2011 First Business Economic Survey

Survey Results for Milwaukee & Waukesha Counties

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Prepared by:
Amanda Decker, S. Omar Jobe, Cally Thornton
A.C. Nielsen Center for Marketing Research
UW-Madison School of Business

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Table of Contents **Page #**

Executive Summary 3

Key Summary Results 4

Detailed Findings

- **a. .... Sales Revenue 5**
- **b. .... Profitability 9**
- **c. .... Operating Costs as a % of Revenue 13**
- **d. .... Capital Expenditures 17**
- **e. .... Number of Employees 21**
- **f. .... Overall Wage Changes 25**
- **g. .... Change in Pricing 29**

Overall Business Performance

- **a. .... Operating Capacity Utilization 33**
- **b. .... Changes to Expenses 34**
- **c. .... Performance for 2011 .... 35**
- **d. .... Expectations for 2012 .... 37**
- **e. .... Current Events: Employment Question 38**

Appendix

- **a. .... Methodology 40**
- **b. .... Demographics of Businesses 41**

Executive Summary

This report highlights the findings of the 2011 First Business Economic Survey of Milwaukee and Waukesha Counties, which was conducted by the University of Wisconsin's A.C. Nielsen Center for Marketing Research in September and October of 2011. The survey was sent to 7,990 businesses in the two counties. It was addressed to the CEO, CFO, President, and/or business owner. The survey asked questions regarding prior year and forward-looking results on eight key economic indicators in each of the following areas: Sales Revenue, Profitability, Total Operating Costs as a Percentage of Revenue, Capital Expenditures, Number of Employees, Overall Wage Change, Change in Pricing, and Operating Capacity. This survey has been conducted in Dane County for nine years, and this is the fourth year that it has been extended to include a separate analysis of Milwaukee and Waukesha Counties.

Key Takeaways for 2011:

- Businesses reported similar performance in 2011 compared to 2010, with no significant changes in profitability, sales revenue, operating costs, or capital expenditures. That said, some indicators are continuing upward trends from 2009-2010.
  - A record low of 19% of businesses reported decreased employee headcount in 2011, compared to 29% in 2010 and 49% in 2009.
  - In addition, almost half of businesses increased wages in 2011 compared to 37% in 2010. A record low of 8% of businesses reported decreased wages, down from 18% in 2010 and 28% in 2009. Similarly, 48% of businesses expect to increase wages for 2012.
  - Businesses are operating at higher capacity utilization, with significantly more businesses operating at 70-90% of capacity and significantly fewer businesses operating under 70% capacity.
- Manufacturing businesses continued to outpace other industries in 2011, with significantly more businesses in this sector reporting increased sales revenues, profits, employment, and wages in 2011.
- Overall, performance compared to expectations stayed consistent to 2010 with 50% of businesses reporting performance below self-imposed expectations compared to 47.6% in 2010.
  - Domestic sales shortfalls and high operating costs continue to be stated as reasons for performance below expectations.
  - Two-thirds of businesses project better performance expectations for 2012 compared to 72% projecting better performance for 2011 in 2010.

Key Summary Results

The table below illustrates the percentage of companies surveyed which are reporting actual (2011) or projected (2012) changes in each performance measure.

Performance Measure	2011 Actuals	Variance from 2010 Survey		2012 Projected	Variance from 2011 Survey	
Sales Revenue	41.2% saw a decrease	↓	-5.2	21.62% expect a decrease	↓	-0.48
	11.2% saw no change	↑	1.9	23.23% expect no change	↑	0.93
	47.4% saw an increase	↑	3.1	55.15% expect an increase	↓	-0.45
Profitability	43.1% saw a decrease	↓	-3	27.57% expect a decrease	↑	3.47
	19.1% saw no change	↑	4.1	28.17% expect no change	↑	0.87
	37% saw an increase	↓	-1.8	44.27% expect an increase	↓	-4.33
Operating Cost as a % of Revenue	25.4% saw a decrease	↓	-4.9	15.96% expect a decrease	↓	-0.44
	12.1% saw no change	↑	1	27.27% expect no change	↑	0.07
	62.4% saw an increase	↑	3.8	56.77% expect an increase	↑	0.37
Capital Expenditure	18.4% saw a decrease	↓	-4.7	13.65% expect a decrease	↑	2.05
	47.8% saw no change	↑	1.5	53.01% expect no change	↑	2.51
	33.8% saw an increase	↑	3.2	33.33% expect an increase	↓	-4.57
Number of Employees	19.2% saw a decrease	↓	-10	11.24% expect a decrease	↓	-0.26
	57.1% saw no change	↑	7	62.85% expect no change	↑	3.35
	23.6% saw an increase	↑	2.9	25.90% expect an increase	↓	-3.1
Overall Wage Change	8.6% saw a decrease	↓	-9.4	7.03% expect a decrease	↓	-0.07
	44.4% saw no change	↓	-0.2	45.38% expect no change	↑	2.38
	46.8% saw an increase	↑	9.4	47.59% expect an increase	↓	-2.31
Change in Pricing	10% saw a decrease	↓	-11.5	7.01% expect a decrease	↓	-0.29
	42.9% saw no change	↑	0.1	40.08% expect no change	↓	-7.22
	46.9% saw an increase	↑	11.2	52.91% expect an increase	↑	7.51
Capacity Utilization	28.6% were under 70%	↓	-5.71			
	42.9% were 70% to 90%	↑	7.37			
	29.3% were over 90%	↑	8.5			
Overall	16.7% exceeded expectations	↓	-2.6			
	33.3% met expectations	↑	2.4			
	50% were below expectations	↑	2.4			

Note: Fields highlighted are significantly different at a 95% confidence level.

Note: Terminology

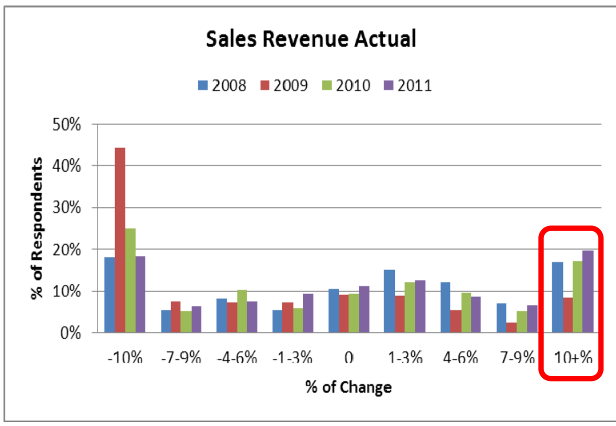
Milwaukee and Waukesha in this report indicate the two Counties and not the Cities.

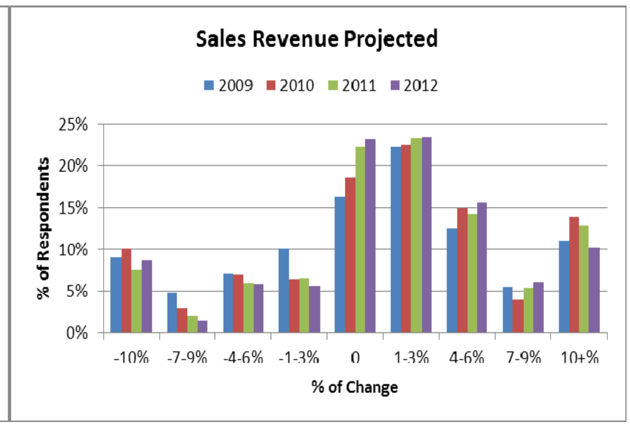
Note: Statistical Significance Indicators

For the purpose of this report, year-over-year changes of statistical significance are shaded green in the respective tables. Cells containing data found to be statistically significantly different (with a confidence level of 95%) from the year prior are highlighted in green. The determination of statistical significance takes into account the change in value from one year to the next as well as the number of responses from each year. It should be noted that the magnitude of the change is not enough to note significance.

Overall Sales Revenue

All-Actual				All-Projected			
Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	38.54%	10.75%	50.71%	2009	31.54%	16.39%	52.07%
2009	72.32%	7.20%	20.48%	2010	30.15%	21.16%	48.69%
2010	46.40%	9.30%	44.30%	2011	22.10%	22.30%	55.60%
2011	41.28%	11.22%	47.49%	2012	21.62%	23.23%	55.15%





Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Businesses did not report a significant difference in sales revenues compared to 2010. Though not significant, the percentage of firms reporting decreased sales revenues slightly decreased to 41.28% from 46.40% in the prior year. Additionally, almost half of businesses reported an increase in sales revenue for 2011. Of those companies reporting increased sales revenue, 20% experienced a 10% or more gain in sales revenue. Additionally, less than 20% of all businesses reported sales revenue decreases of 10% or more compared to more than 25% last year.

Projections for 2012:

There are no significant changes in projections for 2012 compared to the projections for 2011. Businesses appear to remain slightly optimistic with over half of businesses expecting an increase in sales revenue and only 21.62% expecting a decrease in sales revenue for 2012.

Sales Revenue by Region

Milwaukee/Waukesha-Actual				Wisconsin-Actual			
Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	42.05%	10.98%	46.97%	2008			
2009	69.65%	7.39%	22.96%	2009	73.75%	7.50%	18.75%
2010	52.47%	10.80%	36.73%	2010	47.62%	6.67%	45.71%
2011	48.10%	12.46%	39.45%	2011	42.11%	5.26%	52.63%

Midwest-Actual				National-Actual			
Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	37.90%	9.68%	52.42%	2008	29.00%	12.00%	59.00%
2009	78.75%	6.25%	15.00%	2009	70.94%	7.69%	21.37%
2010	40.00%	6.67%	53.33%	2010	33.06%	9.09%	57.85%
2011	30.61%	6.12%	63.27%	2011	25.00%	13.54%	61.46%

Milwaukee/Waukesha-Projected				Wisconsin-Projected			
Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	32.68%	17.51%	49.81%	2009			
2010	32.68%	23.23%	44.09%	2010	29.49%	19.23%	51.28%
2011	27.02%	26.09%	46.89%	2011	19.23%	22.12%	58.65%
2012	22.81%	29.47%	47.72%	2012	42.11%	5.26%	52.63%

Midwest-Projected				National-Projected			
Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	34.43%	18.03%	47.54%	2009	25.25%	11.11%	63.64%
2010	31.65%	15.19%	53.16%	2010	20.87%	22.61%	56.52%
2011	17.57%	18.92%	63.51%	2011	14.29%	14.29%	71.43%
2012	20.41%	18.37%	61.22%	2012	16.67%	17.71%	65.63%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Overall, a regional analysis did not find significant differences in year-over-year sales revenue compared to 2010. Though not a significant change, businesses targeting the Wisconsin, Midwest, and National/International markets had a strong year; with the highest percentage of businesses reporting increased sales revenue since the survey's inception.

Projections for 2012:

There are no significant differences for 2012 sales projections compared to 2011 projections. Businesses targeting the Midwest and National/International markets appear to be the most optimistic, with over 60% of businesses targeting each market expecting increased sales revenues.

Sales Revenue by Sector

Retail-Actual			
Sales Revenue			
	Decrease	Unchanged	Increase
2008	58.82%	5.88%	35.29%
2009	81.54%	6.15%	12.31%
2010	54.17%	7.29%	38.54%
2011	50.60%	9.64%	39.76%

Service-Actual			
Sales Revenue			
	Decrease	Unchanged	Increase
2008	37.90%	15.53%	46.58%
2009	69.47%	6.49%	24.05%
2010	47.54%	13.03%	39.44%
2011	45.00%	12.27%	42.73%

Manufacturing-Actual			
Sales Revenue			
	Decrease	Unchanged	Increase
2008	26.67%	6.67%	66.67%
2009	82.18%	4.95%	12.87%
2010	36.07%	4.10%	59.84%
2011	23.86%	6.82%	69.32%

Technology-Actual			
Sales Revenue			
	Decrease	Unchanged	Increase
2008	46.67%	3.33%	50.00%
2009	37.50%	18.75%	43.75%
2010	33.33%	5.56%	61.11%
2011	55.56%	0.00%	44.44%

Other Business-Actual			
Sales Revenue			
	Decrease	Unchanged	Increase
2008	32.61%	9.78%	57.61%
2009	67.42%	11.24%	21.35%
2010	49.47%	8.42%	42.11%
2011	46.99%	16.87%	54.22%

Retail-Projected			
Sales Revenue			
	Decrease	Unchanged	Increase
2009	36.76%	16.18%	47.06%
2010	34.92%	11.11%	53.97%
2011	16.67%	25.00%	58.33%
2012	19.51%	20.73%	59.76%

Service-Projected			
Sales Revenue			
	Decrease	Unchanged	Increase
2009	31.31%	18.22%	50.47%
2010	28.85%	26.15%	45.00%
2011	27.05%	24.20%	48.75%
2012	19.91%	28.70%	51.39%

Manufacturing-Projected			
Sales Revenue			
	Decrease	Unchanged	Increase
2009	31.08%	12.16%	56.76%
2010	23.00%	16.00%	61.00%
2011	14.17%	17.50%	68.33%
2012	18.18%	17.05%	64.77%

Technology-Projected			
Sales Revenue			
	Decrease	Unchanged	Increase
2009	20.00%	23.33%	56.67%
2010	25.00%	6.25%	68.75%
2011	5.56%	16.67%	77.78%
2012	22.22%	11.11%	66.67%

Other Business-Projected			
Sales Revenue			
	Decrease	Unchanged	Increase
2009	32.95%	11.36%	55.68%
2010	37.21%	22.09%	40.70%
2011	24.47%	23.40%	52.13%
2012	30.30%	19.19%	50.51%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Compared to last year, overall changes in sales revenue were not significantly different among different sectors. Though not significant, manufacturing businesses appeared to have a strong year with almost 70% of businesses reporting increased revenues compared to 60% in 2010.

Projections for 2012:

There are no significant changes in sales revenue projections for any of the business sectors. More than half of businesses across all sectors are optimistic, projecting increased sales revenues for 2012.

Sales Revenue by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
Sales Revenue				Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	35.50%	10.06%	54.44%	2008	41.18%	10.46%	48.37%	2008	39.13%	12.42%	48.45%
2009	75.96%	7.21%	16.83%	2009	66.44%	6.71%	26.85%	2009	72.62%	7.74%	19.64%
2010	36.91%	7.30%	55.79%	2010	57.99%	7.69%	34.32%	2010	47.34%	13.04%	39.61%
2011	29.45%	7.53%	63.01%	2011	46.24%	16.67%	37.10%	2011	45.51%	7.69%	46.79%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
Sales Revenue				Sales Revenue				Sales Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	23.81%	15.48%	60.71%	2009	31.76%	17.57%	50.68%	2009	40.13%	15.29%	44.59%
2010	28.29%	19.51%	52.20%	2010	36.99%	17.81%	45.21%	2010	25.90%	24.70%	49.40%
2011	16.16%	16.59%	67.25%	2011	29.17%	24.40%	46.43%	2011	21.84%	27.18%	50.97%
2012	15.17%	17.93%	66.90%	2012	25.00%	26.63%	48.37%	2012	23.87%	22.58%	53.55%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

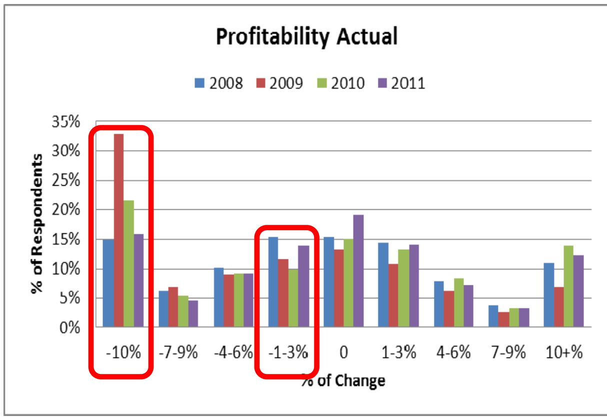
Firms classifying themselves as Business-to-Consumer (B2C) showed a significant decrease in the percentage of firms reporting decrease in sales revenue. Business-to-Business (B2B) classified firms and firms targeting both set of consumers (B2Both) showed no significant changes in sales revenue from 2010.

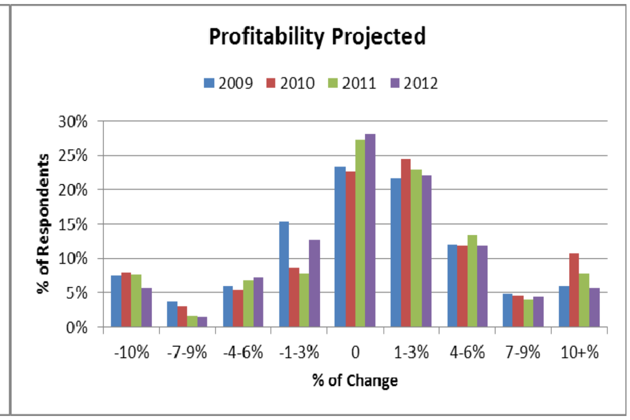
Projections for 2012:

Among the business classifications there are no significant changes in sales revenue projections from one year prior. B2B businesses appear to be more optimistic, with 67% projecting increased sales revenue compared to 48% of B2C firms and 54% of B2Both firms.

Profitability

All-Actual				All-Projected			
Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	47.55%	15.51%	36.94%	2009	32.78%	23.03%	44.19%
2009	67.59%	11.30%	21.11%	2010	31.78%	21.31%	46.92%
2010	46.10%	15.00%	38.80%	2011	24.10%	27.30%	48.60%
2011	43.75%	19.15%	37.10%	2012	27.57%	28.17%	44.27%





Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Reported profitability for businesses did not significantly change from 2010, with 43.75% of businesses reporting decreased profits in 2011. More businesses reported a 1-3% decrease in profitability and fewer reported a 10% or more decrease in profitability (15% compared to 33% in 2010).

Projections for 2012:

Projections for 2012 are not significantly different from the 2011 projections.

Profitability by Region

Milwaukee/Waukesha-Actual			
Profitability			
	Decrease	Unchanged	Increase
2008	50.19%	18.01%	31.80%
2009	69.92%	11.33%	18.75%
2010	54.06%	15.94%	30.00%
2011	48.61%	23.26%	28.13%

Wisconsin-Actual			
Profitability			
	Decrease	Unchanged	Increase
2008			
2009	64.20%	13.58%	22.22%
2010	41.51%	15.09%	43.40%
2011	44.64%	16.07%	39.29%

Midwest-Actual			
Profitability			
	Decrease	Unchanged	Increase
2008	49.19%	12.90%	37.90%
2009	70.00%	8.75%	21.25%
2010	44.44%	9.72%	45.83%
2011	34.69%	6.12%	59.18%

National-Actual			
Profitability			
	Decrease	Unchanged	Increase
2008	39.00%	12.00%	49.00%
2009	60.87%	12.17%	26.96%
2010	30.00%	15.83%	54.17%
2011	32.63%	14.74%	52.63%

Milwaukee/Waukesha-Projected			
Profitability			
	Decrease	Unchanged	Increase
2009	34.50%	25.19%	40.31%
2010	35.83%	24.02%	40.16%
2011	30.31%	27.81%	41.88%
2012	31.49%	32.53%	35.99%

Wisconsin-Projected			
Profitability			
	Decrease	Unchanged	Increase
2009			
2010	30.38%	20.25%	49.37%
2011	19.05%	30.48%	50.48%
2012	20.00%	20.00%	60.00%

Midwest-Projected			
Profitability			
	Decrease	Unchanged	Increase
2009	35.54%	24.79%	39.67%
2010	31.65%	18.99%	49.37%
2011	20.83%	27.78%	51.39%
2012	26.53%	14.29%	59.18%

National-Projected			
Profitability			
	Decrease	Unchanged	Increase
2009	24.24%	16.16%	59.60%
2010	20.00%	19.13%	60.87%
2011	13.56%	22.88%	63.56%
2012	20.83%	26.04%	53.13%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Overall, businesses are reporting similar profitability in 2011 as 2010. Only businesses targeting Dane County showed a significant change, with more businesses reporting unchanged profitability (23.26% compared to 15.94% in 2010). Though not significant, businesses targeting the Midwest had a record year with almost 60% of businesses reporting increased profitability, the highest in the survey's history

Projections for 2012:

There are no significant changes in profitability projections for 2012. Overall, a larger percentage of businesses targeting the Wisconsin, Midwest, and National markets project profitability, with over 50% of businesses projecting increased profitability compared to 36% of businesses targeting Milwaukee and Waukesha counties.

Profitability by Sector

Retail-Actual				Service-Actual			
Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	68.66%	8.96%	22.39%	2008	45.41%	18.81%	35.78%
2009	73.85%	10.77%	15.38%	2009	64.48%	11.97%	23.55%
2010	52.08%	17.71%	30.21%	2010	49.29%	15.71%	35.00%
2011	52.44%	18.29%	29.27%	2011	46.58%	19.18%	34.25%

Manufacturing-Actual				Technology-Actual				Other Business-Actual			
Profitability				Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	45.33%	9.33%	45.33%	2008	46.67%	13.33%	40.00%	2008	41.76%	19.78%	38.46%
2009	73.27%	8.91%	17.82%	2009	37.50%	12.50%	50.00%	2009	68.89%	13.33%	17.78%
2010	32.77%	15.13%	52.10%	2010	38.89%	0.00%	61.11%	2010	47.37%	14.74%	37.89%
2011	29.07%	17.44%	53.49%	2011	22.22%	44.44%	33.33%	2011	44.44%	19.19%	36.36%

Retail-Projected				Service-Projected			
Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	33.82%	22.06%	44.12%	2009	34.42%	22.79%	42.79%
2010	28.57%	17.46%	53.97%	2010	31.15%	25.77%	43.08%
2011	21.88%	32.29%	45.83%	2011	28.21%	27.86%	43.93%
2012	33.73%	69.88%	20.48%	2012	25.69%	52.29%	35.32%

Manufacturing-Projected				Technology-Projected				Other Business-Projected			
Profitability				Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	32.43%	16.22%	51.35%	2009	16.67%	26.67%	56.67%	2009	34.48%	28.74%	36.78%
2010	27.00%	18.00%	55.00%	2010	18.75%	6.25%	75.00%	2010	42.53%	17.24%	40.23%
2011	19.66%	23.08%	57.26%	2011	5.56%	11.11%	83.33%	2011	22.34%	28.72%	48.94%
2012	25.29%	43.68%	39.08%	2012	11.11%	33.33%	22.22%	2012	29.29%	51.52%	35.35%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Only firms operating in the technology sector reported a significant change in profitability, with a significant increase in the percentage of firms reporting no change in profitability (44.44% compared to 0% in 2010). The manufacturing sector still reports the greatest profitability, with over 53% reporting increased profitability for 2011 compared to 29-36% of businesses reporting increased profitability in other sectors.

Projections for 2012:

Across the board, companies expect profitability to level out in 2012. Significantly more firms in retail, service, manufacturing, and other sectors project no change in profitability compared to 2011 projections. Additionally, significantly fewer businesses in all sectors other than those classified as “other” project an increase in profitability for 2012.

Profitability by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
Profitability				Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	44.05%	16.67%	39.29%	2008	48.67%	16.67%	34.67%	2008	50.00%	13.58%	36.42%
2009	67.63%	10.63%	21.74%	2009	67.11%	12.08%	20.81%	2009	65.87%	12.57%	21.56%
2010	34.65%	14.91%	50.44%	2010	61.90%	11.90%	26.19%	2010	45.63%	18.45%	35.92%
2011	29.86%	18.75%	51.39%	2011	51.89%	22.16%	25.95%	2011	46.45%	16.13%	37.42%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
Profitability				Profitability				Profitability			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	24.55%	20.36%	55.09%	2009	35.81%	27.03%	37.16%	2009	38.61%	22.15%	39.24%
2010	28.78%	21.46%	49.76%	2010	38.36%	21.92%	39.73%	2010	27.54%	22.16%	50.30%
2011	18.14%	24.34%	57.52%	2011	31.55%	32.14%	36.31%	2011	22.93%	26.83%	50.24%
2012	21.53%	22.22%	56.25%	2012	31.35%	34.05%	34.59%	2012	27.56%	25.64%	46.79%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

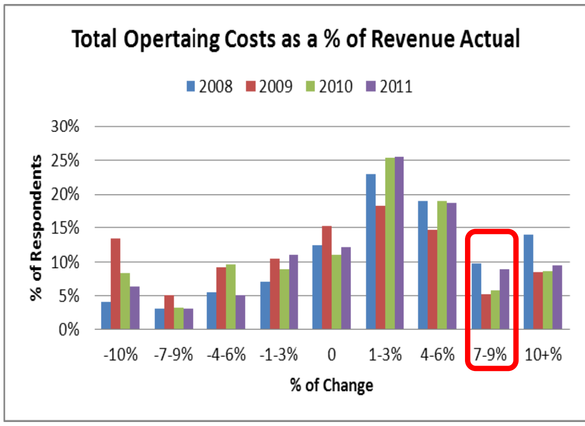
Profitability for businesses of all classifications are not significantly different than 2010. B2B firms continue to perform strongly, with a historical high of 51.39% of businesses reporting increased revenues and a historical low of 29.86% reporting decreased revenues.

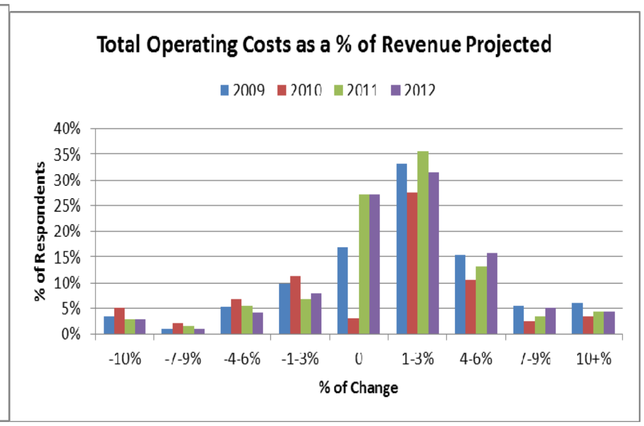
Projections for 2012:

Profitability projections for 2012 remained relatively unchanged for all business classifications. In all classifications, a majority of businesses projected unchanged or increased profits.

Total Operating Costs as a % of Revenue

All-Actual				All-Projected			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	20.90%	12.70%	66.39%	2009	20.50%	18.22%	61.28%
2009	38.81%	12.31%	48.88%	2010	23.87%	31.77%	44.36%
2010	30.30%	11.10%	58.60%	2011	16.40%	27.20%	56.40%
2011	25.45%	12.12%	62.42%	2012	15.96%	27.27%	56.77%





<u>Note</u>: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

While there were no significant changes, over 60% of businesses reported increased operating costs. When examining the rate of increase there were 10% of businesses reporting operating cost increases of 7-9% compared to 5% of businesses in 2010.

Projections for 2012:

Projections for 2012 operating costs as a percent of revenue showed no change compared to 2011 projections. More than 50% of businesses are forecasting an increase in operating costs as a percent of revenue.

Total Operating Costs as a % of Revenue by Region

Milwaukee/Waukesha-Actual				Wisconsin-Actual			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	20.61%	13.36%	66.03%	2008			
2009	32.16%	13.33%	54.51%	2009	43.75%	16.25%	40.00%
2010	29.02%	11.99%	58.99%	2010	34.29%	6.67%	59.05%
2011	23.78%	11.19%	65.03%	2011	28.57%	14.29%	57.14%

Midwest-Actual				National-Actual			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	21.14%	14.63%	64.23%	2008	21.21%	7.07%	71.72%
2009	45.57%	7.59%	46.84%	2009	46.96%	10.43%	42.61%
2010	32.88%	12.33%	54.79%	2010	28.57%	11.76%	59.66%
2011	26.53%	14.29%	59.18%	2011	30.21%	10.42%	59.38%

Milwaukee/Waukesha-Projected				Wisconsin-Projected			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	17.76%	16.99%	65.25%	2009			
2010	20.55%	30.04%	49.41%	2010	27.27%	31.17%	41.56%
2011	17.13%	27.41%	55.45%	2011	22.12%	28.85%	49.04%
2012	15.73%	24.83%	59.44%	2012	7.14%	30.36%	62.50%

Midwest-Projected				National-Projected			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	23.97%	20.66%	55.37%	2009	23.23%	18.18%	58.59%
2010	25.32%	32.91%	41.77%	2010	29.57%	36.52%	33.91%
2011	15.07%	27.40%	57.53%	2011	10.26%	24.79%	64.96%
2012	26.53%	36.73%	36.73%	2012	17.71%	28.13%	54.17%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

The regional analysis did not show any significant changes to operating costs as a percent of revenue by target region.

Projections for 2012:

Only firms targeting Wisconsin project operating costs significantly different from 2011 projections, with significantly fewer businesses expecting an increase in operating costs, 36.73% compared to 57.53% in 2011 projections. Overall, most businesses expect the upward trend in operating costs to continue in 2012.

Total Operating Costs as a % of Revenue by Sector

Retail-Actual			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2008	20.90%	10.45%	68.66%
2009	42.19%	7.81%	50.00%
2010	24.47%	9.57%	65.96%
2011	14.46%	10.84%	74.70%

Service-Actual			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2008	21.46%	15.53%	63.01%
2009	36.19%	14.79%	49.03%
2010	32.13%	12.27%	55.60%
2011	29.63%	11.57%	58.80%

Manufacturing-Actual			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2008	15.07%	6.85%	78.08%
2009	53.00%	6.00%	41.00%
2010	32.50%	12.50%	55.00%
2011	20.69%	11.49%	67.82%

Technology-Actual			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2008	40.00%	3.33%	56.67%
2009	31.25%	6.25%	62.50%
2010	27.78%	5.56%	66.67%
2011	44.44%	22.22%	33.33%

Other Business-Actual			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2008	19.78%	14.29%	65.93%
2009	31.11%	17.78%	51.11%
2010	28.42%	8.42%	63.16%
2011	28.28%	14.14%	57.58%

Retail-Projected			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2009	20.59%	17.65%	61.76%
2010	29.03%	29.03%	41.94%
2011	14.58%	27.08%	58.33%
2012	13.25%	21.69%	65.06%

Service-Projected			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2009	19.07%	20.47%	60.47%
2010	23.55%	34.36%	42.08%
2011	18.51%	27.05%	54.45%
2012	15.67%	28.11%	56.22%

Manufacturing-Projected			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2009	15.07%	9.59%	75.34%
2010	25.00%	28.00%	47.00%
2011	11.86%	25.42%	62.71%
2012	18.39%	31.03%	50.57%

Technology-Projected			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2009	26.67%	20.00%	53.33%
2010	25.00%	37.50%	37.50%
2011	11.11%	38.89%	50.00%
2012	33.33%	33.33%	33.33%

Other Business-Projected			
Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase
2009	25.84%	20.22%	53.93%
2010	19.77%	30.23%	50.00%
2011	18.48%	28.26%	53.26%
2012	15.31%	26.53%	58.16%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

When reviewed by sector, businesses did not report any significant changes in operating costs as a percentage of revenue compared to 2010. Retail and manufacturing businesses have the highest percent of businesses reporting increased operating costs with 75% of retail businesses and 69% of manufacturing businesses reported increased operating costs.

Projections for 2012:

There are no significant changes in projections for 2012 operating costs as a percentage of revenue compared to 2011 projections. Overall, most businesses expect the upward trend in operating costs to continue in 2012.

Total Operating Costs as a % of Revenue by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	19.64%	15.48%	64.88%	2008	16.45%	11.18%	72.37%	2008	26.42%	11.32%	62.26%
2009	42.72%	12.14%	45.15%	2009	31.08%	14.19%	54.73%	2009	40.36%	11.45%	48.19%
2010	31.00%	11.79%	57.21%	2010	27.71%	9.04%	63.25%	2010	31.53%	12.32%	56.16%
2011	29.66%	10.34%	60.00%	2011	21.62%	16.22%	62.16%	2011	25.49%	9.15%	65.36%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
Operating Costs as a % of Revenue				Operating Costs as a % of Revenue				Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	19.05%	19.64%	61.31%	2009	16.11%	18.79%	65.10%	2009	25.48%	17.20%	57.32%
2010	24.51%	35.78%	39.71%	2010	18.06%	27.08%	54.86%	2010	27.54%	31.74%	40.72%
2011	15.86%	25.11%	59.03%	2011	17.26%	27.38%	55.36%	2011	17.65%	29.90%	52.45%
2012	17.24%	28.97%	53.79%	2012	16.94%	24.59%	58.47%	2012	14.10%	29.49%	56.41%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Compared to last year, none of the business classifications observed significant changes in operating costs as a percent of revenue. At least 60% of businesses in each classification experienced increased operating costs in 2011.

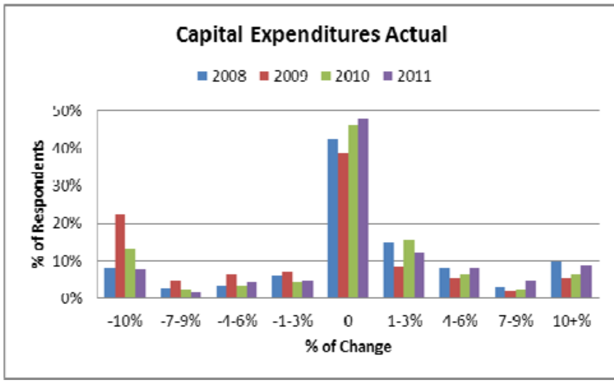
Projections for 2012:

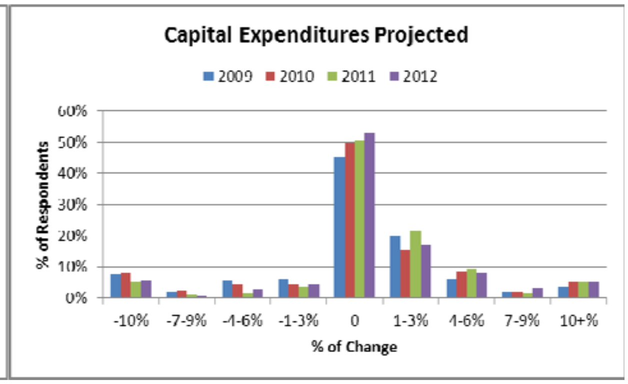
Projections across all classifications for operating costs as a percent of revenue remained relatively unchanged compared to projections for 2011.

Capital Expenditures

All-Actual				All-Projected			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	20.94%	42.71%	36.34%	2009	21.99%	45.64%	32.37%
2009	41.00%	39.70%	19.29%	2010	20.38%	49.43%	30.19%
2010	23.10%	46.30%	30.60%	2011	11.60%	50.50%	37.90%
2011	18.40%	47.80%	33.80%	2012	13.65%	53.01%	33.33%

<u>Note</u>: Fields highlighted in green are significantly different at a 95% confidence level.





Actual Results:

Capital expenditures in 2011 remained fairly unchanged compared to 2010. Almost half of businesses reported unchanged capital expenditures for 2011.

Projections for 2012:

Firms are not expecting significant changes in capital expenditures in 2012. While a majority of respondents projected no change to their expenditures, some are still forecasting increased capital expenditures.

Capital Expenditures by Region

Milwaukee/Waukesha-Actual				Wisconsin-Actual			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	23.08%	44.23%	32.69%	2008			
2009	36.47%	40.39%	23.14%	2009	36.25%	46.25%	17.50%
2010	20.81%	51.86%	27.33%	2010	29.52%	41.90%	28.57%
2011	20.00%	47.24%	32.76%	2011	17.54%	47.37%	35.09%

Midwest-Actual				National-Actual			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	22.13%	39.34%	38.52%	2008	14.00%	44.00%	42.00%
2009	57.50%	33.75%	8.75%	2009	43.10%	37.07%	19.83%
2010	20.55%	41.10%	38.36%	2010	25.42%	38.14%	36.44%
2011	16.33%	44.90%	38.78%	2011	15.63%	48.96%	35.42%

Milwaukee/Waukesha-Projected				Wisconsin-Projected			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	20.93%	46.12%	32.95%	2009			
2010	21.34%	50.20%	28.46%	2010	22.08%	42.86%	35.06%
2011	13.08%	53.27%	33.64%	2011	6.86%	52.94%	40.20%
2012	13.19%	53.82%	32.99%	2012	10.53%	50.88%	38.60%

Midwest-Projected				National-Projected			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	29.51%	42.62%	27.87%	2009	14.29%	48.98%	36.73%
2010	18.99%	54.43%	26.58%	2010	16.81%	50.44%	32.74%
2011	14.08%	46.48%	39.44%	2011	10.17%	43.22%	46.61%
2012	18.37%	53.06%	28.57%	2012	15.63%	51.04%	33.33%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

There are no significant changes in capital expenditures for 2011 by region. Over 40% of businesses targeting each region reported no change in capital expenditures, with approximately one-third of businesses reporting increased capital expenditures.

Projections for 2012:

Across regional markets, only firms targeting national/international markets project significant changes in capital expenditures for 2012. Significantly fewer firms project an increase in capital expenditures for 2012, down to 33.33% from 46.61% projected for 2011. Overall, businesses targeting each market expect capital expenditures to stay stagnant, with over 50% of businesses targeting each market projecting no change.

Capital Expenditures by Sector

Retail-Actual				Service-Actual			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	33.82%	39.71%	26.47%	2008	18.60%	45.58%	35.81%
2009	44.62%	40.00%	15.38%	2009	34.10%	42.53%	23.37%
2010	26.60%	44.68%	28.72%	2010	20.00%	53.21%	26.79%
2011	19.28%	51.81%	28.92%	2011	19.09%	49.55%	31.36%

Manufacturing-Actual				Technology-Actual				Other Business-Actual			
Capital Expenditures				Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	13.33%	34.67%	52.00%	2008	23.33%	53.33%	23.33%	2008	24.44%	41.11%	34.44%
2009	58.00%	29.00%	13.00%	2009	25.00%	56.25%	18.75%	2009	42.05%	40.91%	17.05%
2010	23.14%	37.19%	39.67%	2010	16.67%	44.44%	38.89%	2010	30.53%	36.84%	32.63%
2011	14.77%	40.91%	44.32%	2011	22.22%	55.56%	22.22%	2011	19.19%	46.46%	34.34%

Retail-Projected				Service-Projected			
Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	31.34%	46.27%	22.39%	2009	17.76%	46.73%	35.51%
2010	15.87%	49.21%	34.92%	2010	20.00%	52.31%	27.69%
2011	8.42%	47.37%	44.21%	2011	11.87%	55.76%	32.37%
2012	9.64%	69.88%	20.48%	2012	12.79%	52.05%	35.16%

Manufacturing-Projected				Technology-Projected				Other Business-Projected			
Capital Expenditures				Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	29.73%	41.89%	28.38%	2009	20.00%	36.67%	43.33%	2009	20.22%	48.31%	31.46%
2010	21.43%	45.92%	32.65%	2010	18.75%	43.75%	37.50%	2010	22.62%	47.62%	29.76%
2011	7.56%	47.90%	44.54%	2011	0.00%	52.94%	47.06%	2011	20.43%	39.78%	39.78%
2012	18.18%	43.18%	38.64%	2012	37.50%	37.50%	25.00%	2012	13.13%	51.52%	35.35%

<u>Note</u>: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

There are no significant changes in capital expenditures for 2011 across sectors. A majority of businesses in each sector reported unchanged capital expenditures.

Projections for 2012:

The retail sector is projecting significant changes to capital expenditures for 2012. Significantly more retail businesses project unchanged capital expenditures in 2012 and significantly fewer businesses project increased capital expenditures. Significantly more businesses in both the manufacturing and technology sectors project decreased spending.

Capital Expenditures by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
Capital Expenditures				Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	18.56%	40.72%	40.72%	2008	13.42%	47.65%	38.93%	2008	30.43%	40.99%	28.57%
2009	49.28%	38.16%	12.56%	2009	31.33%	41.33%	27.33%	2009	38.18%	39.39%	22.42%
2010	22.27%	43.67%	34.06%	2010	19.05%	48.21%	32.74%	2010	27.32%	47.80%	24.88%
2011	14.38%	49.32%	36.30%	2011	18.82%	47.31%	33.87%	2011	19.87%	48.72%	31.41%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
Capital Expenditures				Capital Expenditures				Capital Expenditures			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	20.83%	45.24%	33.93%	2009	21.48%	46.31%	32.21%	2009	23.72%	44.87%	31.41%
2010	21.18%	49.26%	29.56%	2010	22.76%	46.90%	30.34%	2010	16.36%	52.12%	31.52%
2011	11.11%	48.89%	40.00%	2011	11.98%	50.30%	37.72%	2011	11.76%	52.94%	35.29%
2012	14.38%	47.26%	38.36%	2012	14.67%	55.98%	29.35%	2012	12.18%	55.13%	32.69%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

There were no major changes in capital expenditures by business classification for 2011.

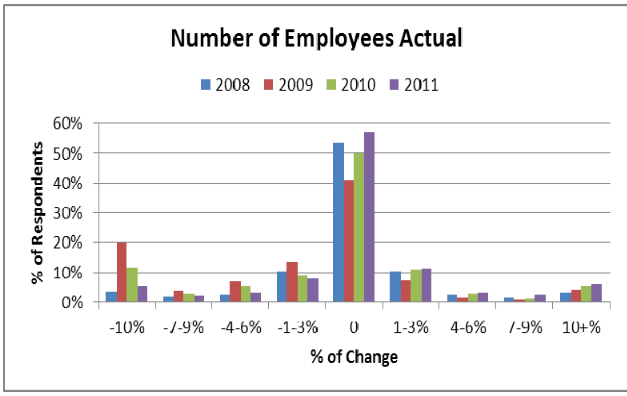
Projections for 2012:

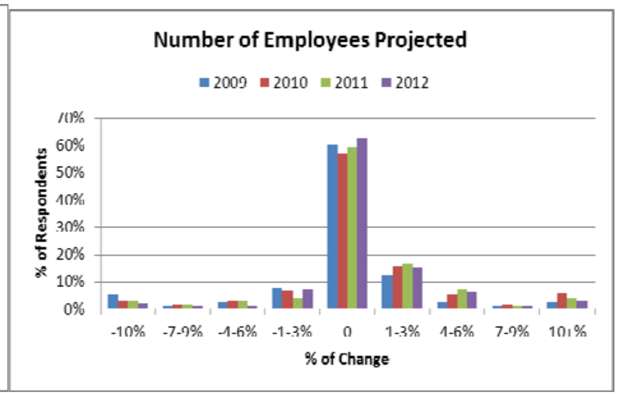
Businesses project capital expenditures for 2012 similar to 2011 projections, with about half of businesses expecting unchanged capital expenditures.

Number of Employees

All-Actual				All-Projected			
No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	24.19%	53.25%	22.56%	2009	17.98%	60.33%	21.69%
2009	48.52%	39.81%	11.67%	2010	15.33%	58.88%	25.79%
2010	29.20%	50.10%	20.70%	2011	11.50%	59.50%	29.00%
2011	19.24%	57.11%	23.65%	2012	11.24%	62.85%	25.90%

Note: Fields highlighted in green are significantly different at a 95% confidence level.





Actual Results:

The percentage of businesses reporting decreased headcount significantly declined to 19%, the lowest in the survey's history. This said, companies are not increasing hiring, instead maintaining headcount. The percentage of businesses reporting no change in employee numbers significantly increased to 57% from 50% in 2010.

Projections for 2012:

Projections for 2011 are remarkably similar to those for 2010. A strong majority (59.5%) of businesses expect to maintain their employee count for 2011. Only 11.5% of respondents projected a decrease in employees for 2011.

Number of Employees by Region

Milwaukee/Waukesha-Actual			
No. of Employees			
	Decrease	Unchanged	Increase
2008	25.48%	58.94%	15.59%
2009	42.52%	48.43%	9.06%
2010	29.10%	55.73%	15.17%
2011	20.42%	63.67%	15.92%

Wisconsin-Actual			
No. of Employees			
	Decrease	Unchanged	Increase
2008			
2009	44.44%	43.21%	12.35%
2010	33.33%	49.52%	17.14%
2011	24.56%	49.12%	26.32%

Midwest-Actual			
No. of Employees			
	Decrease	Unchanged	Increase
2008	20.97%	50.00%	29.03%
2009	58.75%	23.75%	17.50%
2010	27.03%	43.24%	29.73%
2011	16.33%	44.90%	38.78%

National-Actual			
No. of Employees			
	Decrease	Unchanged	Increase
2008	24.00%	44.00%	32.00%
2009	57.26%	29.06%	13.68%
2010	27.27%	39.67%	33.06%
2011	14.58%	48.96%	36.46%

Milwaukee/Waukesha-Projected			
No. of Employees			
	Decrease	Unchanged	Increase
2009	16.54%	65.38%	18.08%
2010	16.14%	66.14%	17.72%
2011	13.93%	68.11%	17.96%
2012	11.42%	68.86%	19.72%

Wisconsin-Projected			
No. of Employees			
	Decrease	Unchanged	Increase
2009			
2010	12.66%	58.23%	29.11%
2011	12.62%	57.28%	30.10%
2012	12.28%	56.14%	31.58%

Midwest-Projected			
No. of Employees			
	Decrease	Unchanged	Increase
2009	19.83%	57.02%	23.14%
2010	17.72%	51.90%	30.38%
2011	6.85%	45.21%	47.95%
2012	12.50%	56.25%	31.25%

National-Projected			
No. of Employees			
	Decrease	Unchanged	Increase
2009	18.18%	52.53%	29.29%
2010	12.17%	48.70%	39.13%
2011	6.78%	46.61%	46.61%
2012	9.38%	53.13%	37.50%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Headcount for businesses targeting the Milwaukee/Waukesha area leveled off, with significantly more companies reporting unchanged employee numbers and significantly fewer reporting decreased employee numbers compared to 2010. Firms targeting the National/International market also reported a significant decrease in the percentage of firms reporting reduced headcount.

Projections for 2012:

There are no major changes in projected employee numbers for 2011. A majority of businesses targeting each region project unchanged employee count.

Number of Employees by Sector

Retail-Actual				Service-Actual			
No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	39.71%	50.00%	10.29%	2008	22.02%	55.96%	22.02%
2009	53.13%	39.06%	7.81%	2009	43.85%	44.62%	11.54%
2010	30.93%	55.67%	13.40%	2010	28.72%	50.71%	20.57%
2011	20.48%	68.67%	10.84%	2011	20.45%	58.18%	21.36%

Manufacturing-Actual				Technology-Actual				Other Business-Actual			
No. of Employees				No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	16.00%	56.00%	28.00%	2008	30.00%	40.00%	30.00%	2008	23.91%	52.17%	23.91%
2009	63.37%	26.73%	9.90%	2009	12.50%	50.00%	37.50%	2009	47.78%	38.89%	13.33%
2010	28.69%	44.26%	27.05%	2010	33.33%	33.33%	33.33%	2010	28.72%	51.06%	20.21%
2011	14.77%	40.91%	44.32%	2011	22.22%	66.67%	11.11%	2011	19.39%	58.16%	22.45%

Retail-Projected				Service-Projected			
No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	25.00%	63.24%	11.76%	2009	15.42%	61.68%	22.90%
2010	17.46%	60.32%	22.22%	2010	15.00%	60.38%	24.62%
2011	8.33%	72.92%	18.75%	2011	15.05%	57.35%	27.60%
2012	9.64%	74.70%	15.66%	2012	9.59%	62.10%	28.31%

Manufacturing-Projected				Technology-Projected				Other Business-Projected			
No. of Employees				No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	17.57%	58.11%	24.32%	2009	16.67%	43.33%	40.00%	2009	20.00%	62.22%	17.78%
2010	15.00%	48.00%	37.00%	2010	0.00%	50.00%	50.00%	2010	17.24%	65.52%	17.24%
2011	4.17%	55.83%	40.00%	2011	5.56%	33.33%	61.11%	2011	13.83%	61.70%	24.47%
2012	13.79%	49.43%	36.78%	2012	11.11%	66.67%	22.22%	2012	14.14%	65.66%	20.20%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

The percentage of firms reporting decreased employee head count slightly declined in each businesses sector for 2011, with the service and manufacturing industries reporting significant declines. Additionally, 44% of manufacturing businesses reported increased employee count compared to 27% in 2010.

Projections for 2012:

Businesses in each sector expect employment to remain steady in 2012, with most businesses projecting unchanged employee numbers. The only significant change for 2012 projections compared to 2011 projections is the percentage of manufacturing companies that expect decreased headcount. This number is significantly up to 13.79% for 2012 projections compared to 4.17% projected for 2011.

Number of Employees by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
No. of Employees				No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	20.12%	50.30%	29.59%	2008	23.68%	58.55%	17.76%	2008	28.57%	52.80%	18.63%
2009	61.06%	26.92%	12.02%	2009	31.97%	58.50%	9.52%	2009	45.83%	39.88%	14.29%
2010	27.71%	44.16%	28.14%	2010	29.41%	57.65%	12.94%	2010	32.37%	48.31%	19.32%
2011	12.33%	50.68%	36.99%	2011	19.46%	65.95%	14.59%	2011	24.36%	53.21%	22.44%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
No. of Employees				No. of Employees				No. of Employees			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	13.77%	55.09%	31.14%	2009	15.13%	71.71%	13.16%	2009	23.72%	55.77%	20.51%
2010	17.07%	50.73%	32.20%	2010	19.18%	65.07%	15.75%	2010	9.58%	62.28%	28.14%
2011	7.89%	51.75%	40.35%	2011	12.43%	71.01%	16.57%	2011	14.71%	57.35%	27.94%
2012	8.22%	56.85%	34.93%	2012	8.15%	69.02%	22.83%	2012	16.03%	61.54%	22.44%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Both B2B and B2C firms reported significant decreases in the percentage of firms reporting a decrease in their number of employees for 2011.

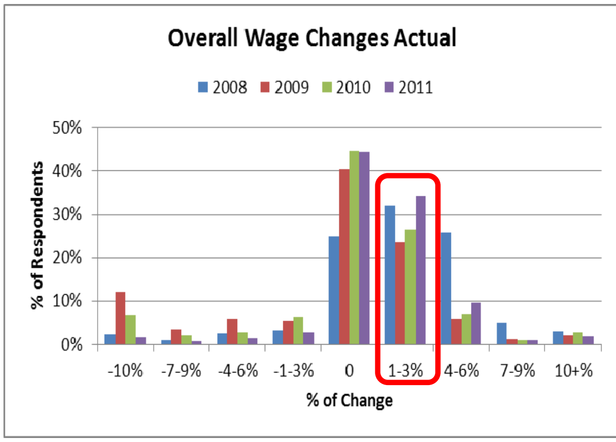
Projections for 2012:

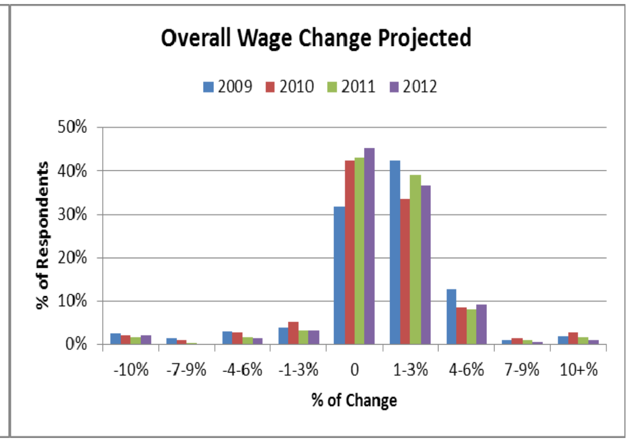
Projections for 2012 are not significantly different for those of 2011, with a majority of firms projecting no change in employment for 2012.

Overall Change in Wages

All-Actual				All-Projected			
Overall Wage Change				Overall Wage Change			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	9.37%	24.85%	65.78%	2009	10.10%	31.75%	58.14%
2009	28.68%	43.01%	28.31%	2010	14.21%	45.42%	40.37%
2010	18.00%	44.60%	37.40%	2011	7.10%	43.00%	49.90%
2011	8.62%	44.49%	46.89%	2012	7.03%	45.38%	47.59%

Note: Fields highlighted in green are significantly different at a 95% confidence level.





Actual Results:

Significantly more businesses reported increased wages for 2011, 46.89% compared to 37.4% in 2010. Additionally, significantly fewer businesses reported decreased wages, 8.62% compared to 18% in 2010. Most businesses are reporting 1-3% increases.

Projections for 2012:

Projections for 2012 appear to be unchanged compared to 2011 projections.

Overall Change in Wages by Region

Milwaukee/Waukesha-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	10.19%	26.42%	63.40%
2009	24.03%	41.47%	34.50%
2010	20.68%	43.83%	35.49%
2011	7.27%	50.87%	41.87%

Wisconsin-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008			
2009	33.33%	43.21%	23.46%
2010	19.23%	50.96%	29.81%
2011	12.28%	33.33%	54.39%

Midwest-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	9.84%	25.41%	64.75%
2009	28.75%	50.00%	21.25%
2010	8.00%	44.00%	48.00%
2011	16.33%	32.65%	51.02%

National-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	6.06%	21.21%	72.73%
2009	34.19%	41.03%	24.79%
2010	15.83%	41.67%	42.50%
2011	7.29%	36.46%	56.25%

Milwaukee/Waukesha-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	10.00%	33.46%	56.54%
2010	15.75%	49.21%	35.04%
2011	8.05%	49.23%	42.72%
2012	7.99%	51.39%	40.63%

Wisconsin-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009			
2010	11.39%	41.77%	46.84%
2011	7.69%	41.35%	50.96%
2012	3.51%	38.60%	57.89%

Midwest-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	12.30%	31.15%	56.56%
2010	17.72%	43.04%	39.24%
2011	2.74%	35.62%	61.64%
2012	14.29%	30.61%	55.10%

National-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	6.06%	29.29%	64.65%
2010	8.70%	41.74%	49.57%
2011	6.72%	31.93%	61.34%
2012	3.13%	38.54%	58.33%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Slightly more firms targeting each sector reported increased wages for 2011 compared to 2010. Business targeting Wisconsin had the greatest change, with 54% of firms reporting increased wages for 2011 compared to 30% in 2010. Business targeting Milwaukee and Waukesha counties also reported a significant change, with only 7% of businesses reporting wage decreases in 2011 compared to 21% in 2010

Projections for 2012:

Firms targeting all regions expect wages to remain the same or increase for 2012. Only those targeting the Midwest have significantly different projections, with 14% expecting decreased wages compared to 3% projected for 2011.

Overall Change in Wages by Sector

Retail-Actual				Service-Actual			
Change in Wages				Overall Wage Change			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	19.12%	35.29%	45.59%	2008	8.68%	23.74%	67.58%
2009	33.85%	47.69%	18.46%	2009	28.14%	40.30%	31.56%
2010	25.00%	48.96%	26.04%	2010	18.73%	41.70%	39.58%
2011	12.05%	50.60%	37.35%	2011	8.18%	43.64%	48.18%

Manufacturing-Actual				Technology-Actual				Other Business-Actual			
Overall Wage Change				Overall Wage Change				Overall Wage Change			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	9.33%	17.33%	73.33%	2008	20.69%	20.69%	58.62%	2008	1.10%	29.67%	69.23%
2009	34.65%	44.55%	20.79%	2009	6.25%	50.00%	43.75%	2009	23.33%	43.33%	33.33%
2010	9.02%	49.18%	41.80%	2010	22.22%	27.78%	50.00%	2010	17.89%	46.32%	35.79%
2011	5.68%	34.09%	60.23%	2011	11.11%	55.56%	33.33%	2011	9.18%	48.98%	41.84%

Retail-Projected				Service-Projected			
Overall Wage Change				Overall Wage Change			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	19.12%	38.24%	42.65%	2009	8.33%	29.63%	62.04%
2010	17.46%	55.56%	26.98%	2010	12.31%	46.54%	41.15%
2011	8.33%	47.92%	43.75%	2011	8.57%	43.21%	48.21%
2012	7.23%	54.22%	38.55%	2012	7.34%	42.66%	50.00%

Manufacturing-Projected				Technology-Projected				Other Business-Projected			
Overall Wage Change				Overall Wage Change				Overall Wage Change			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	8.11%	31.08%	60.81%	2009	13.33%	33.33%	53.33%	2009	7.87%	32.58%	59.55%
2010	13.00%	39.00%	48.00%	2010	6.25%	25.00%	68.75%	2010	18.39%	47.13%	34.48%
2011	1.67%	38.33%	60.00%	2011	0.00%	33.33%	66.67%	2011	9.47%	42.11%	48.42%
2012	5.68%	30.68%	63.64%	2012	11.11%	55.56%	33.33%	2012	7.07%	55.56%	37.37%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Manufacturing businesses are reporting the most significant changes in wages, with 60% increasing wages in 2011 compared to 42% in 2010. This caused significantly fewer manufacturing firms to report unchanged wages in 2011. Retail and service organizations also showed increased wages, with significantly fewer businesses reporting decreased wages in 2011 compared to 2010.

Projections for 2012:

Wage change projections by sector for 2012 remain unchanged compared to last year. Manufacturing firms have the strongest outlook, with 63.64% projecting increased wages.

Overall Change in Wages by Business Classification

B2B-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	6.55%	20.83%	72.62%
2009	34.62%	41.83%	23.56%
2010	15.15%	42.86%	41.99%
2011	8.22%	37.67%	54.11%

B2C-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	11.92%	23.84%	64.24%
2009	20.67%	42.67%	36.67%
2010	19.88%	47.95%	32.16%
2011	8.65%	47.57%	43.78%

Both B2B & B2C-Actual			
Overall Wage Change			
	Decrease	Unchanged	Increase
2008	10.49%	29.63%	59.88%
2009	27.81%	43.79%	28.40%
2010	19.42%	44.66%	35.92%
2011	8.97%	44.23%	46.79%

B2B-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	5.95%	27.98%	66.07%
2010	15.12%	41.46%	43.41%
2011	4.82%	37.72%	57.46%
2012	4.79%	39.73%	55.48%

B2C-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	11.33%	37.33%	51.33%
2010	15.75%	47.95%	36.30%
2011	7.69%	53.85%	38.46%
2012	8.11%	44.86%	47.03%

Both B2B & B2C-Projected			
Overall Wage Change			
	Decrease	Unchanged	Increase
2009	13.29%	30.38%	56.33%
2010	10.78%	48.50%	40.72%
2011	8.25%	41.26%	50.49%
2012	6.45%	49.03%	44.52%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Significantly fewer businesses in each classification reported a decrease in wages for 2011 compared to 2010. However, across all classifications no other significant changes were noted in 2011 compared to last year.

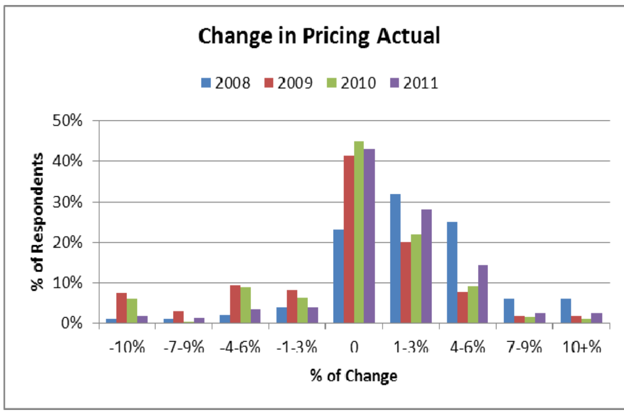
Projections for 2012:

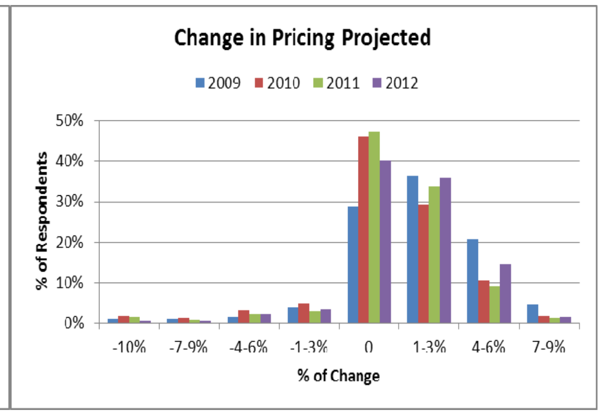
None of the business classifications are forecasting significant year-over-year changes in wages for 2012.

Change in Pricing

All-Actual				All-Projected			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	7.77%	23.11%	69.12%	2009	7.00%	28.60%	64.40%
2009	27.17%	41.04%	31.79%	2010	11.61%	47.57%	40.82%
2010	21.50%	42.80%	35.70%	2011	7.30%	47.30%	45.40%
2011	10.04%	42.97%	46.99%	2012	7.01%	40.08%	52.91%

Note: Fields highlighted in green are significantly different at a 95% confidence level.





Actual Results:

Significantly more businesses reported increased prices, 47% compared to 36% in 2010. Additionally, there were significantly fewer firms that reported decreases in pricing, 10% compared to 21.5% in 2010. Firms raising prices primarily did by 1-6%.

Projections for 2012:

Pricing is projected to increase for 2011, with significantly more businesses projecting increased prices for 2012, 53%, compared to projections of 45% for 2011. Businesses expect these prices to primarily rise by 1-6%, though more businesses are projecting higher increases of 4-6% than in years past.

Change in Pricing by Region

Milwaukee/Waukesha-Actual				Wisconsin-Actual			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	6.82%	19.70%	73.48%	2008			
2009	22.48%	39.92%	37.60%	2009	34.57%	38.27%	27.16%
2010	20.06%	42.28%	37.65%	2010	22.64%	42.45%	34.91%
2011	11.07%	47.40%	41.52%	2011	12.50%	37.50%	50.00%

Midwest-Actual				National-Actual			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	12.30%	25.41%	62.30%	2008	5.10%	30.61%	64.29%
2009	37.97%	37.97%	24.05%	2009	25.22%	46.96%	27.83%
2010	27.03%	45.95%	27.03%	2010	20.83%	42.50%	36.67%
2011	8.16%	32.65%	59.18%	2011	7.29%	38.54%	54.17%

Milwaukee/Waukesha-Projected				Wisconsin-Projected			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	5.38%	25.00%	69.62%	2009			
2010	9.49%	48.62%	41.90%	2010	13.92%	46.84%	39.24%
2011	7.12%	49.23%	43.65%	2011	9.52%	40.00%	50.48%
2012	7.61%	43.60%	48.79%	2012	3.51%	38.60%	57.89%

Midwest-Projected				National-Projected			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	11.38%	31.71%	56.91%	2009	5.05%	35.35%	59.60%
2010	11.39%	53.16%	35.44%	2010	13.91%	42.61%	43.48%
2011	6.85%	45.21%	47.95%	2011	5.93%	50.00%	44.07%
2012	16.33%	28.57%	55.10%	2012	3.13%	37.50%	59.38%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

Firms targeting the Midwest and National/International markets experienced the most pricing changes, with significantly more businesses reporting increased prices and significantly fewer businesses reporting decreased prices. Over 54% of businesses in each market increased prices in 2011.

Projections for 2012:

A majority of businesses targeting each market project pricing increases for 2012. Only those targeting National/International markets project significantly differently than 2011, with 59% of firms projecting increased prices compared to 44% projecting increases for 2011.

Change in Pricing by Sector

Retail-Actual				Service-Actual			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	8.96%	17.91%	73.13%	2008	8.22%	26.94%	64.84%
2009	29.23%	40.00%	30.77%	2009	23.37%	43.68%	32.95%
2010	20.62%	38.14%	41.24%	2010	21.63%	47.16%	31.21%
2011	12.05%	40.96%	46.99%	2011	8.68%	49.77%	41.55%

Manufacturing-Actual				Technology-Actual				Other Business-Actual			
Change in Pricing				Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	6.67%	18.67%	74.67%	2008	0.00%	37.93%	62.07%	2008	10.00%	17.78%	72.22%
2009	36.63%	39.60%	23.76%	2009	25.00%	25.00%	50.00%	2009	28.09%	35.96%	35.96%
2010	17.21%	42.62%	40.16%	2010	16.67%	38.89%	44.44%	2010	27.37%	35.79%	36.84%
2011	11.36%	29.55%	59.09%	2011	22.22%	22.22%	55.56%	2011	9.18%	42.86%	47.96%

Retail-Projected				Service-Projected			
Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	5.88%	22.06%	72.06%	2009	6.45%	31.34%	62.21%
2010	6.35%	57.14%	36.51%	2010	10.42%	47.49%	42.08%
2011	5.21%	44.79%	50.00%	2011	8.90%	48.04%	43.06%
2012	6.02%	42.17%	51.81%	2012	7.76%	42.01%	50.23%

Manufacturing-Projected				Technology-Projected				Other Business-Projected			
Change in Pricing				Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	9.46%	20.27%	70.27%	2009	3.33%	26.67%	70.00%	2009	7.87%	34.83%	57.30%
2010	14.00%	47.00%	39.00%	2010	12.50%	25.00%	62.50%	2010	16.09%	43.68%	40.23%
2011	1.68%	52.94%	45.38%	2011	5.56%	44.44%	50.00%	2011	11.58%	42.11%	46.32%
2012	9.09%	31.82%	59.09%	2012	11.11%	33.33%	55.56%	2012	4.04%	41.41%	54.55%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

While slightly more firms across all sectors reported increased prices for 2011, those in the service and manufacturing industries reported significant changes. Over 40% of retail businesses reported increased prices in 2011 compared to 31% in 2010. Almost 60% of manufacturing businesses reported increased prices in 2011 compared to 40% in 2010.

Projections for 2012:

Over 50% of businesses in each sector project pricing to increase for 2012. Specifically, the manufacturing sector expects significant changes to continue, with significantly more businesses projecting pricing increases for 2012 and significantly fewer projecting unchanged pricings, compared to 2011 projections.

Change in Pricing by Business Classification

B2B-Actual				B2C-Actual				Both B2B & B2C-Actual			
Change in Pricing				Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	7.83%	28.92%	63.25%	2008	5.88%	19.61%	74.51%	2008	10.00%	21.25%	68.75%
2009	35.75%	41.06%	23.19%	2009	13.42%	44.97%	41.61%	2009	26.19%	38.10%	35.71%
2010	22.08%	45.45%	32.47%	2010	19.88%	41.52%	38.60%	2010	21.84%	40.78%	37.38%
2011	6.85%	34.93%	58.22%	2011	9.68%	48.92%	41.40%	2011	13.55%	43.23%	43.23%

B2B-Projected				B2C-Projected				Both B2B & B2C-Projected			
Change in Pricing				Change in Pricing				Change in Pricing			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2009	6.55%	32.14%	61.31%	2009	6.62%	26.49%	66.89%	2009	7.59%	27.85%	64.56%
2010	15.61%	48.29%	36.10%	2010	6.21%	46.90%	46.90%	2010	10.18%	47.90%	41.92%
2011	6.58%	47.37%	46.05%	2011	5.33%	44.97%	49.70%	2011	9.71%	49.03%	41.26%
2012	6.85%	32.19%	60.96%	2012	5.41%	44.32%	50.27%	2012	7.69%	42.95%	49.36%

Note: Fields highlighted in green are significantly different at a 95% confidence level.

Actual Results:

B2B, B2C, and B2Both all reported a significant decrease in the percentage of firms reporting a decline in prices.

Projections for 2012:

None of the business classifications project a significant change in pricing for 2012. B2B businesses are most likely to project pricing increases, with over 60% projecting increases for 2012.

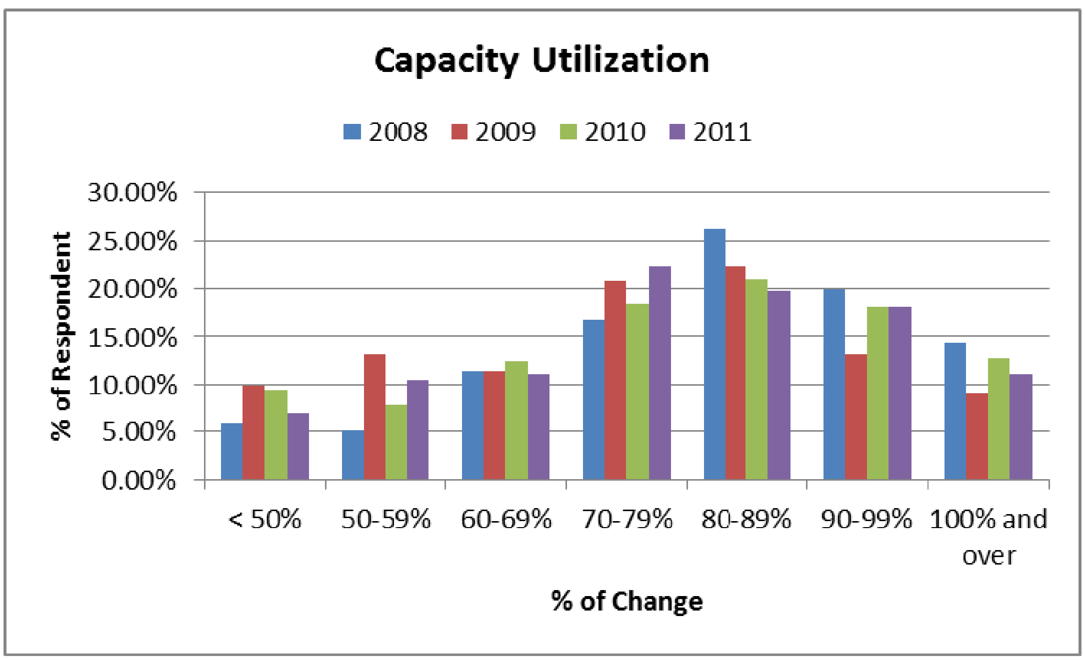
Overall Business Performance

Operating Capacity Utilization

To determine how much "unused" capacity is present in Milwaukee & Wakesha Counties, respondents were asked an open-ended question about the extent of capacity utilization. Out of 500 survey responses, 477 answered this question. The responses ranged from -6% to 120%. The average this year was 74%. Overall, businesses are operating at higher capacity utilization, with significantly more businesses operating at 70-90% of capacity and significantly fewer businesses operating under 70% capacity.

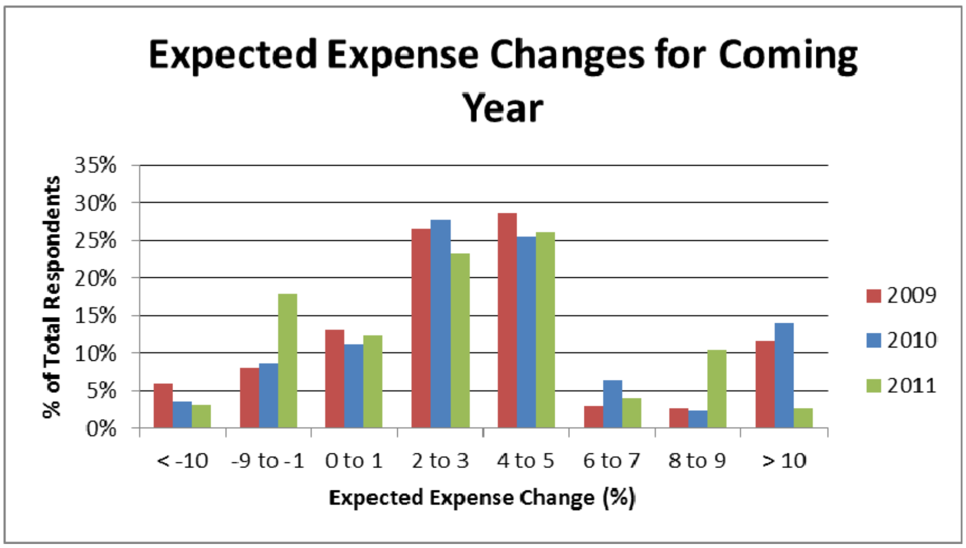
All-Actual			
Capacity Utilization			
	under 70%	70-90%	90% or more
2008	22.39%	34.56%	29.90%
2009	43.07%	43.11%	39.30%
2010	34.31%	35.53%	30.80%
2011	28.60%	42.09%	29.30%

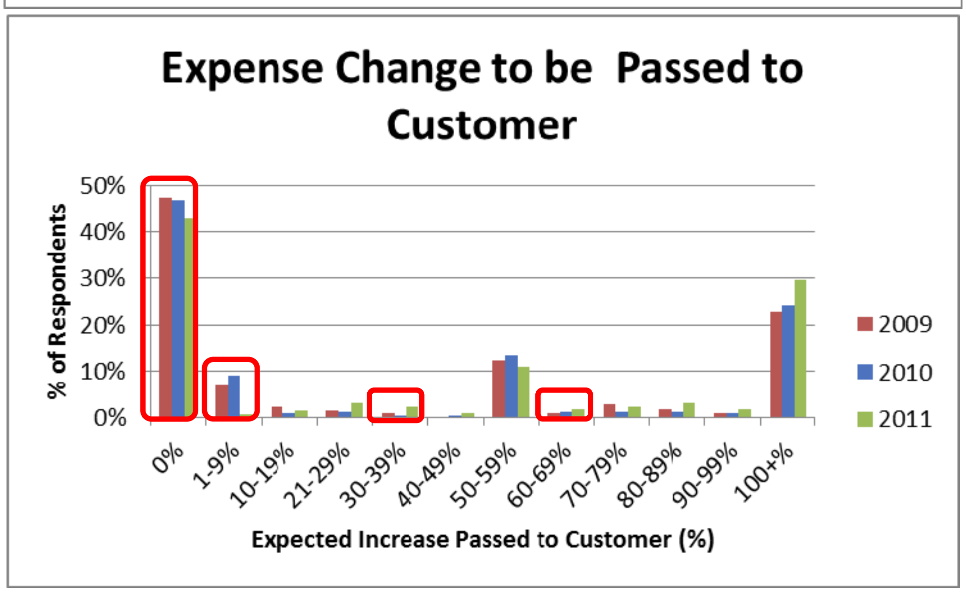
Although there were significant changes to capacity for 2011 at an aggregate level, there were no significant changes at a more granular level of percentile groupings.



Expected Changes to Expenses

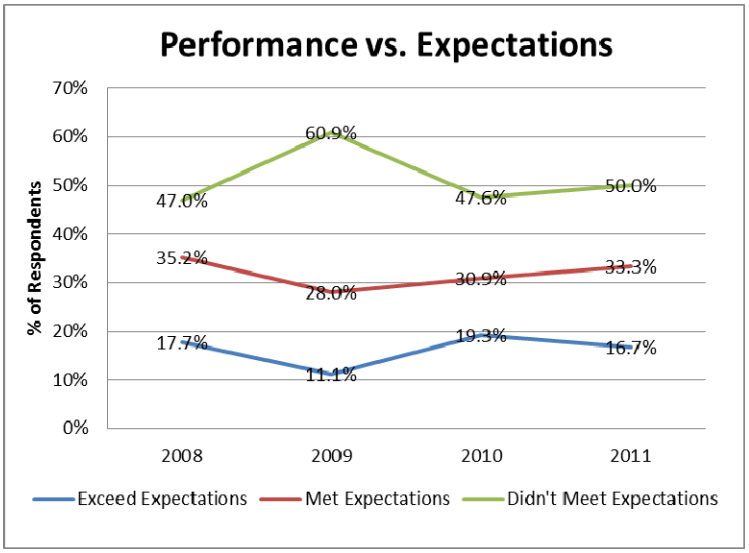
For this survey, respondents were also asked by what percentage they expected their expenses to change from 2011 to 2012. Most respondents surveyed had a response to this question, 427 in total. The range of the response was from -4% to 76% with an average of 3.84%, slightly up from 2.91% last year. Respondents were then asked what percentage of those changes would be passed on to the customer. The average response was 44.54% of the increases in expenses. However, it was noted that businesses responded most frequently at the extremes, with most firms planning to pass on none or all of the expense changes. Significantly fewer businesses expect to pass on none of the expense changes, 43% in 2011 compared to 47% in 2010.





Performance for 2011

There were no significant changes in overall performance for 2011 compared to 2012. The region still has 50% of businesses reporting that they are not meeting self-imposed expectations in 2011. There are also fewer businesses that are exceeding their expectations, 16.7% in 2011 compared to 19.3% in 2010.



Domestic sales shortfall was stated as the number one reason for not meeting expectations, with 72% of businesses that did not meet expectations stating this as a reason. Domestic sales shortfall has been the most or second most stated response for the past four years. Businesses are also continuing to struggle with high operating costs, with almost half of businesses choosing this as a reason for not meeting expectations.

Reason For Low Performance	2011	2010	2009	2008	
Domestic Sales Shortfall	72.0%	51.7%	66.2%	51.3%	
Higher Operating Costs	48.8%	54.5%	39.0%	62.8%	
State Government Regulations	40.1%	25.2%	28.0%	16.0%	*
Federal Gov Regulations	37.0%	25.6%	28.0%	16.0%	*
Slow Down in Housing Market	34.3%	25.2%	27.2%	32.3%	
Insufficient Cash Flow	32.5%	28.1%	30.1%	29.6%	
Domestic Competition	26.6%	26.4%	22.0%	21.7%	
Rising Gas Prices	26.0%	38.0%	N/A	N/A	
Political Unrest	15.2%	19.8%	N/A	N/A	
Staffing Issues	13.1%	12.4%	10.1%	19.9%	
International Sales Shortfall	5.5%	2.9%	7.2%	1.8%	
Technology Changes	5.5%	4.1%	3.5%	3.1%	
International Competition	3.8%	4.1%	5.8%	6.2%	

* Note: 2008 and 2009 surveys did not distinguish between state and feredal regulations

Performance for 2011 by Business Type

The manufacturing sector had the most positive results in the region. In manufacturing, 34% of firms reported exceeding expectations vs. the region average of 16.7%. Additionally, 35% of firms in manufacturing reported performing below expectations vs. the region average of 50%. Performance was reported relatively consistently across the other business types. Businesses placing themselves in other industries did report a slightly higher than average % of firms exceeding expectations at 22%.