Hawaii	39	Oklahoma	1
Idaho	9	Oregon	6
Illinois	49	Pennsylvania	48
Indiana	38	Rhode Island	50
Iowa	44	South Carolina	7
Kansas	43	South Dakota	32
Kentucky	14	Tennessee	11
Louisiana	42	Texas	3
Maine	40	Utah	16
Maryland	29	Vermont	22
Massachusetts	17	Virginia	30
Michigan	**35**	Washington	23
Minnesota	45	West Virginia	28
Mississippi	36	Wisconsin	37
Missouri	8	Wyoming	24

Exhibit 116: Factor 4 – Labor and Capital Formation

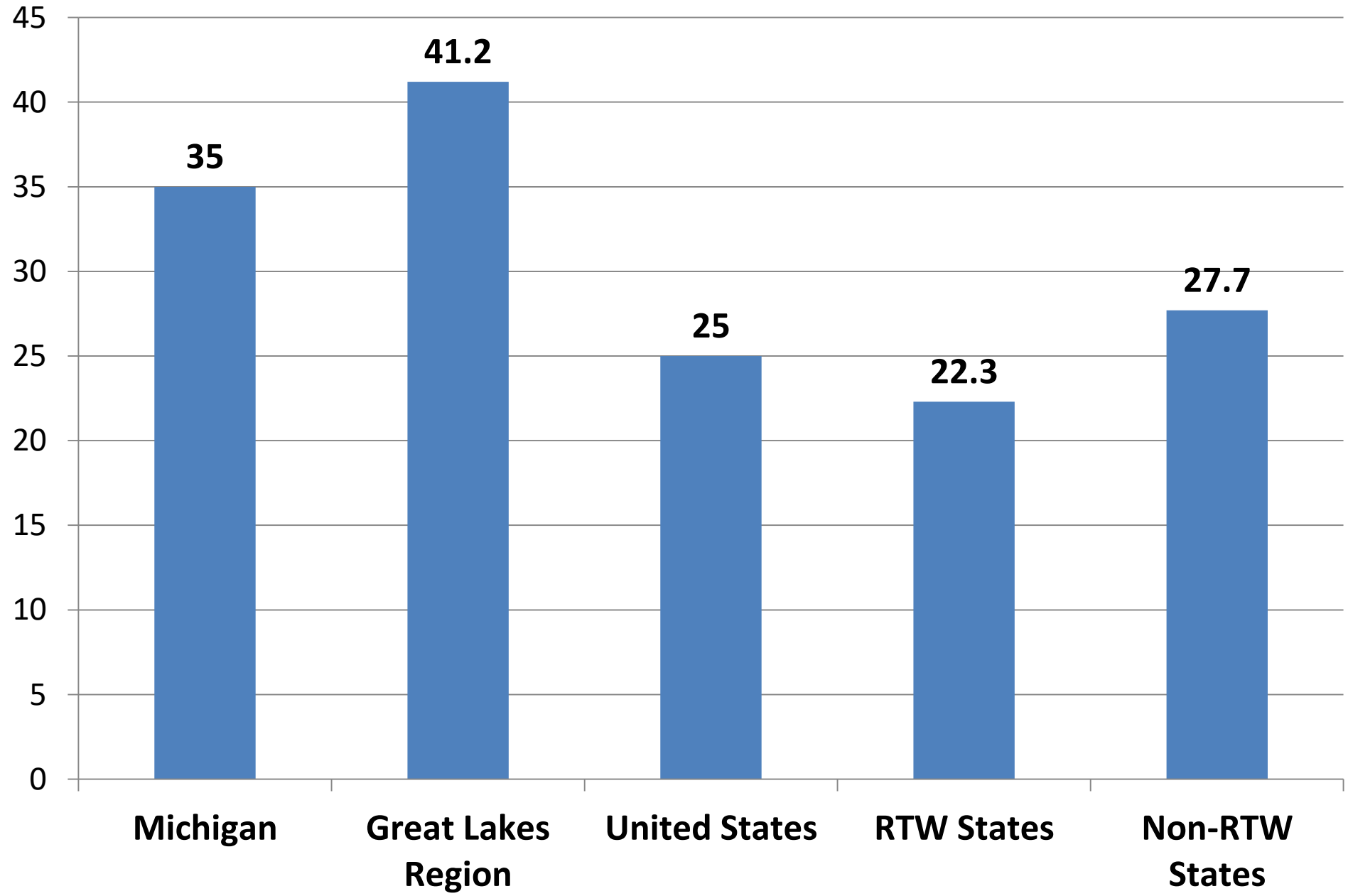


Exhibit 117: Factor 5 – Regulatory Environment Rank

Alabama	47	Montana	29
Alaska	42	Nebraska	6
Arizona	32	Nevada	41
Arkansas	44	New Hampshire	18
California	27	New Jersey	46
Colorado	4	New Mexico	48
Connecticut	40	New York	22
Delaware	21	North Carolina	9
Florida	14	North Dakota	3
Georgia	13	Ohio	23
Hawaii	39	Oklahoma	35
Idaho	16	Oregon	12
Illinois	38	Pennsylvania	37
Indiana	24	Rhode Island	36
Iowa	10	South Carolina	31
Kansas	28	South Dakota	11
Kentucky	30	Tennessee	20
Louisiana	45	Texas	1
Maine	43	Utah	2
Maryland	34	Vermont	26
Massachusetts	8	Virginia	17
Michigan	**19**	Washington	5
Minnesota	7	West Virginia	49
Mississippi	50	Wisconsin	25
Missouri	33	Wyoming	15

Exhibit 118: Factor 5 – Regulatory Environment

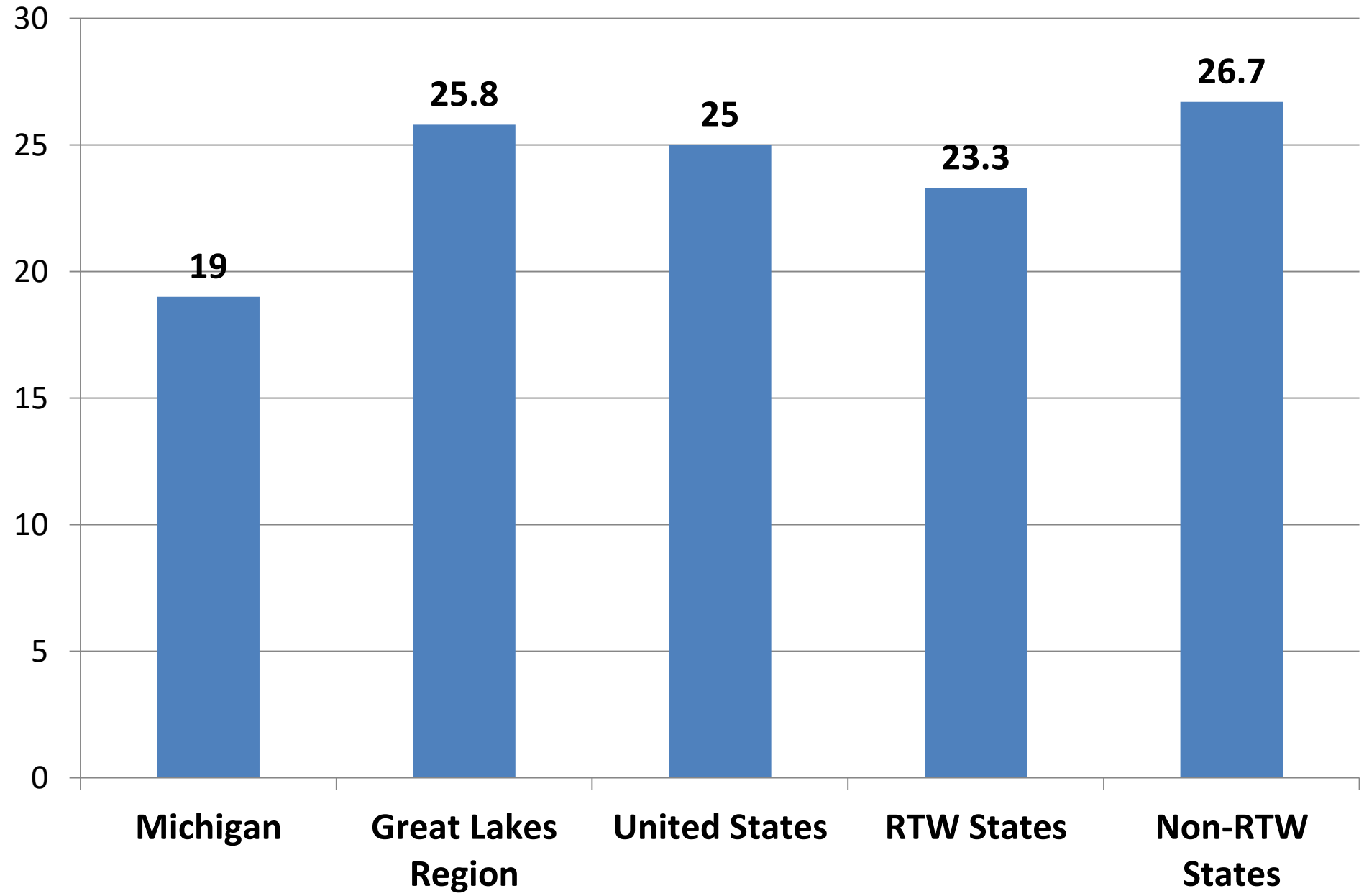


Exhibit 119: Michigan's Economic Performance Ranking

(1998-2016 Data)

	2016	2015	2014	2013	2012
NU State Competitiveness Index: Michigan	**25**	**29**	30	39	47
Factor 1 – General Macroeconomic Environment	**10**	**11**	20	31	48
Factor 2 – State Debt and Taxation	**13**	**13**	12	14	10
Factor 3 – Workforce Composition and Cost	**38**	**39**	38	43	45
Factor 4 – Labor and Capital Formation	**35**	**36**	38	44	45
Factor 5 – Regulatory Environment	**19**	**25**	23	26	24

Exhibit 120: Michigan's Economic Performance Ranking

(2012-2014)

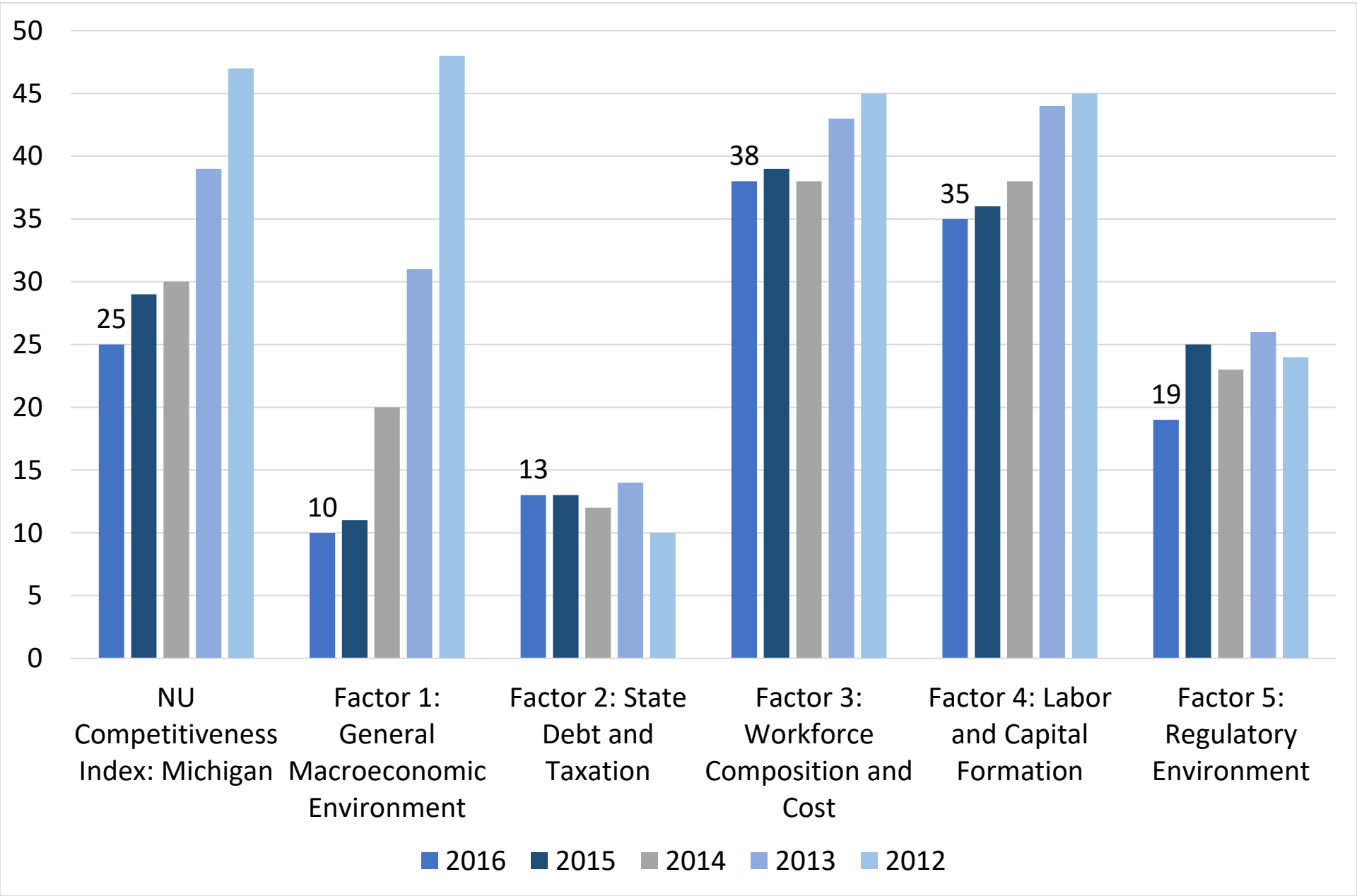


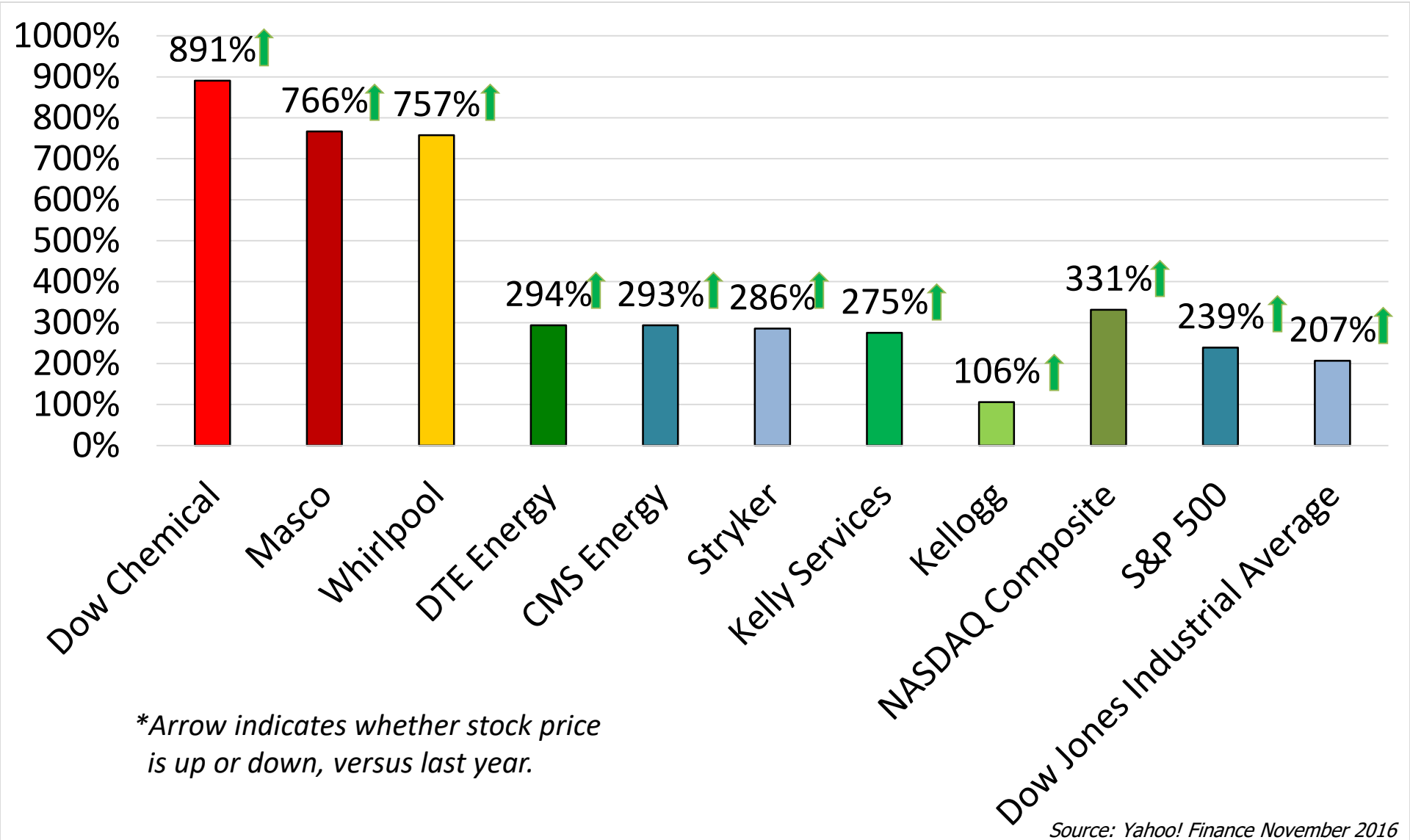
Exhibit 121: An Economic Snapshot of Key Great Lakes Region Cities (2000-2015)

	Metro Compounded Annual GDP Growth Rate (2000-2011)	Metro Compounded Annual GDP Growth Rate (2008-2011)	Metro Compounded Annual GDP Growth Rate (2009-2014)	Metro GDP (2015)	Rank Metro GDP (2011)	Rank Metro GDP (2015)	Number of Employers	City Population (City Proper) (2015)	City Median Household Income/State (2009-2013)
Chicago	0.64	-0.15	1.83	$640 B	3	3	255,502	2,690,518	$47,270/$56,797
Cleveland	-0.15	-0.97	2.32	$128 B	27	27	26,208	396,815	$26,217/$48,308
Columbus	0.53	-0.28	3.6	$124 B	32	30	56,957	787,033	$44,072/$48,308
Detroit	-1.12	-1.25	3.4	$245 B	14	14	50,588	677,116	$26,325/$48,411
Grand Rapids	0.10	0.63	4.06	$54 B	66	56	15,528	188,040	$39,227/$48,411
Indianapolis	1.14	-0.32	2.6	$134 B	28	25	63,805	853,173	$41,962/$48,248
Lansing	0.10	-0.30	2.1	$21 B	112	117	8,363	114,297	$36,054/$48,411
Milwaukee	1.10	0.14	1.4	$102 B	35	37	31,769	594,833	$35,467/$52,413
U.S. Metro Areas	1.48	0.24	2.0	$14.6 T					

Exhibit 122: Comparison of Key Michigan Data from 2012 - 2015 Studies

	2012 Study	2013 Study	2014 Study	2015 Study	2016 Study
Average Personal Income Per Capita Growth	2000-2010	2000-2012	2000-2013	2000-2014	2000-2015
	20.3%	27.5%	30.0%	35.1%	41.3%
Gross State Product Growth	1998-2011	1998-2012	1998-2013	1998-2014	1998-2015
	26.5%	31.5%	42.1%	48.3%	53.2%
U.S. Population Net Migration	2001-2010	2001-2012	2001-2013	2000-2014	2000-2015
	-554,374	-590,635	-619,174	-647,853	-686,764
U.S. Employment Growth	2001-2010	2001-2011	2001-2012	2000-2013	2000-2014
	-16.90%	-13.90%	-5.8%	-4.3%	-2.5%
Total Government Employees Per 10,000 People	2010	2012	2013	2014	2015
	657	618	630	616	612
The Kauffman Index of Entrepreneurial Activity	2011	2012	2013	2015	2016
	220	180	290	260	290
Industrial Natural Gas Prices	2010	2012	2013	2015	2016
	$8.23	$7.42	$7.92	$6.58	$5.73
Median Price of Annual Car Insurance Policy	2012	2013	2014	2015	2016
	$4,490.00	$2,520.00	$2,551.00	$2,476.00	$2,738
Northwood University Competitiveness Index	2012	2013	2014	2015	2016
	47	39	30	29	25

Exhibit 123: Percent Increase in Michigan Based Fortune 500 Company Stock Price (Non-Automotive) (03/09 – 12/16)



**Arrow indicates whether stock price is up or down, versus last year.*

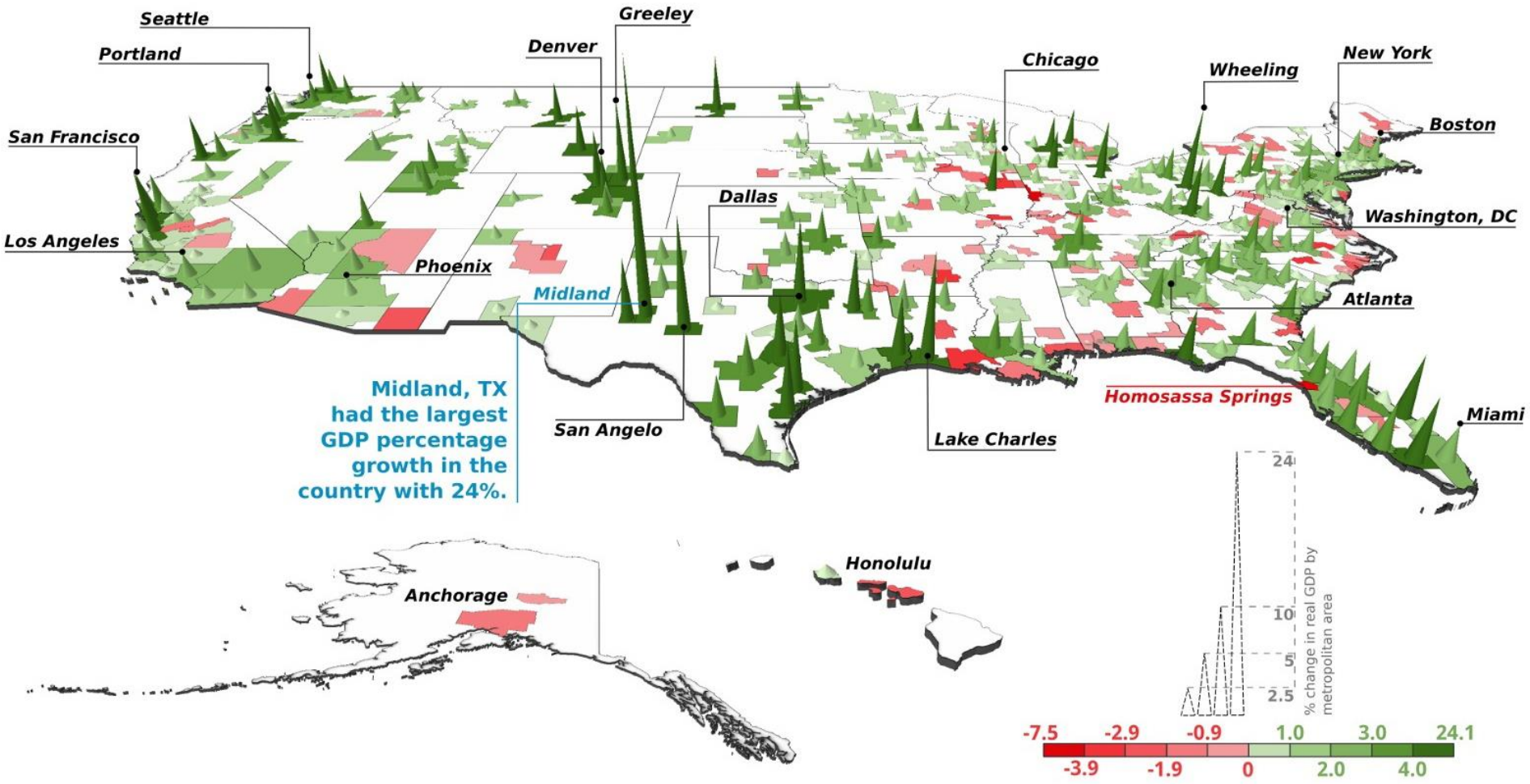
Source: Yahoo! Finance November 2016

Exhibit 124: Gross State Product by Metropolitan Area (2016)

Michigan Cities/Metropolitan Areas	Michigan Rank	2015 GMP Billions of Dollars	2015 GMP Growth Rate	2015 GMP National Rank
Ann Arbor	3	$21.21	3.9%	115
Battle Creek	10	$5.48	3.7%	285
Bay City	14	$3.15	0.2%	368
Detroit-Warren-Livonia	1	$245.61	4.0%	14
Flint	6	$13.89	1.6%	162
Grand Rapid-Wyoming	2	$53.95	3.9%	56
Jackson	9	$5.87	1%	277
Kalamazoo-Portage	5	$14.91	4.1%	153
Lansing-East Lansing	4	$20.87	0.5%	117
Monroe	12	$4.62	1.5%	328
Midland	13	$4.15	2.56%	341
Muskegon-Norton Shores	11	$5.61	1.31%	282
Niles-Benton Harbor	8	$6.33	1%	260
Saginaw-Saginaw Township North	7	$7.61	1.9%	231

Source: Bureau of Economic Analysis (2016)

Exhibit 125: Visualizing Metropolitan GDP Growth in the U.S. in 2014



Article & Sources: http://howmuch.net/articles/growth-americas-biggest-metro-in-a-3d-map

Exhibit 126: Great Lakes Region Personal Income Growth by State (2014-2015)

Great Lakes Region	Personal Income 2014 (in Millions)	Personal Income 2015 (in Millions)	Percent Change	National Rank
Illinois	$613,672	$636,281	3.7%	30
Indiana	$261,092	$271,426	4%	25
Michigan	**$403,726**	**$421,044**	**4.3%**	**18**
Ohio	$489,695	$504,993	3.1%	38
Wisconsin	$254,405	$263,301	3.5%	33

Source: Bureau of Economic Analysis (2016)

Exhibit 127: Northwood's State Competitiveness Index Rank (2011-2016)

Alabama	37	Montana	15
Alaska	38	Nebraska	14
Arizona	26	Nevada	11
Arkansas	35	New Hampshire	28
California	27	New Jersey	46
Colorado	6	New Mexico	45
Connecticut	49	New York	47
Delaware	42	North Carolina	4
Florida	2	North Dakota	7
Georgia	12	Ohio	24
Hawaii	36	Oklahoma	33
Idaho	9	Oregon	10
Illinois	31	Pennsylvania	34
Indiana	8	Rhode Island	50
Iowa	22	South Carolina	20
Kansas	30	South Dakota	18
Kentucky	43	Tennessee	5
Louisiana	32	Texas	3
Maine	41	Utah	1
Maryland	39	Vermont	44
Massachusetts	17	Virginia	25
Michigan	**13**	Washington	16
Minnesota	23	West Virginia	48
Mississippi	40	Wisconsin	29
Missouri	21	Wyoming	19

Exhibit 128: Northwood's State Competitiveness Index Rank (2011 - 2016)

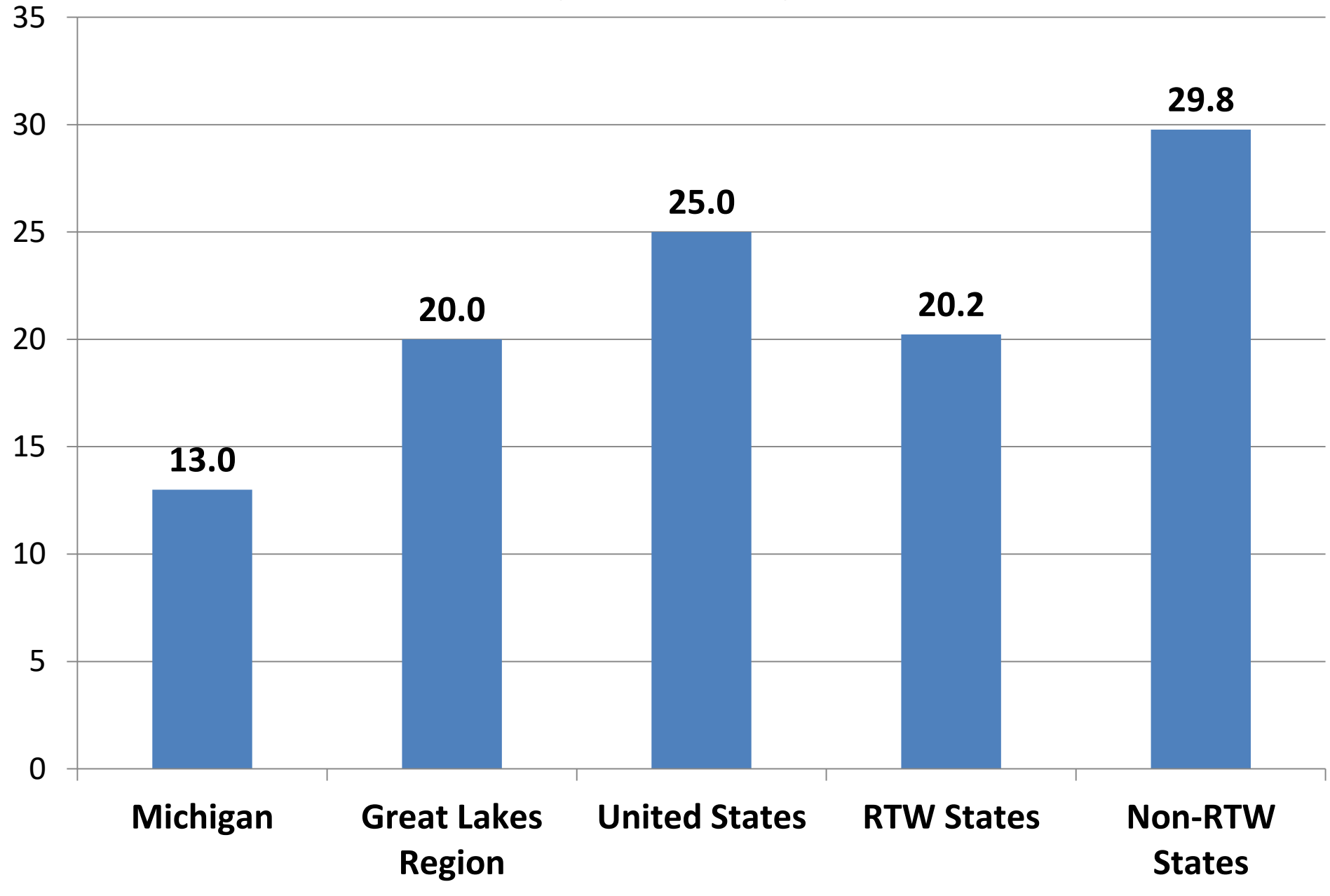


Exhibit 129: 5-Year Real Change in GDP Average (2011-2016)

Rank				Rank			
	36	Alabama	1.216		5	Montana	2.45
	49	Alaska	-0.3		4	Nebraska	2.5
	35	Arizona	1.2166		40	Nevada	0.933
	16	Arkansas	1.9166		32	New Hampshire	1.3
	7	California	2.4166		42	New Jersey	0.8166
	6	Colorado	2.45		44	New Mexico	0.633
	47	Connecticut	0.3		21	New York	1.7166
	38	Delaware	1.083		30	North Carolina	1.33
	26	Florida	1.533		1	North Dakota	7.9
	25	Georgia	1.5833		11	Ohio	2.2
	27	Hawaii	1.45		3	Oklahoma	3.033
	28	Idaho	1.383		23	Oregon	1.66
	33	Illinois	1.283		22	Pennsylvania	1.6833
	12	Indiana	2.166		37	Rhode Island	1.1166
	14	Iowa	2.1		24	South Carolina	1.6
	29	Kansas	1.366		17	South Dakota	1.883
	19	Kentucky	1.7833		13	Tennessee	2.1166
	46	Louisiana	0.317		2	Texas	3.933
	48	Maine	0.083		10	Utah	2.2833
	34	Maryland	1.25		31	Vermont	1.316
	18	Massachusetts	1.866		41	Virginia	0.866
	9	**Michigan**	2.2833		15	Washington	2.083
	8	Minnesota	2.4		39	West Virginia	0.9833
	45	Mississippi	0.6		20	Wisconsin	1.7833
	43	Missouri	0.783		50	Wyoming	-0.87

Source: Computed with data from the Bureau of Economic Analysis(2011-2016)

Exhibit 130: 5-Year Business Climate Average (2011-2016)

Rank				Rank			
	22	Alabama	24.83		6	Montana	6.5
	4	Alaska	3.66		30	Nebraska	29.33
	25	Arizona	25.16		3	Nevada	3.5
	36	Arkansas	35.166		7	New Hampshire	6.66
	48	California	48		50	New Jersey	50
	18	Colorado	18.33		39	New Mexico	36.833
	43	Connecticut	42.166		49	New York	49
	13	Delaware	13.33		35	North Carolina	34.66
	5	Florida	4.83		29	North Dakota	27.66
	38	Georgia	36.66		41	Ohio	40.5
	31	Hawaii	32.166		32	Oklahoma	32.833
	19	Idaho	19.5		12	Oregon	12.5
	26	Illinois	26		27	Pennsylvania	26.16
	9	Indiana	9.33		46	Rhode Island	45.833
	40	Iowa	40.5		37	South Carolina	35.833
	21	Kansas	22.33		2	South Dakota	2
	24	Kentucky	24.83		15	Tennessee	14.83
	34	Louisiana	33.5		10	Texas	9.66
	33	Maine	33.5		8	Utah	9.166
	42	Maryland	41.33		45	Vermont	45.66
	23	Massachusetts	24.83		28	Virginia	26.33
	14	**Michigan**	14.83		11	Washington	9.83
	47	Minnesota	46		20	West Virginia	21.83
	17	Mississippi	17.83		44	Wisconsin	42.33
	16	Missouri	15.83		1	Wyoming	1

Source: Computed with data from the BEA and CEO Magazine (2011-2016)

Exhibit 131: CNBC's America's Top States for Business (2016)

Alabama	38	Montana	22
Alaska	45	Nebraska	11
Arizona	25	Nevada	40
Arkansas	41	New Hampshire	26
California	32	New Jersey	34
Colorado	3	New Mexico	39
Connecticut	43	New York	29
Delaware	37	North Carolina	5
Florida	10	North Dakota	12
Georgia	8	Ohio	21
Hawaii	49	Oklahoma	42
Idaho	15	Oregon	17
Illinois	24	Pennsylvania	33
Indiana	16	Rhode Island	50
Iowa	9	South Carolina	27
Kansas	28	South Dakota	19
Kentucky	35	Tennessee	18
Louisiana	44	Texas	2
Maine	46	Utah	1
Maryland	30	Vermont	36
Massachusetts	20	Virginia	13
Michigan	**7**	Washington	6
Minnesota	4	West Virginia	47
Mississippi	47	Wisconsin	23
Missouri	31	Wyoming	13

Source: CNBC (2016)

Exhibit 132: 5-Year CNBC Rank Average (2011-2016)

Rank				Rank			
	38	Alabama	37.66		28	Montana	27.66
	47	Alaska	46.33		8	Nebraska	7.33
	25	Arizona	24		39	Nevada	38
	34	Arkansas	34.33		29	New Hampshire	28.66
	30	California	30.33		40	New Jersey	38.66
	5	Colorado	5		31	New Mexico	33.33
	43	Connecticut	40.66		35	New York	34.66
	37	Delaware	37.66		6	North Carolina	6.33
	13	Florida	15.33		9	North Dakota	9.33
	4	Georgia	4.66		21	Ohio	20.66
	49	Hawaii	49.33		33	Oklahoma	33.66
	13	Idaho	15		20	Oregon	20
	24	Illinois	23.33		41	Pennsylvania	39
	15	Indiana	16		50	Rhode Island	49.33
	10	Iowa	10.33		27	South Carolina	26.66
	23	Kansas	22.33		12	South Dakota	13.66
	36	Kentucky	36.66		16	Tennessee	16.33
	45	Louisiana	43.33		1	Texas	2
	46	Maine	45		2	Utah	2.33
	32	Maryland	33.66		42	Vermont	40
	22	Massachusetts	21.66		11	Virginia	11
	18	**Michigan**	18.33		7	Washington	7
	3	Minnesota	3.66		47	West Virginia	48
	44	Mississippi	42		19	Wisconsin	18.33
	26	Missouri	26.66		17	Wyoming	17.33

Source: Computed with data from CNBC(2011-2016)

Exhibit 133: 5-Year ALEC Economic Outlook Average (2011-2016)

Rank				Rank			
	19	Alabama	18.5		40	Montana	39.5
	22	Alaska	20.5		34	Nebraska	33.5
	2	Arizona	4.75		11	Nevada	12
	20	Arkansas	19.75		27	New Hampshire	27.25
	47	California	45.75		47	New Jersey	45.25
	15	Colorado	13.75		35	New Mexico	34
	44	Connecticut	43.25		50	New York	49.75
	37	Delaware	37.25		12	North Carolina	12.25
	7	Florida	9.25		3	North Dakota	4.75
	9	Georgia	10.75		28	Ohio	27.25
	39	Hawaii	39.5		16	Oklahoma	14.75
	6	Idaho	8.75		43	Oregon	42.75
	46	Illinois	44.5		38	Pennsylvania	39.25
	10	Indiana	10.75		41	Rhode Island	41
	26	Iowa	26.75		30	South Carolina	31
	21	Kansas	20.25		5	South Dakota	6.75
	36	Kentucky	35.25		13	Tennessee	13
	25	Louisiana	24.5		13	Texas	13.5
	42	Maine	41.25		1	Utah	1
	31	Maryland	32		49	Vermont	49.25
	29	Massachusetts	28.75		8	Virginia	9.5
	24	**Michigan**	23		32	Washington	32.75
	45	Minnesota	44.25		33	West Virginia	33
	18	Mississippi	16.25		17	Wisconsin	15
	23	Missouri	22.25		4	Wyoming	5.5

Source: Computed with data from ALEC (2011-2016)

Exhibit 134: Tax Environment Rank(2016-2017)

Alabama	32	Montana	6
Alaska	3	Nebraska	25
Arizona	21	Nevada	5
Arkansas	38	New Hampshire	7
California	48	New Jersey	50
Colorado	16	New Mexico	35
Connecticut	43	New York	49
Delaware	19	North Carolina	11
Florida	4	North Dakota	29
Georgia	36	Ohio	45
Hawaii	26	Oklahoma	31
Idaho	20	Oregon	10
Illinois	23	Pennsylvania	24
Indiana	8	Rhode Island	44
Iowa	40	South Carolina	37
Kansas	22	South Dakota	2
Kentucky	34	Tennessee	13
Louisiana	41	Texas	14
Maine	30	Utah	9
Maryland	42	Vermont	47
Massachusetts	27	Virginia	33
Michigan	12	Washington	17
Minnesota	46	West Virginia	18
Mississippi	28	Wisconsin	39
Missouri	15	Wyoming	1

Source: Computed with data from the Tax Foundation (2016)

Exhibit 135: Real Wage Growth by State (2015)

Rank				Rank			
	38	Alabama	38		21	Montana	21
	33	Alaska	33		3	Nebraska	3
	41	Arizona	41		39	Nevada	39
	37	Arkansas	37		31	New Hampshire	31
	1	California	1		26	New Jersey	26
	29	Colorado	29		44	New Mexico	43
	34	Connecticut	34		36	New York	36
	45	Delaware	44		11	North Carolina	11
	16	Florida	16		49	North Dakota	49
	25	Georgia	25		35	Ohio	35
	6	Hawaii	6		43	Oklahoma	43
	40	Idaho	40		5	Oregon	5
	10	Illinois	10		19	Pennsylvania	19
	20	Indiana	20		30	Rhode Island	30
	7	Iowa	8		23	South Carolina	23
	28	Kansas	28		4	South Dakota	4
	13	Kentucky	13		12	Tennessee	12
	47	Louisiana	46		42	Texas	42
	14	Maine	14		18	Utah	18
	17	Maryland	17		27	Vermont	27
	2	Massachusetts	2		32	Virginia	32
	15	**Michigan**	15		22	Washington	22
	8	Minnesota	9		48	West Virginia	47
	46	Mississippi	45		9	Wisconsin	9
	24	Missouri	24		50	Wyoming	50

Source: Computed with data from the Bureau of Economic Analysis(2016)

Exhibit 136: State and Local Government Employees per 10,000 people (2014)

Rank				Rank			
	28	Alabama	652		39	Montana	724
	48	Alaska	875		45	Nebraska	770
	5	Arizona	531		1	Nevada	463
	29	Arkansas	653		19	New Hampshire	624
	7	California	558		17	New Jersey	610
	38	Colorado	680		46	New Mexico	776
	21	Connecticut	641		27	New York	649
	23	Delaware	643		32	North Carolina	656
	2	Florida	467		49	North Dakota	903
	8	Georgia	564		14	Ohio	590
	31	Hawaii	655		41	Oklahoma	745
	26	Idaho	647		16	Oregon	600
	11	Illinois	581		3	Pennsylvania	507
	12	Indiana	583		4	Rhode Island	514
	44	Iowa	764		30	South Carolina	654
	47	Kansas	808		43	South Dakota	764
	18	Kentucky	624		9	Tennessee	572
	25	Louisiana	644		15	Texas	600
	22	Maine	642		33	Utah	659
	10	Maryland	578		42	Vermont	752
	13	Massachusetts	588		24	Virginia	643
	6	**Michigan**	**541**		34	Washington	667
	36	Minnesota	675		35	West Virginia	671
	40	Mississippi	738		37	Wisconsin	676
	20	Missouri	629		50	Wyoming	1,062

Source: Computed with data from Bureau of Economic Analysis (2014)

Exhibit 137: Kauffman Index of Entrepreneurial Activity (2015)

Rank			
	35	Alabama	250
	2	Alaska	480
	31	Arizona	270
	31	Arkansas	270
	4	California	390
	11	Colorado	330
	19	Connecticut	290
	39	Delaware	240
	8	Florida	360
	19	Georgia	290
	11	Hawaii	330
	15	Idaho	320
	44	Illinois	230
	44	Indiana	230
	49	Iowa	180
	31	Kansas	270
	26	Kentucky	280
	26	Louisiana	280
	19	Maine	290
	26	Maryland	280
	19	Massachusetts	290
	19	**Michigan**	**290**
	35	Minnesota	250
	11	Mississippi	330
	19	Missouri	290
Rank	1	Montana	500
	35	Nebraska	250
	7	Nevada	380
	39	New Hampshire	240
	15	New Jersey	320
	15	New Mexico	320
	10	New York	350
	11	North Carolina	330
	26	North Dakota	280
	39	Ohio	240
	3	Oklahoma	400
	18	Oregon	310
	49	Pennsylvania	180
	44	Rhode Island	230
	19	South Carolina	290
	31	South Dakota	270
	35	Tennessee	250
	4	Texas	390
	26	Utah	280
	8	Vermont	360
	39	Virginia	240
	39	Washington	240
	47	West Virginia	210
	48	Wisconsin	190
	4	Wyoming	390

Source: The Kauffman Foundation (2016)

Exhibit 138: Average Price of Annual Car Insurance Policy (2016)

Rank				Rank			
	32	Alabama	$1,337		49	Montana	$2,297
	15	Alaska	$1,078		21	Nebraska	$1,188
	21	Arizona	$1,188		24	Nevada	$1,221
	33	Arkansas	$1,345		5	New Hampshire	$941
	45	California	$1,752		48	New Jersey	$1,905
	36	Colorado	$1,393		27	New Mexico	$1,277
	35	Connecticut	$1,367		12	New York	$1,050
	41	Delaware	$1,607		7	North Carolina	$987
	44	Florida	$1,654		23	North Dakota	$1,200
	40	Georgia	$1,559		2	Ohio	$900
	11	Hawaii	$1,049		46	Oklahoma	$1,778
	4	Idaho	$935		26	Oregon	$1,267
	10	Illinois	$1,035		30	Pennsylvania	$1,305
	16	Indiana	$1,113		42	Rhode Island	$1,608
	8	Iowa	$989		34	South Carolina	$1,353
	17	Kansas	$1,135		19	South Dakota	$1,168
	29	Kentucky	$1,295		18	Tennessee	$1,145
	47	Louisiana	$1,842		39	Texas	$1,510
	1	Maine	$808		14	Utah	$1,061
	43	Maryland	$1,610		6	Vermont	$942
	31	Massachusetts	$1,325		9	Virginia	$1,020
	50	**Michigan**	**$2,738**		19	Washington	$1,168
	25	Minnesota	$1,257		38	West Virginia	$1,456
	27	Mississippi	$1,277		3	Wisconsin	$912
	13	Missouri	$1,056		37	Wyoming	$1,421

Source: CorInsuranceQuotes.com (2016)

Exhibit 139: State Debt Per Capita (2015)

Rank	State	$	Rank	State	$
10	Alabama	$1,838	27	Montana	$3,325
47	Alaska	$8,207	2	Nebraska	$1,014
12	Arizona	$2,128	3	Nevada	$1,240
5	Arkansas	$1,528	44	New Hampshire	$6,099
34	California	$4,042	46	New Jersey	$7,394
23	Colorado	$3,161	26	New Mexico	$3,302
49	Connecticut	$9,244	45	New York	$6,909
42	Delaware	$5,721	8	North Carolina	$1,796
9	Florida	$1,826	18	North Dakota	$2,550
4	Georgia	$1,325	20	Ohio	$2,903
43	Hawaii	$5,933	15	Oklahoma	$2,332
13	Idaho	$2,206	30	Oregon	$3,672
40	Illinois	$5,110	31	Pennsylvania	$3,718
25	Indiana	$3,201	48	Rhode Island	$8,899
11	Iowa	$2,040	21	South Carolina	$3,125
14	Kansas	$2,323	32	South Dakota	$3,796
29	Kentucky	$3,361	1	Tennessee	$924
35	Louisiana	$4,086	6	Texas	$1,551
36	Maine	$4,115	17	Utah	$2,488
38	Maryland	$4,415	41	Vermont	$5,251
50	Massachusetts	$10,989	28	Virginia	$3,331
24	**Michigan**	**$3,179**	39	Washington	$4,474
19	Minnesota	$2,899	37	West Virginia	$4,320
16	Mississippi	$2,373	33	Wisconsin	$3,884
22	Missouri	$3,140	7	Wyoming	$1,591

Source: Computed with data from United States Census Bureau (2015)