

# Earnings going up?

## Survey says businessmen are optimistic

People in charge of small- and medium-sized businesses are optimistic about the economy in general and prospects for their own companies. That's according to Touche Ross' third annual regionwide business survey.

Conducted in March and April by the Big Eight accounting and consulting firm in conjunction with Crain's Detroit Business, the survey was made of business owners and managers.

The survey was mailed to 4,000 businesses in southern Michigan and northern Ohio. Responses were received from 498 individual businesses, a 12.5-percent return rate. The results have a confidence level of plus-minus 4 percent.

### THE MAJORITY of respondents:

- Project higher sales and earnings.
- Anticipate higher levels of working capital expenditures in 1985.
- Plan to add employees but list labor costs as their No. 1 problem.
- Favor reducing workers' compensation costs as the best way to improve the area's business climate.
- Are about evenly split on the impact of the federal income tax simplification proposal.

More than a third (36.8 percent) believe the economy is on an upward swing, and 58 percent feel the economy will at least maintain its current strength.

THIS OPTIMISM extends to their own businesses: 78.7 percent of the respondents said sales would be up, and 71.5 percent said real earnings would rise.

"These results, as well as respondents' views of hiring and capital expenditures, are important signals for our economy," said Joseph Yarebak, Touche Ross partner in charge of The Enterprise Group which serves small and medium-sized companies.

**The optimism extends to the respondents' own businesses: 78.7 percent said sales would be up, and 71.5 percent said real earnings would rise.**

Yarebak said 60.4 percent reported that they planned to add employees during the year. And 55.5 percent said capital expenditures would rise from their 1984 level. Only 13.1 percent said capital expenditures would decrease in 1985.

### OTHER HIGHLIGHTS of the report:

• When asked to list their No. 1 business problem, 24.3 percent of the respondents identified labor costs first, followed by government regulations, interest rates, labor quality and competition from big business.

• To control employee benefit costs, nearly 40 percent of the respondents have increased medical deductibles or medical co-pays, while 8.6 percent have switched to HMO-type medical coverage.

• Companies with the greatest growth potential were (ranked 1-5) computer services, high technology, service sector, health care and finance.

• Industries with the least prospect for growth were: manufacturing (auto related), construction, insurance, real estate and manufacturing (nonauto related).

• 46.2 percent said they planned to grow by introducing new products or services; 37.2 percent said they would diversify their product/service

line. Not surprisingly, 14.9 percent of the respondents said they would grow through acquisition of another company.

• They were generally optimistic about auto sales. Some 56.4 percent predicted modestly or appreciably improved car sales.

Respondents were senior-level executives — 42 percent company presidents, 32 percent chief executive officers and 23.7 percent chief financial officers.

The majority were in manufacturing (53.6 percent), followed by wholesale-distribution (12.1 percent), retail (11.7 percent), service (11.5 percent).

## HYPNOSIS

For Weight Loss and Control  
Alcohol - Drug Sexual Problems  
Phobias - Insomnia - Pain - Allergy  
Self Confidence - Memory Improvement

**Elaine Kissel**  
certified hypnotherapist

### The Formula

For your individualized hypnotherapy program is based on Elaine's evaluation of your condition and personal needs. The Two hour process includes an in-person office visit with Elaine's formula which she will provide you with the results of her analysis and an outline of recommended therapy program. Elaine Kissel hypnotherapy is for persons serious about making permanent changes. Evaluation appointments are by pre-paid reservation ONLY. Use credit card over phone for faster service. Call 569-7121 today.

The Elaine Kissel Hypnosis Center Inc.

## The science of selling cigarettes.

It goes something like this.

You manufacture a product that a lot of people want to buy. Unfortunately, the leading scientists in the country say the product is a health risk.

To make matters worse, people are dying.

That doesn't do much for your corporate image. So you decide to do something about it.

First, you begin running a very provocative series of advertisements.

In those ads, you use the word "controversy" to imply that there's still some question about the link between cigarette smoking and heart disease.

Then you tell the public it's your responsibility to enlighten them so they can make their own informed decision.

Finally, you present research results and statistics that support your point of view.

In short, you cover your bases.

### A well-known fact.

And a simple one: Advertisers don't say bad things about their products.

They also don't "lie" — because the law won't let them. Which means that if someone else says something bad about their product, they look for a way to paint a prettier picture. And if that means grabbing at straws, they'll take the biggest one they can get their hands on.

That's what one tobacco company recently did.

They zeroed-in on the Multiple Risk Factor Intervention Trial (MR FIT). Conducted from 1972 to 1982, MR FIT was a study of almost 13,000 middle-aged men considered high risks for heart attack because of high blood pressure, high blood cholesterol, and cigarette smoking.

Over the course of the study, half the men received special attention intended to reduce those three risks while the other half received only normal medical care.

Result? Only a 7% difference — not statistically significant — in the number of heart

disease deaths between the two groups.

If you're a tobacco company, you couldn't ask for a happier ending.

You could, however, tell the rest of the story.

Namely that during the 1970s the entire US population reduced its risks due to increased awareness of heart disease. And the men in the experiment — including the ones who didn't receive special medical attention — were no exception. Many of them stopped smoking. They changed their eating habits. And they kept closer tabs on their overall health.

The simple truth of the MR FIT matter is that at the end of the study, both groups had reduced their risk of heart disease. So naturally, and not surprisingly, the number of heart disease deaths between the two groups was not significantly different.

Oh yes, one more bit of information about MR FIT that might have been overlooked: the men who quit smoking (in both groups) had a coronary death rate almost 50% below that of those who kept smoking.

### The truth prevails.

It also hurts sometimes. It can be especially painful when it threatens sales.

At the American Heart Association, we have nothing to gain by presenting partial truths. We have no motive other than that of improving the quality of life.

And we have no need to grab at straws when we hold in our hands the Surgeon General's Report which contains hundreds of studies establishing the link between smoking and heart disease.

What we do have at the American Heart Association is a problem with advertising that's disguised as an impartial report. With ulterior motives that take on the appearance of genuine concern. And with irresponsible ads that show little respect for public intelligence and even less for human life.

That's the science of selling cigarettes.

WE'RE FIGHTING FOR YOUR LIFE



American Heart Association

1985, American Heart Association

here's to  
dad

Christian Dior...because Dad deserves the best

A Father's Day gift that shows you've inherited his good taste. Evident in the fine feel and tailoring of a Christian Dior dress shirt. An elegant tone-on-tone striping complete with the distinguished Dior logo. In white, blue and grey. Full cut with long sleeves, sizes 14 to 17 1/2. A practical polyester and cotton blend. In Dress Shirts, \$30.

Crowley's  
STORE FOR MEN

You'll need this chair  
when you see the price.

A shockingly low \$199 for the famous Wassily-style chair will leave you weak-kneed.

Fashioned after the prototype by Marcel Breuer, this Italian import is finely crafted from polished chrome and genuine leather. It's available in black, white, grey, rust, brown and natural.

But at \$199, this \$399 value won't sit around long. So better take a seat fast.

**GORMAN'S**

Southfield • Telegraph at 12 Mile • Phone: 353-9880  
Troy • W. Big Beaver at Crooks • Phone: 649-2070  
Fairlane • 260 Town Center Drive • Across from Fairlane Mall • Dearborn • Phone: 336-0340  
All stores open Daily 10 to 6 Monday, Thursday & Friday 'til 9;  
Troy and Fairlane open Sunday 12:00 to 5:30.

© 1985, GORMAN'S