



# PROSPERITY PULSE

*INSIGHT FROM OHIO BUSINESS LEADERS*



**Research  
Foundation**

Thank you for participating in the Ohio Chamber Research Foundation’s 1st Quarter 2020 *Prosperity Pulse* survey. The quarterly survey is an invaluable opportunity to hear directly from business leaders across the state regarding not only the current conditions of Ohio’s economy, but expectations for the future, and would not be possible without the direct feedback we receive from the business community.

Though it should come as no surprise that business leaders would react to the swift changes in the state and national landscape due to the COVID-19 pandemic, the intensity of that reaction is still quite jarring. The *Prosperity Pulse* Index fell to a new low of just 51. As a reminder, the index is calculated as a metric of five forward-looking economic factors, and a reading of 100 is considered to be average economic conditions. Thus, a reading of 51 conveys severe skepticism among Ohio’s business leaders that the economic landscape will improve over the next quarter. Not only did the overall Index fall to an all-time low, so too did business leader optimism. Just 31% of respondents expressed optimism about the future health of their companies, a truly sobering expression of doubt.

For the first time in our survey’s history, the cost of healthcare is not the top concern among business leaders. Perhaps there is no better way to hammer home just how disruptive the pandemic has been to the economic landscape than this: nearly 7 out of 10 respondents to our survey expressed they were “very concerned” with continued economic uncertainty, leaping all the way up from the 9th-most concerning issue just one quarter ago. While healthcare and employee benefit costs still weigh heavily on business leaders, the potential of regulatory burdens from leaders in Columbus and Washington, D.C. join the list of top five concerns for the quarter.

Please read on for the rest of the highlights of the latest *Prosperity Pulse*, and again, thank you for sharing your insights.

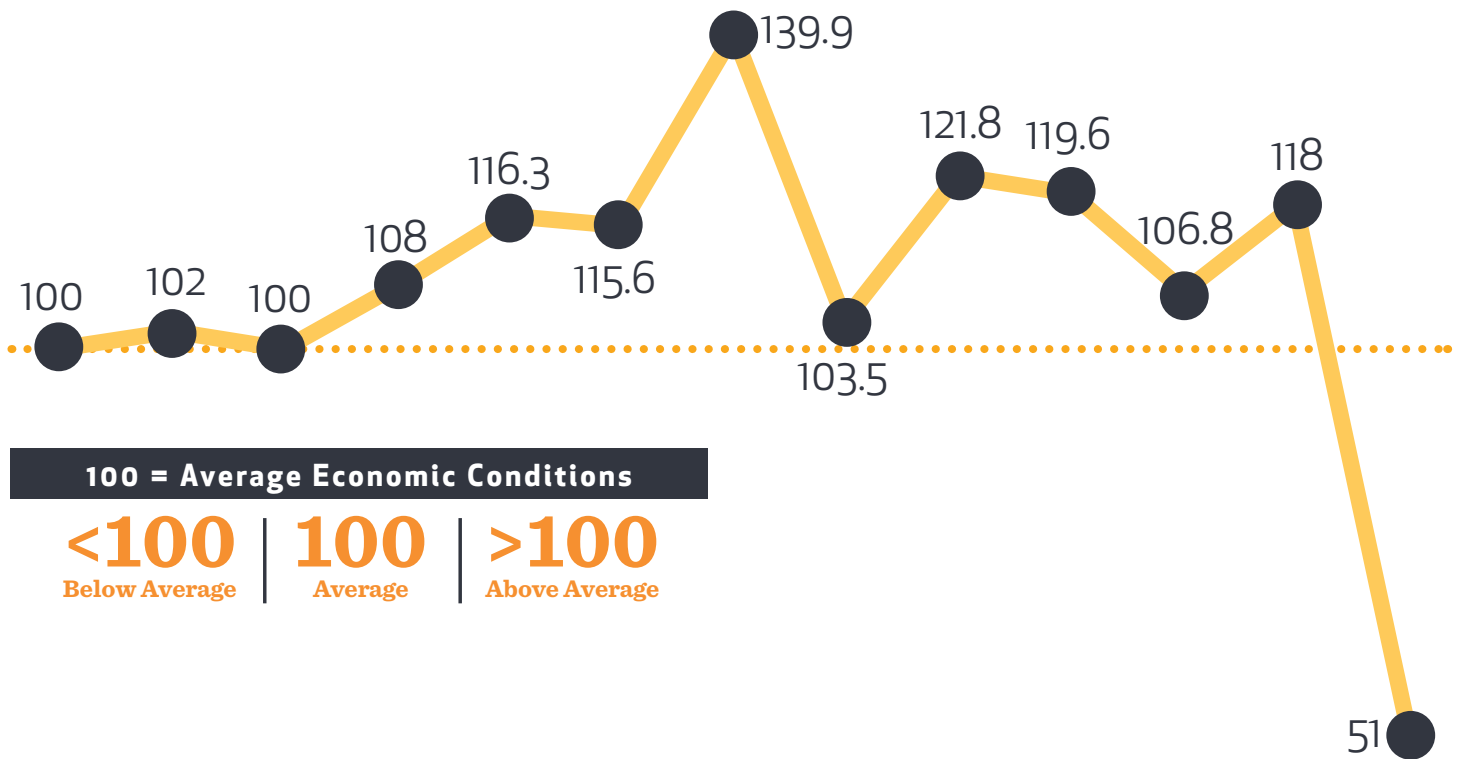
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ABOUT THE OHIO CHAMBER OF COMMERCE RESEARCH FOUNDATION

The Ohio Chamber of Commerce Research Foundation, Inc. is a 501(c)(3) nonprofit organization whose mission is to provide non-partisan, educational resources on public policy issues that may impact Ohio’s economy, job creation, and long-term competitiveness.

## THE PROSPERITY PULSE INDEX

The *Prosperity Pulse* is an index measurement of the economic health of Ohio companies, taking into consideration the future outlook of five key indicators: profits, employment levels, unfilled openings, capital expenditures, and overall economic optimism. *Note that starting with polls conducted in 2019 (including 4Q 2018), the overall Index is calculated to reflect only those who saw either an increase or decrease in these business indicators.*



100 = Average Economic Conditions

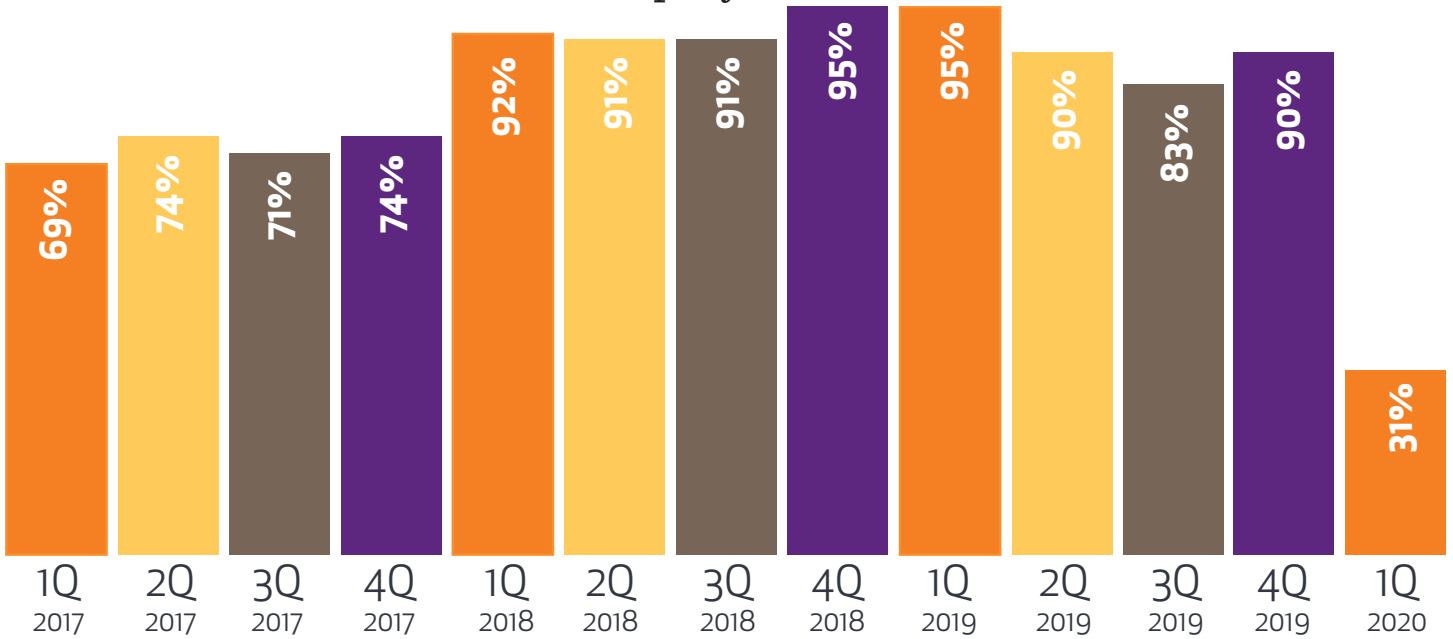
<100 | 100 | >100  
 Below Average | Average | Above Average

1Q 2017   2Q 2017   3Q 2017   4Q 2017   1Q 2018   2Q 2018   3Q 2018   4Q 2018   1Q 2019   2Q 2019   3Q 2019   4Q 2019   1Q 2020

Prosperity Pulse Components	1Q Positive	Change from 4Q	Change from 1Q 2019
Anticipated Profits	8%	-29 ↓	-32 ↓
Plans to Add Jobs	34%	-50 ↓	-58 ↓
Unfilled Jobs	19%	-6 ↓	+1 ↑
Planned Capital Expenditures	17%	-2 ↓	-2 ↓
Overall Economic Outlook	11%	-41 ↓	-31 ↓

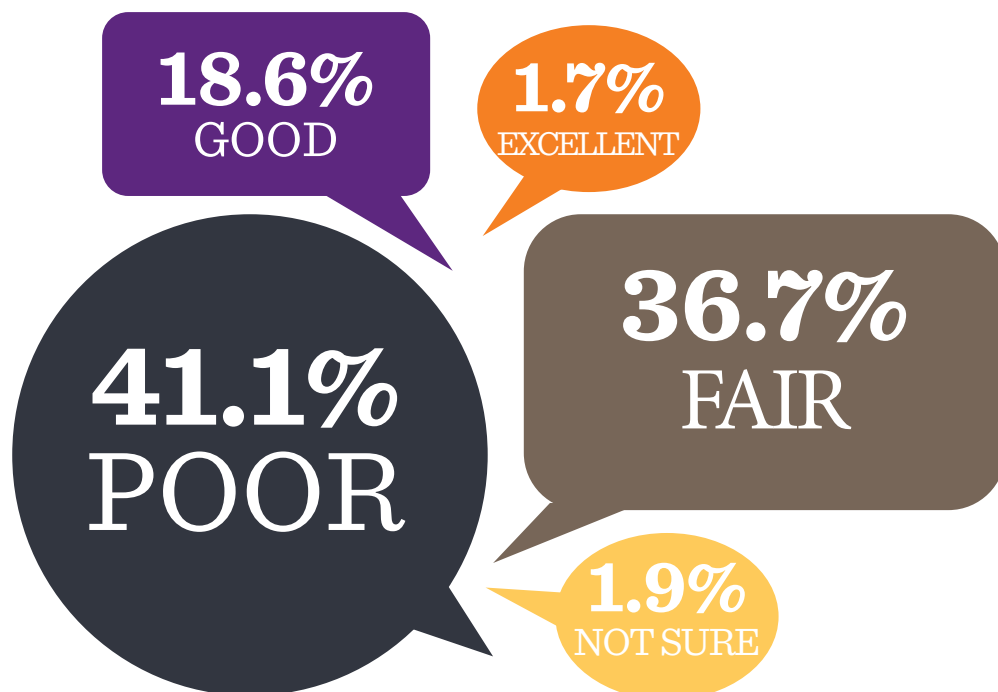
## OPTIMISM

Percentage of business leaders that are OPTIMISTIC about the future economic health of their company:



## ECONOMIC CLIMATE

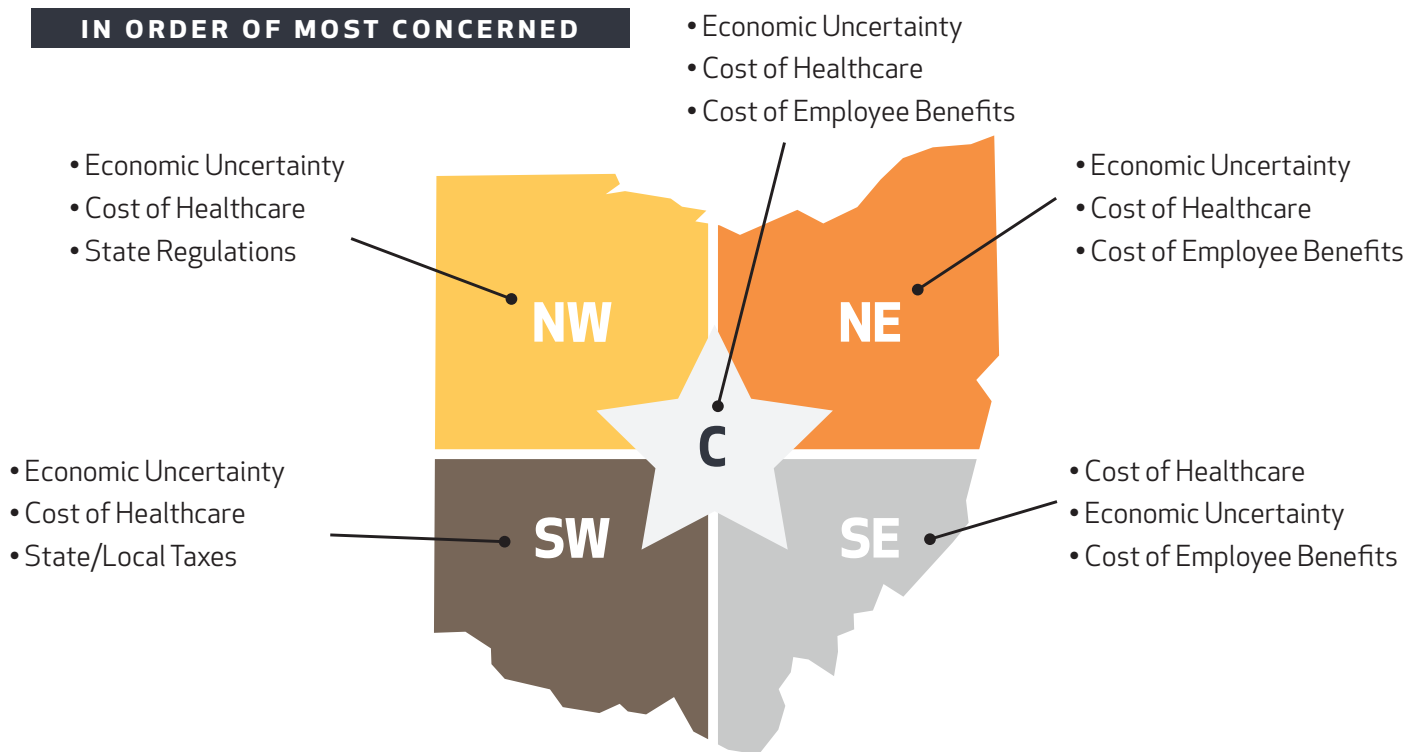
Percentage of business leaders that say the economic climate is...



## TOP 5 CONCERNS *of* OHIO BUSINESS LEADERS

1Q 2020	4Q 2019 (Last quarter)	1Q 2019 (Last year)
1. Economic Uncertainty	9 ↑	9 ↑
2. Cost of Healthcare	1 ↓	1 ↓
3. Cost of All Employee Benefits	2 ↓	2 ↓
4. State Regulations	7 ↑	8 ↑
5. Federal Regulations	8 ↑	7 ↑

## TOP CONCERNS *by* REGION:

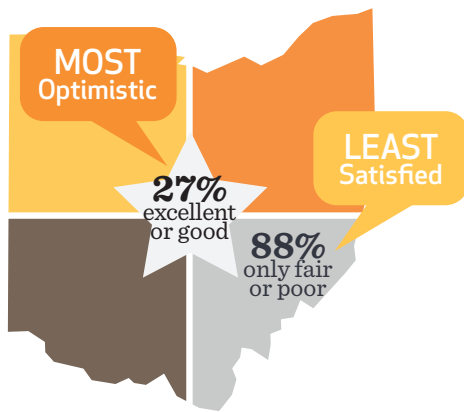


# THE NATION COMPARED TO OHIO

Most Important Issue Is...

ISSUE	NATION	OHIO
Quality of Labor	24%	7.0% (3rd)
Taxes	15%	4.8% (5th)
Government Regulations	13%	8.0% (2nd)

National Comparison: NFIB Research Foundation Small Business Optimism Index, March 2020



Region of the state **most satisfied** with the overall economic conditions?

**Least Satisfied?**

Southeast Ohio 88% only fair or poor

**Most Optimistic?**

Central Ohio 27% excellent or good

## FINDINGS of NOTE

MANUFACTURING businesses are most concerned about global trade markets, with **68.3%** of industry respondents indicating they were either very or somewhat concerned.

Hiring plans remain a bright spot in SW Ohio, where **45.1%** of respondents indicated they planned to hire additional workers in the coming quarter.

Economic uncertainty is most acute in NE Ohio, where **73.4%** of respondents indicated they were very concerned about the issue.

Healthcare costs remain top of mind for businesses in the PROFESSIONAL-TECHNICAL SERVICES sector. **90.2%** of respondents indicated they were very or somewhat concerned.

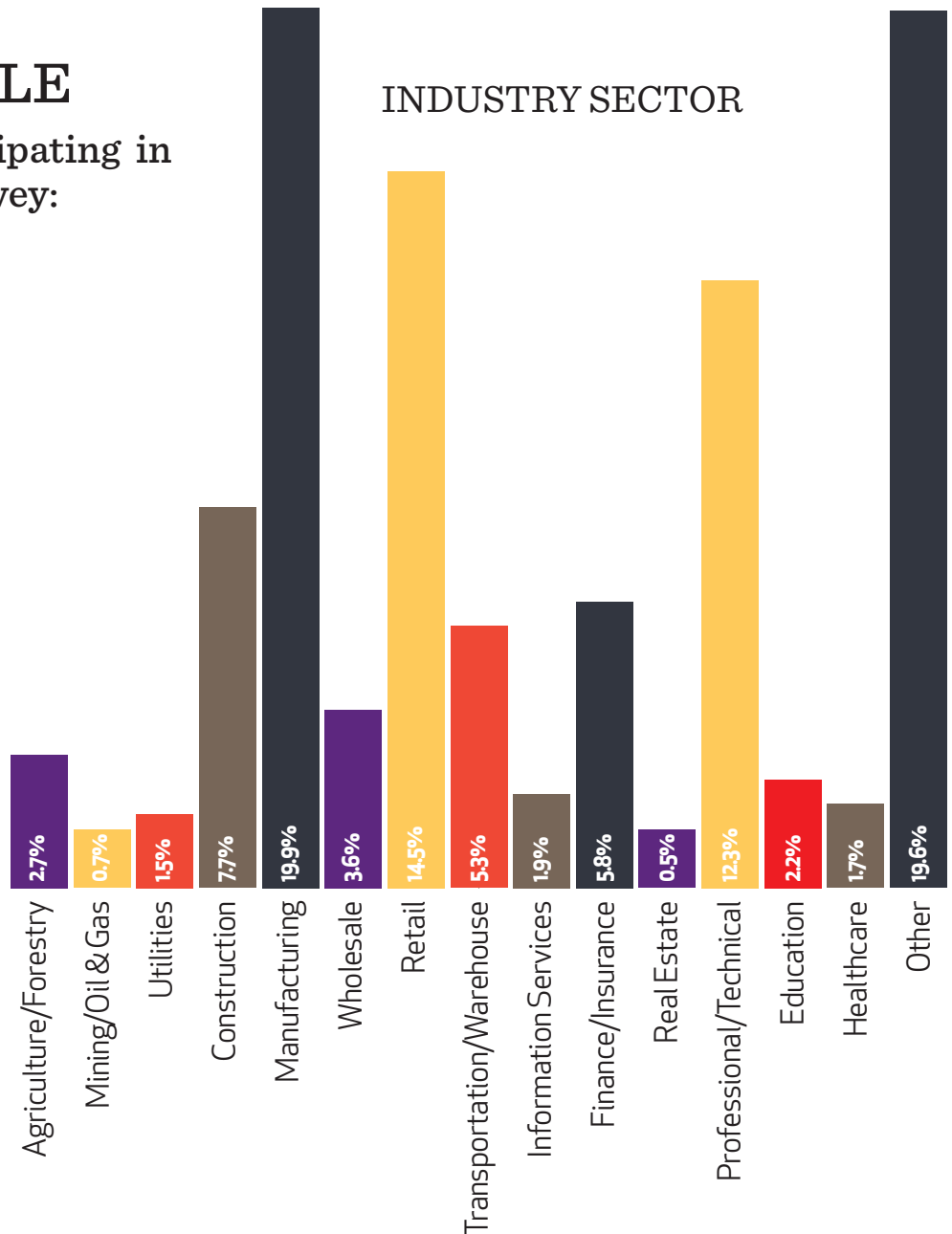
## SURVEY PROFILE

### Business Leaders Participating in 1Q Prosperity Pulse Survey:

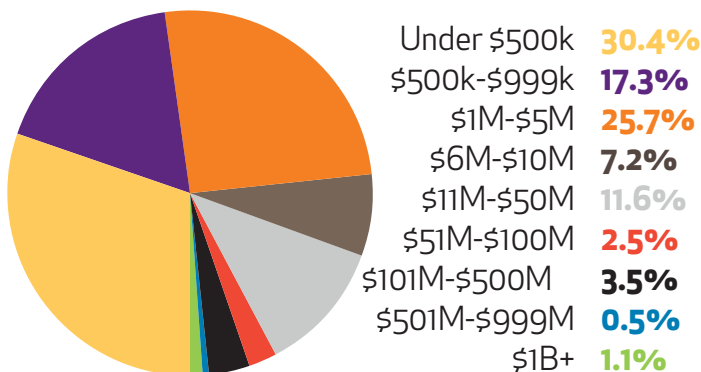
The Ohio Chamber of Commerce Research Foundation partnered with Clout Research to conduct the *Prosperity Pulse*, a quarterly survey of business leaders in various sectors across the State of Ohio regarding the strength of their companies and the state economy.

The survey included 414 respondents who completed survey interviews online and on the telephone with live agent interviewers between April 7-29, 2020. It carries a confidence interval of 95% and a margin of error of +/- 4.8 percentage points.

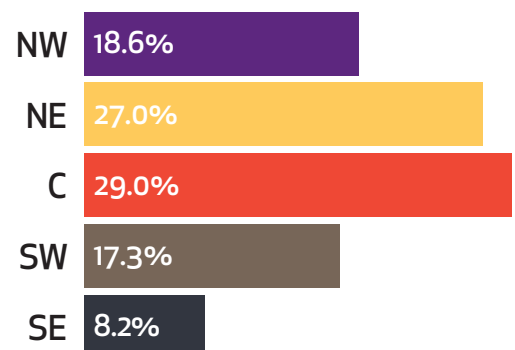
### INDUSTRY SECTOR



### BY COMPANY GROSS REVENUE



### REGION



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