



PROSPERITY  
PULSE

*INSIGHT FROM OHIO BUSINESS LEADERS*



Research  
Foundation



## OUR VISION

*An Ohio where  
businesses thrive,  
communities are  
strong and safe, and  
public policy supports  
economic freedom.*

**T**hank you for participating in our quarterly survey. The Ohio Chamber of Commerce Research Foundation is committed to uncovering issues, finding solutions and delivering information. We could not do this without your participation in the Prosperity Pulse survey.

If you participated in the first quarter of 2018 survey, you will have noticed small changes to the questions and available responses. We intentionally tweaked the survey tool to allow us to compare the data we collect to data that is collected at the national level with full integrity and confidence.

Given this fact, our Prosperity Pulse now has a slightly different formula. A 100 reading represents an average score which was derived from our 2017 index results. Over time, we will be able to track and trend the economic health of Ohio with this new formula of using 100 as average economic conditions.

The Q1 Prosperity Pulse measured at 116.28. This indicates positive economic growth and high optimism about the future. In fact, 92% of Ohio business leaders anticipate the next quarter to either stay about the same, be a little better, or be much better! Examining profits, 67.2% experienced steady to much higher profits in the first quarter and 88.6% anticipate steady to much higher profits in the second quarter.

The positive growth and high optimism is shadowed with workforce worries. When asked the single highest concern (and removing "other" as a response), business leaders indicated the cost of labor as their number one concern. This concern is mirrored in other questions too. The need for skilled labor outpaces the need for unskilled labor 3 to 1 and a total of 28.6% of our companies have unfilled, open positions.

Overall, we are on the right track. The Ohio Chamber Research Foundation is working on other projects to assist in providing solutions to our talent pipeline and strategies for Ohio to be successful in the new innovation economy. Thank you for your insight!

Sincerely,

Katie M. Kogelman  
Executive Director

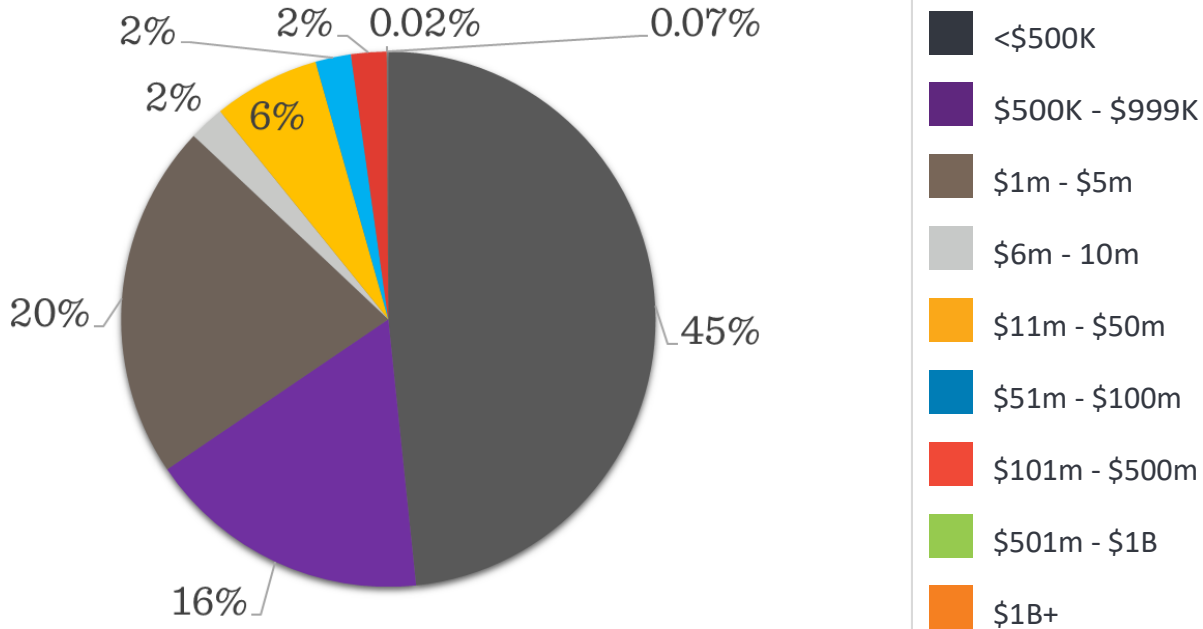
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The Ohio Chamber of Commerce Research Foundation partnered with Clout Research for the Prosperity Pulse. We surveyed 412 Ohio business leaders between March 31, 2018 and April 18, 2018. The survey was completed via an online survey tool and by telephone. It carries a confidence interval of 95% and a margin of error of +/- 4.87 percentage points. Full survey results, questions and additional crosstabs can be downloaded at [www.ohiochamberfoundation.com/projects](http://www.ohiochamberfoundation.com/projects)



## BY COMPANY GROSS REVENUE

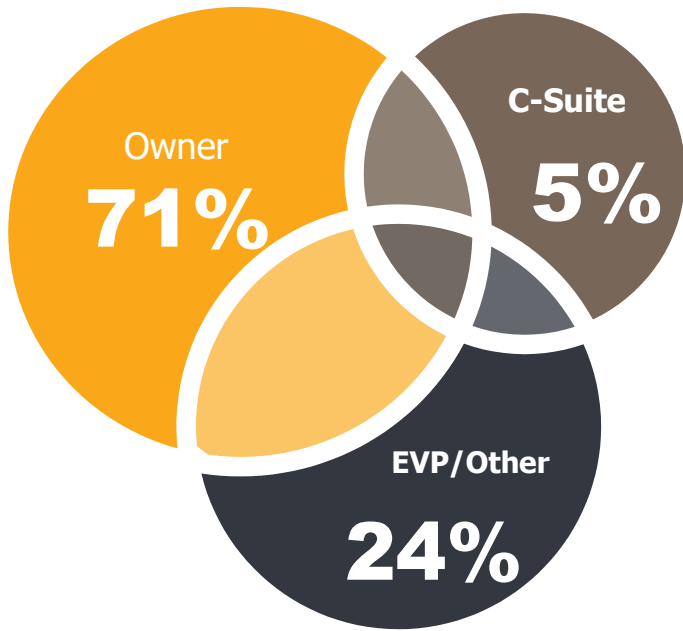


\* 7% noresponse

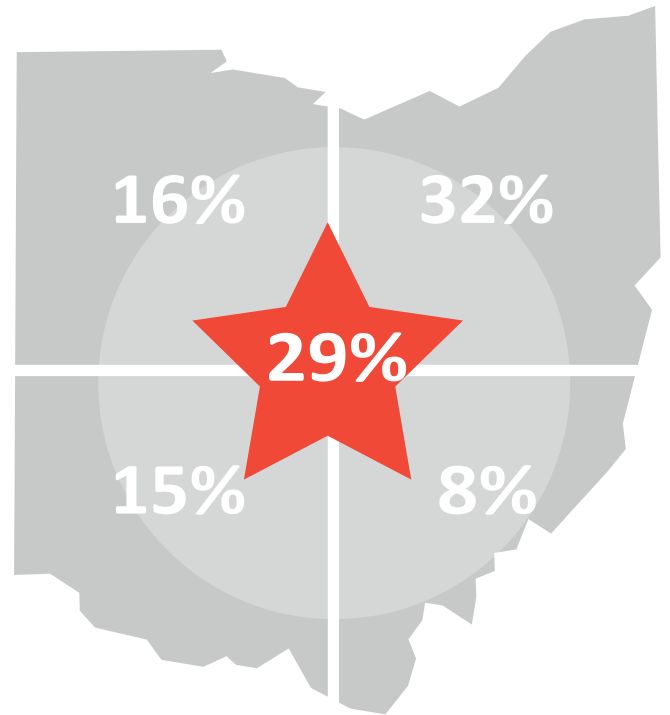
## BY NUMBER *of* EMPLOYEES



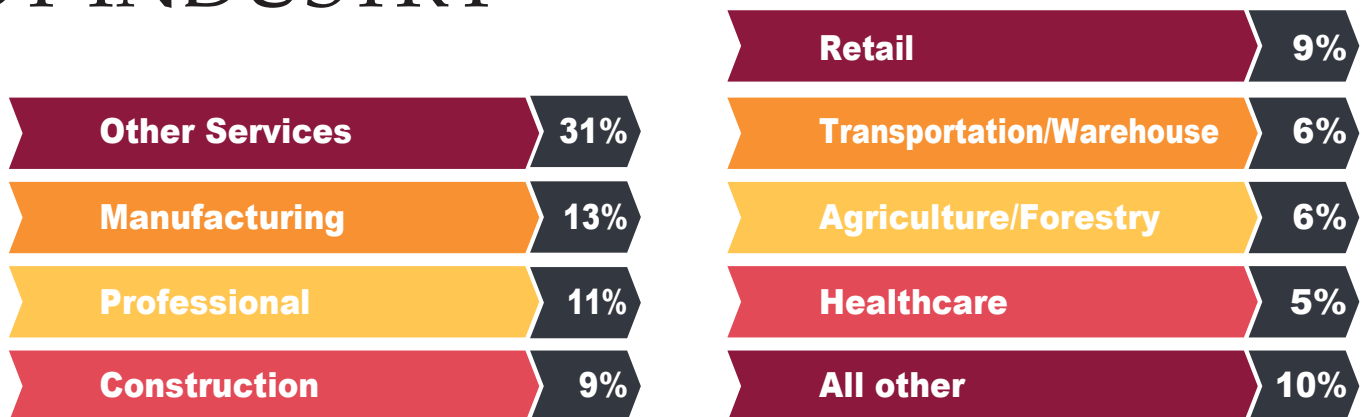
## BY TITLE



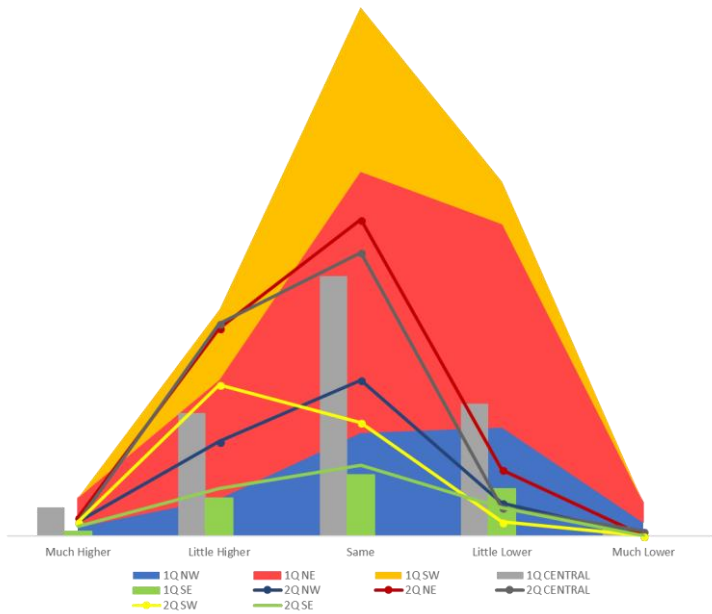
## BY REGION



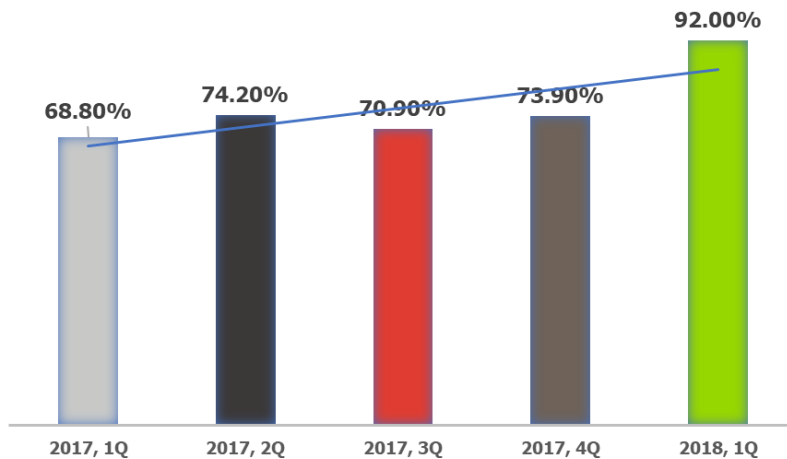
## BY INDUSTRY



Q 1 PROFITS v. Q 2 PROJECTED PROFITS



Percentage of business leaders  
**Optimistic**  
about the future economic health of their  
company:

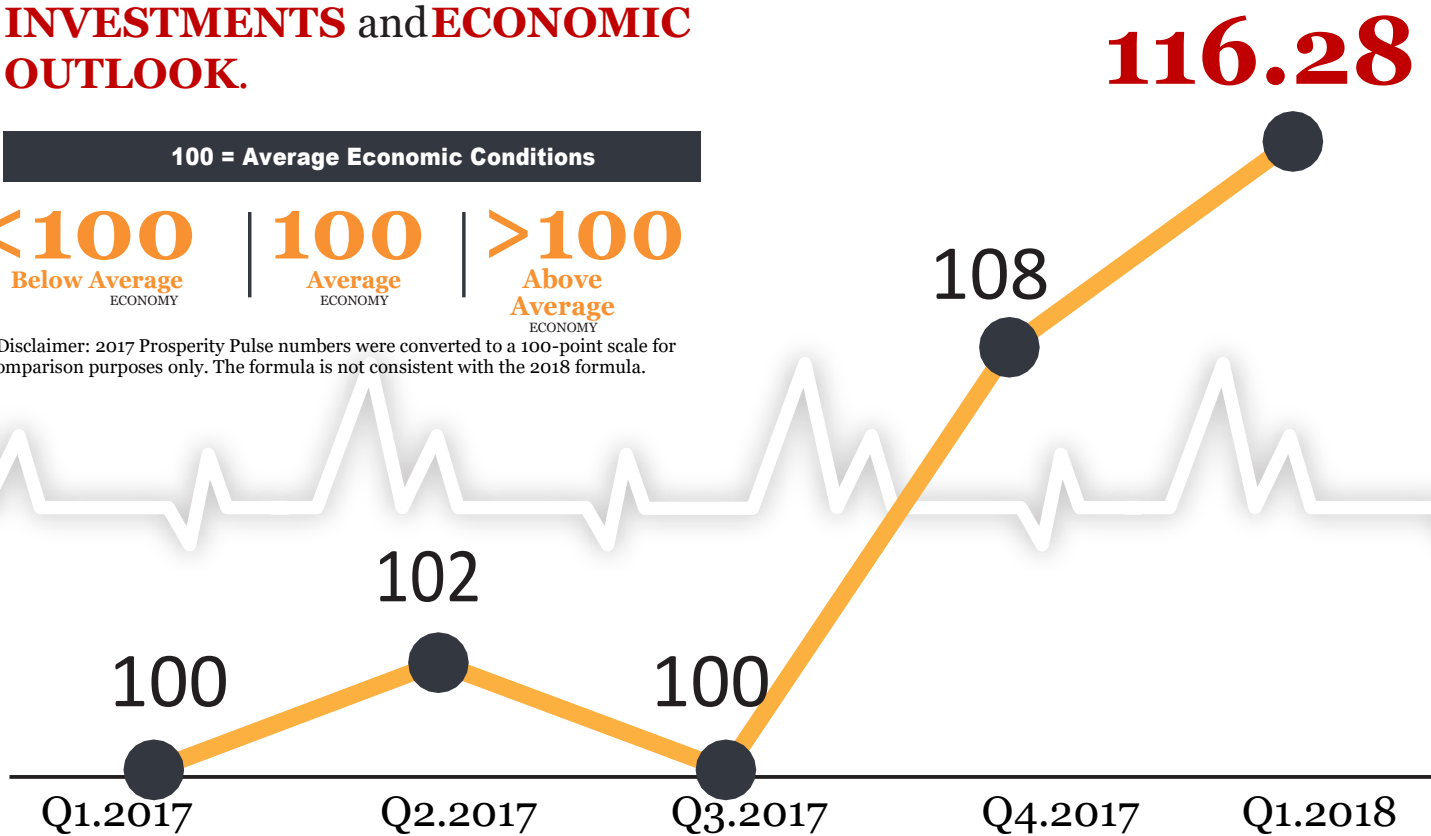


The **Prosperity Pulse** is an index measurement of the economic health of Ohio companies according to their leaders. The index takes into account 5 forward looking factors: **PROFITS, WORKFORCE, OPEN JOBS, CAPITAL INVESTMENTS** and **ECONOMIC OUTLOOK.**

100 = Average Economic Conditions

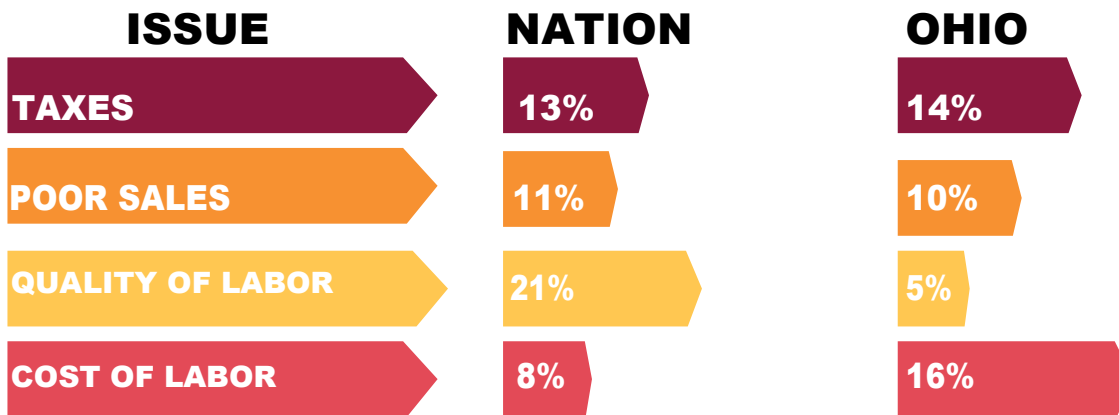
**<100** | **100** | **>100**  
Below Average | Average | Above Average  
ECONOMY | ECONOMY | ECONOMY

\*Disclaimer: 2017 Prosperity Pulse numbers were converted to a 100-point scale for comparison purposes only. The formula is not consistent with the 2018 formula.



# OHIO compared to the NATION

## Most important issue?



National Data Source: NFIB 4,2018

## KEY FINDINGS

The Prosperity Pulse began 2018 on a high note. 27% of businesses surveyed reported higher profits in Q1 compared to the last quarter of 2017. Even better news, 40% anticipate higher profits in the second quarter of 2018. 70% reported adding employees in Q1, while 75% anticipate hiring more employees in the next quarter. If they can attract quality talent, of that group looking to hire – nearly half intend on adding more than 25 people.

The growth and optimism are shadowed by workforce worries and political uneasiness. Since the beginning of the Prosperity Pulse (Jan.2017), the cost of healthcare has remained a top concern. Q1, 2018 is no different with the cost of all employee benefits close behind.

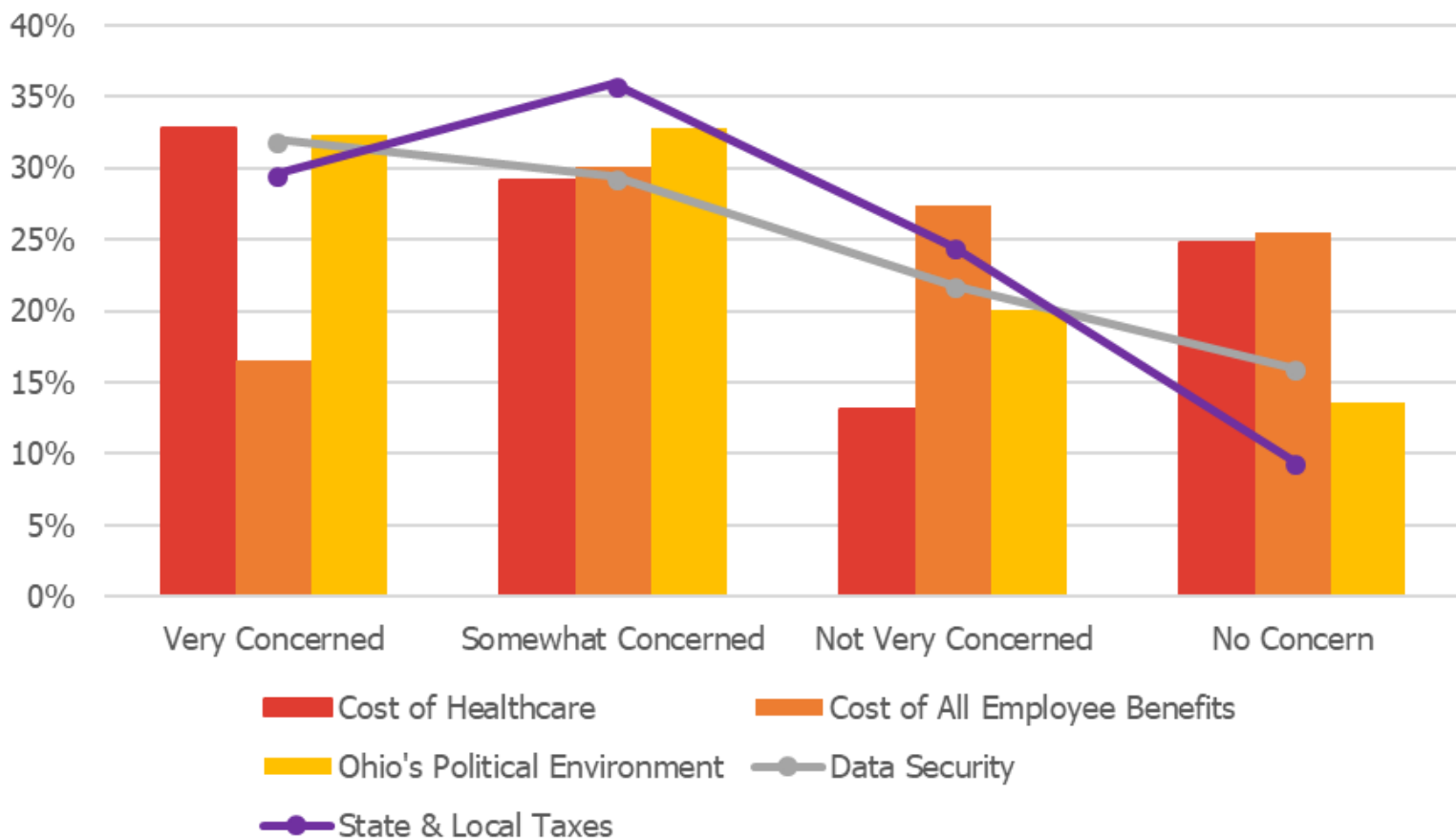
For the first time ever, Ohio's political environment has many very concerned. "Job creators know that decisions made in Columbus and Washington have an impact on their business's success, so when there is political disruption, it's unsettling," said Keith Lake, Vice President of Government Affairs for the Ohio Chamber of Commerce. "...and there's no shortage of disruption and downright disarray right now in either place.

*It's an election year to begin with, which always creates some uncertainty, and Ohio has a lame duck governor and now no House speaker. It's no wonder business leaders are expressing concern about the political environment."*

Our data revealed some astounding information about the Oil/Gas/Mining industry. Rarely, do we receive 100% responses to questions, but Q1 we did – and more than one for this industry. 100% believe the overall economic climate in Ohio is GOOD. Half of the companies anticipate profits to stay the same while the other half expect them to be a little higher. 100% added employees in Q1 and 100% look to hire more in Q2. 100% have job openings for both skilled and unskilled labor and all are concerned about finding qualified people. "We have achieved double digit revenue and growth year over year, we are expecting a record second quarter for 2018. Our growth projections over the next 24 months are to add well over 100 people to the company," stated Mark Marmo, CEO of Deep Well Services. "We are training internally for our growth, due to a very tight skilled labor market. Aside from irresponsible government regulations, finding skilled labor is our greatest risk to growth."

# TOP 5 ISSUES *of* CONCERN BY OHIO BUSINESS LEADERS

1. **Cost of Healthcare**
2. **Cost of all Employee Benefits**
3. **Ohio's Political Environment**
4. **Data Security**
5. **State & Local Taxes**

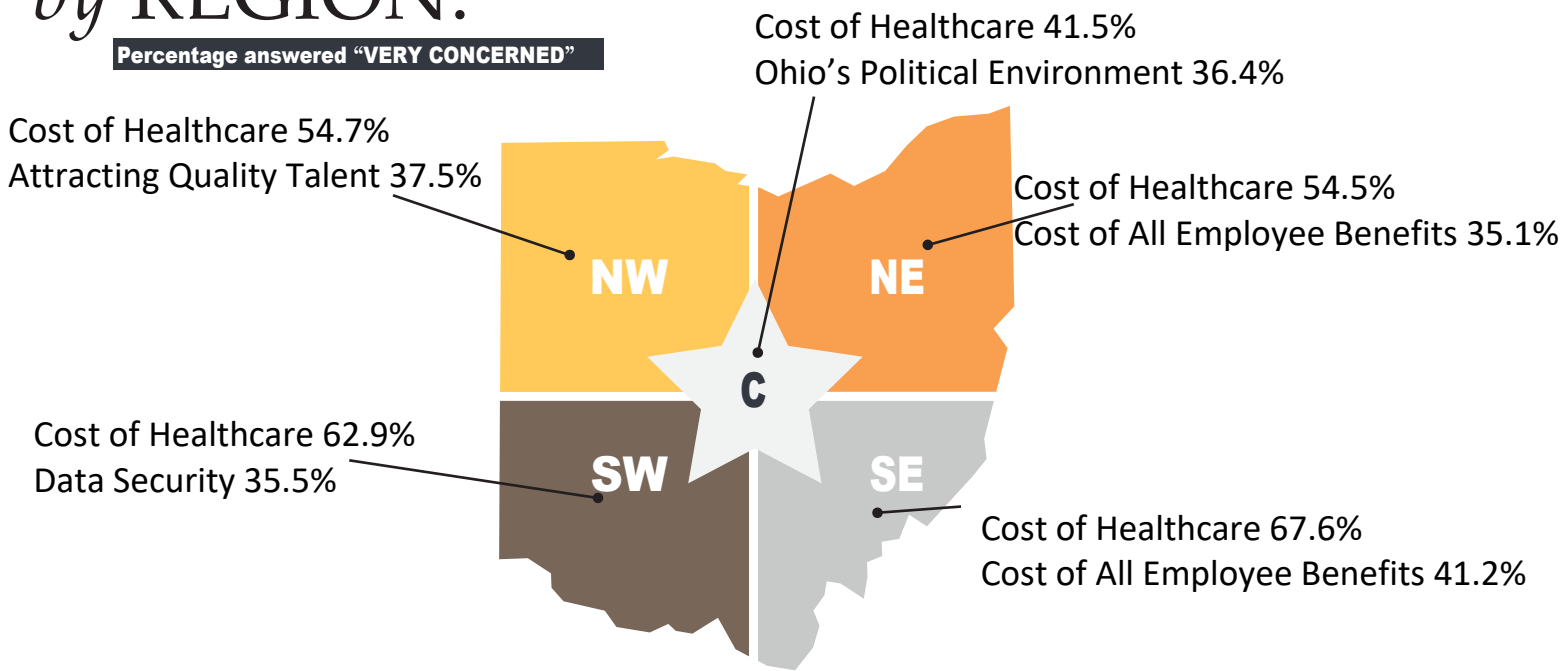




# ISSUES of TOP CONCERN

## by REGION:

Percentage answered "VERY CONCERNED"



# HIRING & OPEN JOBS

- 70%** of businesses surveyed in **Northwest Ohio** added employees in the first quarter, with more than half adding more than **25** new employees.
- 83%** of those same companies look to grow their workforce in the second quarter.
- 32%** of businesses in **Healthcare** anticipate hiring more than **25** people in Q2, 2018.
- 69%** of **Transportation/Warehousing** companies look to hire in Q2, 2018.
- 45%** of businesses in the **MANUFACTURING** field have open jobs. The number of available **SKILLED** jobs is more than **2x** that of **UNSKILLED**.

# Workforce Worries

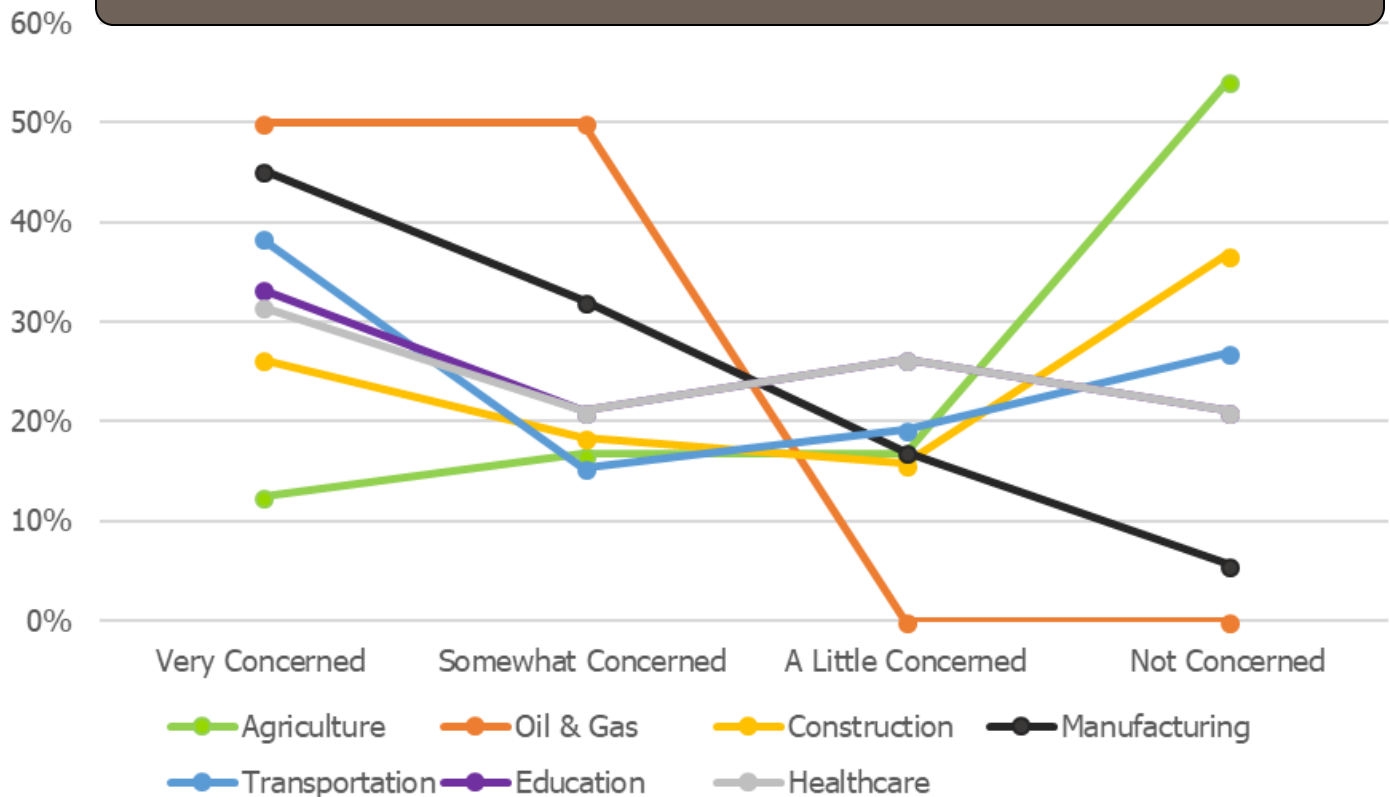
**100%**

of companies surveyed in the **Oil & Gas** industry are looking for employees and are planning to invest with capital expenditures. To grow – they need people.

For the first time in **35** years, a national survey revealed that small business owners replaced **Taxes** as their number one concern with **Quality of Labor**.

Ohio's number one concern is not the Quality of Labor but the **Cost of Labor**. In fact, 4 of the 5 top concerns involve workforce.

How concerned are you with attracting quality talent?



# We asked...

BUSINESS LEADERS

“How is the current economic condition in Ohio for your business?”

10%  
Excellent

31%  
Fair

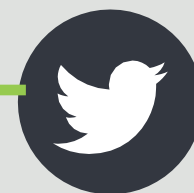
53%  
Good

5%  
Poor

1%  
Unsure

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