



WMC
WISCONSIN'S BUSINESS VOICE

2011 ECONOMIC OUTLOOK SURVEY

Jobs for the Future



WMC: CELEBRATING 100 YEARS OF WINNING FOR BUSINESS!

1911-2011

WMC 2011 ECONOMIC OUTLOOK SURVEY

Buoyed by an improving business climate, Wisconsin businesses — small, medium, and large — are predicting job creation at their companies in the next 12 months. WMC completed two online economic outlook surveys in May. One survey was compiled from the WMC board of directors; and the other of WMC member CEOs. Conducted annually since 1997, the WMC Economic Outlook Survey provides a snapshot into the attitudes of the state's employers. Overwhelmingly, the WMC board and full membership identified Wisconsin's high taxes as the top policy issue facing the state. Additionally, both surveys found continued concerns about the regulatory burden and the ongoing economic slowdown. Business leaders said Wisconsin is starting to head in the right direction.

Note: Totals may not add to 100% due to rounding.

	June 01	Mbrs.* Oct. 01	June 02	June 03	June 04	June 05	June 06	June 07	June 08	June 09	June 10	Mbrs.** June 10	June 11	Mbrs.** June 11
Total Number of Respondents	42	593	30	33	34	35	34	24	32	32	38	263	30	193
1. BUSINESS CATEGORY														
Manufacturing	60.9%	56.2%	50.0%	51.5%	44.2%	45.7%	35.3%	37.5%	28.0%	31%	39%	42%	30%	47%
Non-Durable	19.5	17.3	10.0	12.1	11.8	11.4	8.8	4.2	3.0	9.0	5.0	5.0	13.0	4.0
Durable	26.8	33.0	20.0	30.3	26.5	25.7	20.6	20.8	6.0	9.0	11.0	9.0	10.0	11.0
No Answer	0	0	0	0										
Services	34.1	33.2	50.0	39.4	52.9	48.6	55.9	58.3	56.0	56.0	47.0	42.0	57.0	40.0
Retail	2.4	3.4	3.3	3.0	2.9	8.6	5.9	8.3	3.0	0	3.0	2.0	3.0	4.0
Commercial	2.4	7.6	3.3	9.1	5.9	5.7	5.9	8.3	3.0	3.0	0	3.0	7.0	3.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. WHICH OF THE FOLLOWING BEST DESCRIBES THE OWNERSHIP OF YOUR FIRM?														
Private, family or individually owned	42.9	67.1	46.7	45.5	41.2	40.0	35.3	41.7	38.0	41.0	39.0	59.0	43.0	65.0
Private, investor owned	7.1	12.2	3.3	9.1	8.8	14.3	8.8	8.3	16.0	3.0	3.0	16.0	3.0	13.0
Public, closely held	4.8	3.7	6.7	3.0	2.9	5.7	2.9	4.2	6.0	6.0	5.0	3.0	10.0	2.0
Public, widely held	38.1	10.3	33.3	36.4	35.3	28.6	26.5	25.0	16.0	31.0	29.0	8.0	23.0	8.0
Other	7.1	6.8	10.0	6.1	11.8	11.4	26.5	20.8	25.0	18.0	24.0	15.0	20.0	12.0
3. TOTAL EMPLOYEES														
1-25	2.4	23.9	3.3	0	0	0	2.9	0	6.0	9.0	3.0	29.0	10.0	23.0
26-50	2.4	16.0	6.7	3.0	2.9	2.9	5.9	0	6.0	3.0	5.0	20.0	0	17.0
51-100	9.5	18.0	10.0	6.1	2.9	2.9	2.9	0	0	0	0	16.0	0	21.0
101-200	2.4	13.3	3.3	3.0	2.9	5.7	2.9	8.3	13.0	9.0	11.0	13.0	10.0	17.0
200+	83.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
201-500	NA	12.1	3.3	21.2	20.6	14.3	14.7	4.2	22.0	9.0	16.0	10.0	13.0	11.0
501+	NA	16.5	73.3	66.7	70.6	74.3	70.6	87.5	53.0	69.0	66.0	12.0	67.0	11.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4. NUMBER OF EMPLOYEES IN NEXT 12 MONTHS														
Increase	26.2	31.8	33.3	39.4	60.6	51.4	69.7	73.9	44.0	13.0	29.0	45.0	57.0	53.0
No Change	52.4	49.5	56.7	30.3	30.3	34.3	21.2	26.1	41.0	47.0	61.0	49.0	37.0	40.0
Decrease	21.4	18.8	10.0	30.3	9.1	14.3	9.1	0	16.0	41.0	11.0	6.0	7.0	6.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. HOURLY WAGE INCREASES THIS YEAR														
0 to 2.0%	N/A	24.1	17.2	15.2	15.2	14.3	5.9	4.2	9.0	72.0	50.0	51.0	53.0	39.0
2.1 to 2.9%	N/A	22.5	31.0	27.3	6.1	14.3	26.5	25.0	13.0	22.0	32.0	28.0	27.0	29.0
3.0 to 3.5%	N/A	36.9	44.8	42.4	45.5	48.6	41.2	45.8	53.0	3.0	18.0	17.0	13.0	28.0
3.6 to 4.0%	N/A	12.0	3.4	9.1	24.2	11.4	23.5	20.8	13.0	3.0	0	3.0	3.0	3.0
4.1% or above	N/A	4.4	3.4	6.1	9.1	11.4	2.9	4.2	13.0	0	0	2.0	3.0	2.0

* October 2001: This survey was conducted of all WMC members.

** June 2010 and June 2011: This survey was conducted of WMC member CEOs only.

[More than one answer is permitted for questions 6-9.]

Mbrs. Mbrs. Mbrs.
June 01 Oct. 01 June 02 June 03 June 04 June 05 June 06 June 07 June 08 June 09 June 10 June 10 June 11 June 11

6. TOP POLICY ISSUE FACING WISCONSIN

Taxes	71.9%	42.5%	60.0%	51.5%	48.5%	48.6%	52.9%	54.2%	44.0%	52.0%	53.0%	56.0%	57.0%	40.0%
Energy	15.2	5.8	6.7	0	0	11.4	5.9	4.2	0	0	0	3.0	0	4.0
Education	0	2.9	3.3	3.0	9.1	8.6	8.8	4.2	0	3.0	3.0	4.0	0	6.0
Regulation	0	5.6	6.7	9.1	15.2	5.7	17.6	16.7	3.0	3.0	14.0	15.0	21.0	13.0
Economic Slowdown	0	44.0	20.0	33.3	18.2	17.1	8.8	16.7	38.0	38.0	47.0	29.0	32.0	33.0
Labor Shortage	2.4	5.4	0	0	0	5.7	17.6	8.3	3.0	0	0	0	0	6.0
International Situation	NA	6.9	0	0	6.1	5.7	5.9	4.2	0	3.0	3.0	2.0	4.0	1.0
Security	NA	0.3	0	0	0	0	0	0	0	0	0	1.0	0	0
Health Care	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.0	10.0	11.0	11.0	11.0	18.0
Misc. (Other)	10.5	0.8	19.9	9.0	12.1	8.6	5.8	12.6	9.0	9.0	11.0	5.0	7.0	9.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

7. TOP BUSINESS CONCERN FACING YOUR COMPANY

Taxes	4.8	13.4	13.3	9.1	12.1	2.9	5.9	12.5	6.0	3.0	8.0	19.0	18.0	9.0
Energy	7.1	2.4	0	0	6.1	8.6	0	4.2	3.0	3.0	0	1.0	0	3.0
Labor Shortage	9.5	7.0	6.7	0	6.1	17.1	29.4	29.2	16.0	0	0	1.0	0	8.0
Regulation	4.8	8.3	16.7	21.2	15.2	11.4	20.6	8.3	6.0	10.0	17.0	16.0	14.0	14.0
Economic Slowdown	38.0	61.0	56.7	45.5	18.2	31.4	8.8	33.3	38.0	83.0	61.0	44.0	50.0	38.0
Competition	16.7	9.5	3.3	15.2	18.2	20.0	26.5	4.2	6.0	0	11.0	6.0	11.0	9.0
International Situation	N/A	2.5	10.0	3.0	15.2	5.7	8.8	8.3	0	0	3.0	1.0	0	1.0
Security	N/A	0.3	0	0	0	0	0	0	0	0	0	0	0	0
Health Care	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13.0	0	0	9.0	4.0	14.0
Misc. (Other)	4.8	2.2	3.3	6.0	15.2	5.7	5.8	8.4	13.0	0	0	4.0	4.0	5.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

8. ONE THING THAT STATE GOVERNMENT COULD DO TO HELP YOUR BUSINESS [WRITTEN ANSWERS]

Reduce Taxes	N/A	46.9	56.0	30.9	36.85	36.9	22.4	31.6	16.0	30.0	10.8	35.3	14.0	23.0
Reduce Regulation	N/A	10.7	16.0	40.9	16.75	36.9	32.1	36.0	16.0	12.0	37.8	26.9	21.0	18.0
Reduce Spending	N/A	6.1	8.0	3.4	3.35	7.0	6.4	0	16.0	12.0	18.9	8.4	11.0	11.0
Affordable Health Care	N/A	5.4	4.0	3.4	3.35	10.1	12.8	4.5	6.0	0	2.7	4.6	0	6.0
Education	N/A	1.7	0	3.4	3.35	3.4	6.4	0	6.0	0	0	1.0	4.0	5.0
Tort Reform	N/A	N/A	N/A	N/A	10.05	0	0	0	0	0	2.7	1.0	0	1.0
Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	16.0	9.0	13.0	9.0	8.1	8.0	11.0	10.0
Be More Pro-Business in General	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.0	21.0	5.4	11.3	32.0	14.0
Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	12.8	18.0	9.0	3.0	10.8	3.8	7.0	11.0

9. ONE THING THAT STATE GOVERNMENT COULD DO TO IMPROVE WISCONSIN'S BUSINESS CLIMATE [WRITTEN ANSWERS]

Reduce Taxes	N/A	60.0	61.5	57.9	47.25	59.9	38.5	36.3	34.0	30.0	35.1	49.5	25.0	37.0
Reduce Regulation	N/A	7.8	3.8	12.8	12.6	23.3	19.2	18.0	13.0	0	18.9	12.0	14.0	14.0
Reduce Spending	N/A	6.5	11.5	6.5	9.45	0	6.4	0	16.0	21.0	21.6	12.5	18.0	14.0
Bring business to Wisconsin	N/A	1.3	3.8	9.6	9.45	10.0	0	0	0	3.0	2.7	1.0	0	1.0
Affordable Health Care	N/A	0.9	0	3.2	3.15	3.3	6.4	4.5	3.0	0	0	1.7	0	3.0
Miscellaneous	N/A	N/A	30.5	19.2	6.3	6.7	16.0	4.5	9.0	3.0	0	3.9	14.0	9.0
Tort Reform	N/A	N/A	N/A	N/A	N/A	N/A	6.4	4.5	0	3.0	0	1.0	0	0
Education	N/A	N/A	N/A	N/A	N/A	N/A	3.2	0	6.0	0	0	1.7	0	3.0
Be More Pro-Business in General	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16.0	24.0	10.8	12.0	21.0	14.0
Economic Development	N/A	N/A	N/A	N/A	N/A	N/A	9.6	31.5	3.0	3.0	8.1	5.2	7.0	6.0

10. PERCENT OF PAYROLL SPENT ON EMPLOYEE TRAINING

3.0% or below	70.0	66.5	48.3	57.6	58.8	44.1	54.5	50.0	44.0	69.0	61.0	63.0	61.0	66.0
3.1 % to 4.0 %	12.5	18.4	27.6	30.3	17.6	29.4	18.2	20.8	34.0	17.0	25.0	22.0	29.0	21.0
4.1% to 5.0 %	5.0	9.3	10.3	6.1	5.9	17.6	15.2	29.2	16.0	14.0	14.0	9.0	7.0	4.0
5.1% or above	12.5	5.8	13.8	6.1	17.6	8.8	12.1	0	6.0	0	0	6.0	4.0	8.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[More than one answer is permitted for question 12.]

Mbrs. Mbrs. Mbrs.
June 01 Oct. 01 June 02 June 03 June 04 June 05 June 06 June 07 June 08 June 09 June 10 June 10 June 11 June 11

11. HOW MUCH HAVE YOUR PER-EMPLOYEE HEALTH COVERAGE COSTS INCREASED OVER THE PAST YEAR?

0%	0%	1.9%	0%	0%	2.9%	0%	3.0%	17.4%	0%	3.0%	14.0%	3.0%	11.0%	2.0%
1-10%	21.4	11.1	7.1	3.0	20.6	50.0	42.4	43.5	63.0	72.0	61.0	41.0	61.0	34.0
11-20%	52.4	36.1	64.3	69.7	61.8	37.5	48.5	39.1	34.0	21.0	19.0	42.0	29.0	42.0
21-30%	14.3	31.0	21.4	18.2	14.7	12.5	6.1	0	3.0	3.0	3.0	8.0	0	10.0
31-40%	2.4	10.4	7.1	9.1	0	0	0	0	0	0	3.0	2.0	0	5.0
41-50%	9.5	3.7	0	0	0	0	0	0	0	0	0	0	0	1.0
More than 50%	0	4.4	0	0	0	0	0	0	0	0	0	1.0	0	1.0
N/A; Do not offer health coverage	0	1.4	0	0	0	0	0	0	0	0	0	3.0	0	3.0

12. HOW DO YOU PLAN TO DEAL WITH INCREASED HEALTH CARE COSTS?

Increase Employee Contribution	N/A	64.5	89.7	78.8	81.3	85.3	62.5	52.2	44.0	69.0	44.0	57.0	71.0	59.0
Decrease Benefits/ Increase Emp. Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16.0	N/A	N/A	N/A	N/A	N/A	N/A
Decrease Benefits	N/A	28.1	17.2	36.4	28.1	29.4	18.8	17.4	3.0	21.0	25.0	30.0	21.0	35.0
Increase Benefits	N/A	3.8	3.4	0	0	0	0	0	3.0	7.0	3.0	3.0	4.0	1.0
Drop Coverage	N/A	1.7	0	3.0	0	0	0	0	0	0	0	4.0	0	2.0
Other	N/A	16.5	20.4	24.0	28.2	34.8	40.3	47.3	34.0	21.0	44.0	28.0	18.0	29.0

13. WHAT IS THE BUSINESS CLIMATE GOING TO BE LIKE IN YOUR COMPANY IN THE NEXT 6 TO 12 MONTHS?

Good Growth	9.5	4.6	10.7	6.1	23.5	22.9	26.5	25.0	19.0	0	6.0	6.0	14.0	15.0
Moderate Growth	33.3	35.0	53.6	54.5	64.7	54.3	61.8	37.5	22.0	21.0	47.0	49.0	43.0	45.0
Remain Flat	50.0	44.0	32.1	36.4	11.8	20.0	8.8	29.2	47.0	52.0	44.0	41.0	43.0	37.0
Decline	7.1	16.4	3.6	3.0	0	2.9	2.9	8.3	13.0	28.0	3.0	4.0	0	2.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

14. HOW WILL THE WISCONSIN ECONOMY PERFORM OVER THE NEXT 12 MONTHS?

Good Growth	N/A	0.2	3.4	0	5.9	5.7	11.8	0	0	0	0	0	4.0	5.0
Moderate Growth	N/A	22.3	37.9	30.3	67.6	77.1	58.8	62.5	31.0	3.0	39.0	36.0	57.0	58.0
Remain Flat	N/A	55.4	51.7	63.6	26.5	17.1	29.4	37.5	53.0	48.0	56.0	53.0	36.0	36.0
Decline	N/A	22.1	6.9	6.1	0	0	0	0	16.0	48.0	6.0	11.0	4.0	2.0

15. HOW WILL THE U.S. ECONOMY PERFORM OVER THE NEXT 12 MONTHS?

Good Growth	N/A	0.3	3.4	3.1	14.7	8.6	20.6	9.1	0	3.0	0	1.0	4.0	1.0
Moderate Growth	N/A	26.6	75.9	65.6	76.5	80.0	58.8	77.3	28.0	21.0	50.0	50.0	57.0	51.0
Remain Flat	N/A	47.8	20.7	31.3	8.8	11.4	20.6	9.1	41.0	55.0	47.0	39.0	32.0	40.0
Decline	N/A	25.3	0	0	0	0	0	4.5	31.0	21.0	3.0	10.0	7.0	9.0

16. WHAT PORTION OF YOUR SALES ARE EXPORTS?

None	N/A	52.1	50.0	62.5	60.6	51.4	62.5	58.3	56.0	66.0	51.0	52.0	52.0	51.0
1-25%	N/A	42.5	39.3	31.3	30.3	40.0	28.1	29.2	28.0	24.0	40.0	43.0	44.0	44.0
26-50%	N/A	4.2	10.7	3.1	6.1	5.7	9.4	12.5	13.0	3.0	3.0	5.0	0	4.0
51%+	N/A	1.2	0	3.1	3.0	2.9	0	0	3.0	7.0	6.0	1.0	4.0	1.0

17. DO YOU EXPECT TO INCREASE YOUR EXPORTS IN THE COMING YEAR?

Yes	23.1	18.3	25.0	29.6	20.7	40.6	31.0	30.4	28.0	20.0	26.0	26.0	37.0	35.0
No	76.9	81.7	75.0	70.4	79.3	59.4	69.0	69.6	69.0	80.0	74.0	74.0	63.0	65.0
No Answer	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.0	0	0	0	0	0

18. ARE YOU HAVING TROUBLE HIRING EMPLOYEES?

Yes	50.0%	28.1%	25.0%	6.1%	32.4%	37.1%	56.3%	50.0%	44.0%	7.0%	6.0%	18.0%	26.0%	39.0%
No	50.0	71.9	75.0	93.9	67.6	62.9	43.8	50.0%	56.0	93.0	94.0	82.0	74.0	61.0

19. IF YOU ARE HAVING TROUBLE, WHY? [TOP EIGHT REASONS LISTED — WRITTEN ANSWERS]

Lack of Qualified Applicants	N/A	26.2	33.4	100	60.0	66.6	42.6	33.3	77.0	66.0	100.0	77.0	86.0	68.0
Labor Shortage	N/A	8.1	0	0	20.0	0	35.6	44.4	23.0	0	0	2.2	0	0
Education	N/A	4.0	0	0	0	0	7.1	0	0	0	0	4.4	0	6.0
Availability	N/A	3.4	16.7	0	0	0	0	22.2	0	0	0	0	14.0	7.0
Can't Compete with Wages/Benefits	N/A	3.4	33.4	0	0	11.1	0	0	0	0	0	2.2	0	3.0
Irresponsible Workers	N/A	3.4	0	0	0	0	0	0	0	0	0	0	0	0
High Cost of Living, Small Area	N/A	N/A	16.7	0	0	11.1	0	0	0	0	0	2.2	0	0
State's Image	N/A	N/A	N/A	N/A	30.0	11.1	14.2	0	0	0	0	0	0	0
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33.0	N/A	11.0	0	16.0

20. IF YOU ARE HAVING TROUBLE, WHAT FIELD? [TOP EIGHT REASONS LISTED — WRITTEN ANSWERS]

Entry Level	N/A	11.8	0	0	0	0	0	0	0	0	0	20.7	20.0	14.0
All	N/A	8.4	0	0	10.0	20.0	15.4	18.2	7.0	50.0	0	4.6	0	14.0
Machinists	N/A	4.2	0	0	0	10.0	7.7	0	14.0	0	0	6.9	0	13.0
Labor	N/A	3.4	0	0	0	0	15.4	0	7.0	0	0	2.3	0	8.0
Sales	N/A	3.4	20.0	50.0	0	0	0	0	0	0	0	9.2	0	8.0
Welders	N/A	3.4	0	0	0	20.0	15.4	18.2	7.0	0	0	4.6	20.0	5.0
Professional	N/A	N/A	40.0	50.0	20.0	20.0	30.8	45.5	57.0	0	50.0	9.2	40.0	11.0
Senior Professional	N/A	N/A	20.0	0	10.0	10.0	0	0	0	0	0	0	0	0
Unskilled	N/A	N/A	20.0	0	10.0	0	0	0	0	0	0	2.3	0	0
Other (telecom/computer/IT, truck drivers)	N/A	N/A	N/A	N/A	N/A	20.0	15.4	18.2	7.0	50.0	50.0	39.1	20.0	27.0

21. DO YOU THINK THINGS IN WISCONSIN ARE GOING IN THE RIGHT DIRECTION, OR ON THE WRONG TRACK?

Right Direction	N/A	69.4	38.5	38.7	79.4	78.8	46.7	59.1	43.0	4.0	17.0	10.0	93.0	88.0
Wrong Track	N/A	30.6	61.5	61.3	20.6	21.2	53.3	40.9	57.0	96.0	83.0	90.0	7.0	12.0

22. WOULD YOU SAY THAT STATE GOVERNMENT HERE IS:

Very pro-business	N/A	2.3	3.4	0	0	0	2.9	0	0	0	0	1.0	37.0	35.0
Somewhat pro-business	N/A	43.2	37.9	21.9	55.9	54.3	29.4	12.5	31.0	3.0	9.0	6.0	44.0	44.0
Neutral on business	N/A	25.6	17.2	34.4	23.5	34.3	35.3	29.2	28.0	14.0	23.0	12.0	7.0	8.0
Somewhat anti-business	N/A	26.2	41.4	37.5	14.7	8.6	32.4	50.0	28.0	48.0	43.0	51.0	7.0	11.0
Very anti-business	N/A	2.8	0	6.3	5.9	2.9	0	8.3	13.0	34.0	26.0	29.0	4.0	3.0

23. DO YOU PLAN TO EXPAND IN WISCONSIN IN THE NEXT YEAR OR TWO?

Yes	N/A	26.5	13.8	25.0	37.5	42.9	35.5	41.7	38.0	21.0	23.0	26.0	37.0	40.0
No	N/A	73.5	86.2	75.0	62.5	57.1	64.5	58.3	63.0	79.0	77.0	74.0	63.0	60.0

24. DO YOU PLAN TO EXPAND IN ANOTHER STATE OR COUNTRY IN THE NEXT YEAR OR TWO?

Yes	N/A	24.8	57.1	51.5	61.8	67.6	66.7	59.1	59.0	52.0	51.0	29.0	56.0	25.0
No	N/A	75.2	42.9	48.5	38.2	32.4	33.3	40.9	41.0	48.0	49.0	71.0	44.0	75.0

25. DO YOU PLAN TO RELOCATE TO ANOTHER STATE OR COUNTRY IN THE NEXT YEAR OR TWO?

Yes	N/A	2.1	3.8	3.0	3.0	2.9	3.0	0	3.0	7.0	3.0	5.0	7.0	3.0
No	N/A	97.9	96.2	97.0	97.0	97.1	97.0	100.0	97.0	93.0	97.0	95.0	93.0	97.0

BUSINESS GROWTH PREDICTIONS 1997-2011

- Predicting good growth in the business climate of your business in the next 6-12 months
- Predicting moderate growth in the business climate of your business in the next 6-12 months
- Predicting the business climate of your business to remain flat for the next 6-12 months

