

Minnesota employers tee up their 2015 agenda

By Bill Blazar

The 2015 legislative session is around the corner, and Minnesota businesses are making a clear statement: We need a new direction at the Capitol if our companies are to grow and develop jobs.

That message was underscored in the annual findings of the [Minnesota Business Barometer Survey](#) co-sponsored by the Minnesota Chamber of Commerce and Himle Rapp & Company, a public affairs firm headquartered in Minneapolis.

Nearly 90 percent of the respondents in this year's Business Barometer said the Governor and Legislature play a role – 35 percent said a very important role – in shaping the state's business climate. At the same time, they stressed a continuing disconnect. Sixty-three percent – including 24 percent strongly so – said elected officials generally do not understand the everyday challenges facing businesses. More than two-thirds said a government decision played a role in a business decision at least several times a month.

We're seeing some improvement in the economy, but businesses believe that current policies are headed in the wrong direction. Sixty-two percent of the poll respondents once again ranked taxes as the major barrier to job creation. Nearly half of the respondents said the tax increases enacted by the 2013 Legislature were damaging to their long-term growth.

The findings provided three directives for policy-makers if Minnesota is to develop and grow its economy:

- Decrease, then control increases in business costs. Two-thirds of businesses reported that their tax burden is accelerating, and half said workers' compensation and unemployment insurance costs are rising. One-third of businesses are concerned about energy affordability, and more than half of the respondents are facing higher health care costs in spite of the promises of the federal Affordable Care Act.
- Continue regulatory reform. Half of Minnesota business owners and managers reported that their business decisions are being influenced by government regulations on a weekly basis, and 72 percent said government doesn't do a good job of balancing the proper amount of regulation with the need of businesses to keep growing.
- Accelerate workforce development. No message was clearer than the need to address the talent gap in Minnesota. Fewer than half of employers said Minnesota has plenty of workers with the right skills for their industry, and the consensus is that this will affect their ability to do business within a couple of years – if it hasn't already.

The workforce findings are of particular concern. Employers are telling us that workers are less prepared than they were two years ago in the technical skills needed for specific industries. The problem is exacerbated in light of the projected worker shortage that Minnesota faces.

What about transportation? Important, but clearly not as important as tax, workforce, health care or regulatory policy, according to this year's Business Barometer. Businesses say they have confidence that the current system will serve their needs well into the future, and they are reluctant to support tax increases to pay for new investments. Maybe, that's "hangover" from the huge business tax increase in

2013, or maybe it's businesses saying, "Find something other than tax increases to pay for transportation." Either way, we know businesses are looking for new approaches to financing infrastructure maintenance and improvements.

Minnesota is seeing some improvement in the economy; the Minnesota Chamber and our local partners are committed to making certain the momentum continues *and, hopefully, grows*. We look forward to advancing specific initiatives in each of the areas *discussed above* when the Legislature convenes on Jan. 6.

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