Franchising, is booming in Michigan

A record 275 new franchisors registered indichigan during 1985, a direct result of the late's streamlined franchise law, according to the Ichigan Department of Commerce.

gan Department of Commerce.
"We've attracted more franchisors to thistate
in the last 18 months than in the previous 10 yirs,"
aid Commerce Director Doug Ross, addinghat
many are headquartered in the Oakland suburt,
"We've grown from 420 to 891 franchisors itust
the last year and one-half since the new law ent

into cifect.

"Michigan's welcome mat is out, and compiles a responding in record fashlon," said Ross, aprimer state senator from southern Oakland Couy, "lit's further proof that our business climate lapproving."

LEGISLATIVE changes in regulations govering franchises in Michigan were proposed in 1983ly the Blanchard administration as part of the governor's 20-point plan to revitalize the state's econy.

The reforms, co-sponsored by Rep. Robert Emson, D-Flint, and then-Rep. Vernon Ehlers, R-Gråd
Rapids, took effect in June 1984. Since the
franchise activity in Michigan has been growingle
leaps and bounds.
Michigan is a siso the home base for the sevenlargest number of franchise headquarters in the rition, according to the International Franchise Assciation (IFA), a trade group based in Washingtd
D.C.

ciation (IFA), a trade group based in Washingto, D.C.

The list of franchise headquarters included American Speedy Printing Centers of Birminghad Inacomp Computer Centers of Troy, Zichart Cord Troy, Little Caesar Enterprises of Farmingte Hills, Domino's Pizza of Ann Arbor, A&W Restat ants of Dearborn, Nu Vision and Action Auto, both of Film, and Tuffy Service Centers of Saginaw.

"FRIOR TO 1984, Michigan awas universally recognized among franchisors as the most difficult attach in which to obtain and maintain a franchise registration," said IFA President James W. Trethawey, senior vice president of the Sheraton Corp., Boston.

Corp., Boston.

Linder the states that regulate franchisors, but it's an excellent example of how responsible government can further economic opportunity for iscilizens."

citizens."

Under the old 1974 Franchise Investment Act overseen by the Commerce Department, franchisors were required to apply for registration, submit documents subject to merit review, put (ranchise fees deemed necessary by the Corporation and Securities Bureau into escrow and fulfill other requirements.

Securities Date and equipments.

These obligations resulted in waits of up to two years before a franchisor could sell outlets in Mich-

years before a natural state of the ligan.

Under the new law, a franchisor needs only to:

Notify the Economic Crimes Division of the Attorney General's Office of its intention to do business in Michigan.

Pay a \$250 service fee.

Record 425,000 jobs in Oakland

A record 425,000 were employed in businesses in Oakland County last year, topping the prerecession high of 380,000 in 1979.

"This rapid recovery is even more re-markable," said County Executive Daniel T. Murphy, "when you consider that the experts a few years ago forecast that we would never recover all of the manufac-turing jobs lost during the recession.

"Our forecast now predicts that the 25,000 manufacturing jobs lost during the

recession will be fully recovered by early 1987." Murphy said.
THE NUMBERS and forecast were produced by the county's Economic Development Group (EDG), which employed an econometric model developed by the University of Michigan's Institute of Labor and Industrial Relations.
EDG predicted a 3.5-percent gain in '86 and 4.5 percent in '87 for private business employment in Oakland County.
At the better mof the recession in 1982

At the bottom of the recession in 1982, there were 350,000 jobs in Oakland Coun-

ty. Since then about 75,000 new jobs have been created — a gain of 21 percent.

Murphy called Oakland "the leading growth area of Michigan."

OTHER FORECASTS from the Eco-nomic Development Group:

 6,400 additional manufacturing jobs in 1986-87. • 28,000 non-manufacturing jobs in 1986-87.

Within the non-manufacturing area,
 a gain of 15,200 jobs in the service indus-

es continued to grow, even in

tries. Services continued to grow, even in the 1980-82 recession.

• 3-4 percent growth rates in finance, transportation and utilities.

"The magnitude of the county's eco-nomic growth is clearly reflected in the volume of new office space constructed during the past few years," said Joseph Joachim, director of the EDG.

"The latest figures show that nearly two-thirds of all new office space built in Michigan during the past two years has been constructed in Oakland County."

Franchising is big nationally

It's estimated that one-third of all businesses in the country are fran-chises, accounting for more than \$500 billion in retail sales in 1985.

The U.S. Commerce Department predicts that franchising will account for more than half of retail all retail sales by the year 2000.







