



PROSPERITY
PULSE

INSIGHT FROM OHIO BUSINESS LEADERS



**Research
Foundation**

Thank you for participating in the Ohio Chamber Research Foundation’s 2nd Quarter 2020 *Prosperity Pulse* survey. In these unprecedented times, our quarterly survey is an instrumental tool 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.

While businesses are still trying to figure out a path forward in the face of the COVID-19 pandemic, a slight bounce-back is evident in our latest results, as the *Prosperity Pulse* Index rose to 93 from its previous low-water mark of 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. Therefore, a reading of 93 still displays an overall below-average economic landscape, as both optimism and fear over re-opening have taken their toll on businesses across the state. Hiring plans among respondents have doubled, with 68% of respondents indicating they plan to increase their payrolls as the economic engines restart, while overall economic outlook remains low in the face of the unknown weeks ahead.

That lack of clarity has kept Economic Uncertainty as the top concern among business leaders, keeping the Cost of Healthcare out of the top spot for the second quarter in a row. While most of the top five concerns have remained roughly the same, the big jump this quarter came from business leaders worried about the political environment in Ohio, as the shockwaves over the replacement of Larry Householder as Speaker of the Ohio House of Representatives mix with concerns about the national political landscape heading into what looks to be a very contentious presidential election.

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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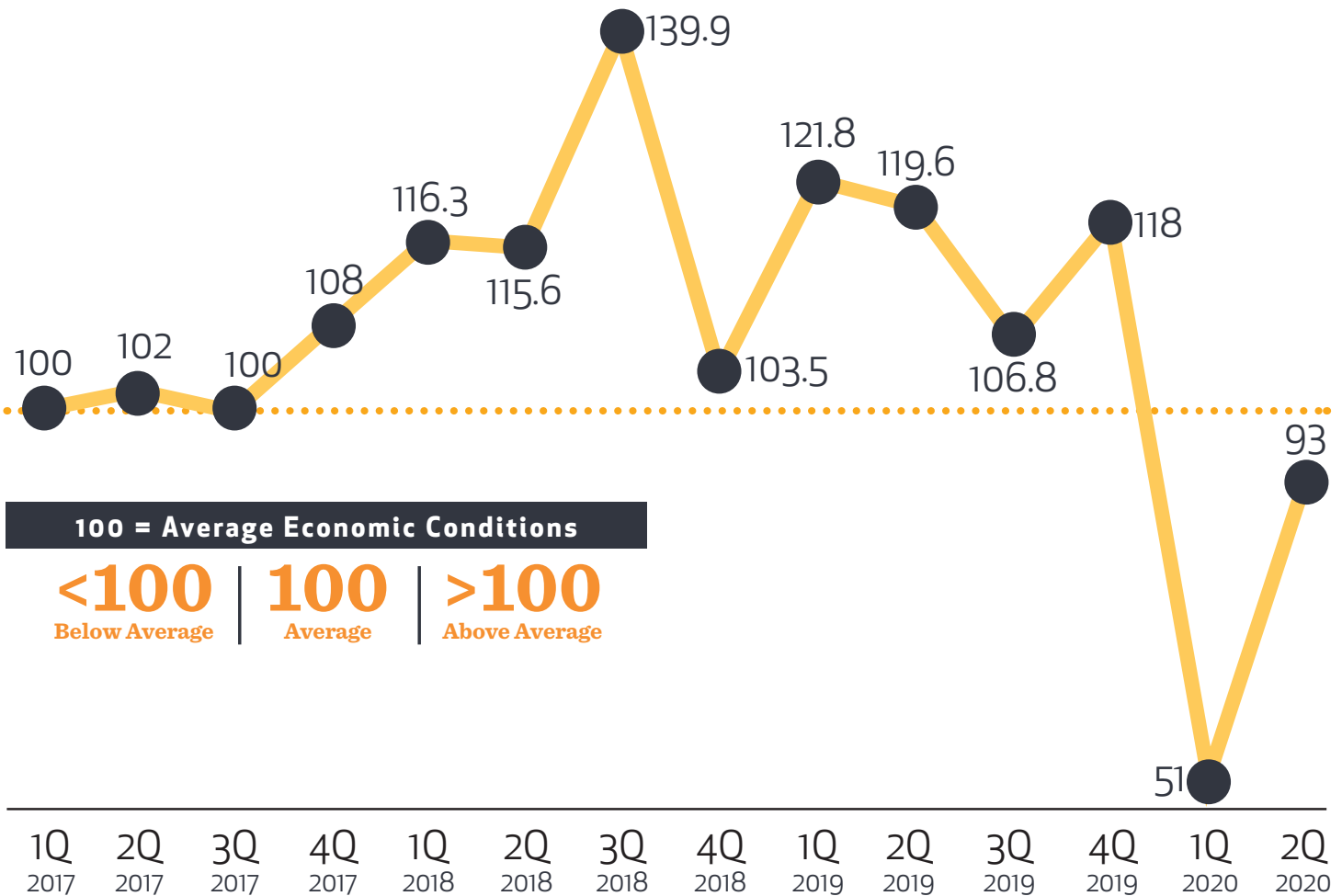
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ABOUT THE OHIO CHAMBER OF COMMERCE RESEARCH FOUNDATION

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

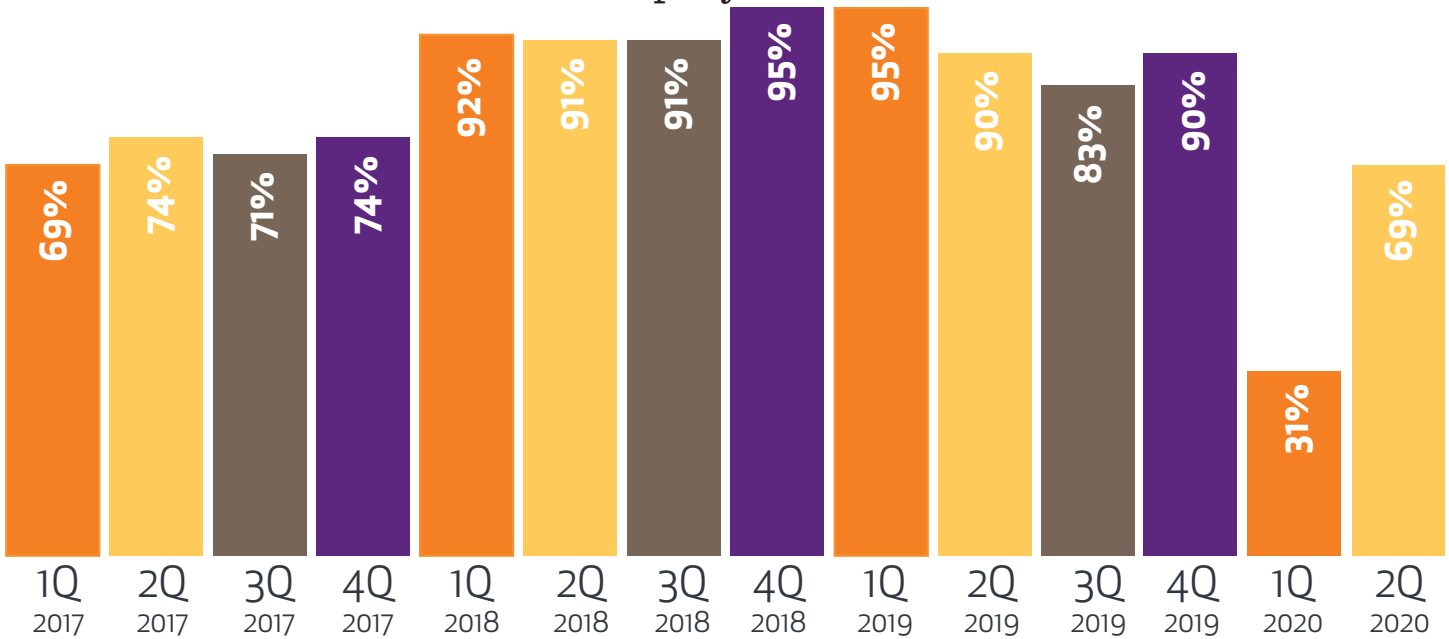
The *Prosperity Pulse* is an index measurement of the economic health of Ohio companies, taking into consideration the future outlook of five key indicators: profits, employment levels, unfilled openings, capital expenditures, and overall economic optimism. *Note that starting with polls conducted in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



Prosperity Pulse Components	2Q Positive	Change from 1Q	Change from 2Q 2019
Anticipate Increased Profits	26%	+18 ↑	-8 ↓
Plans to Add Jobs	68%	+34 ↑	-16 ↓
Unfilled Jobs	25%	+6 ↑	+4 ↑
Planned Capital Expenditures	21%	+4 ↑	-7 ↓
Overall Economic Outlook	29%	+18 ↑	-1 ↓

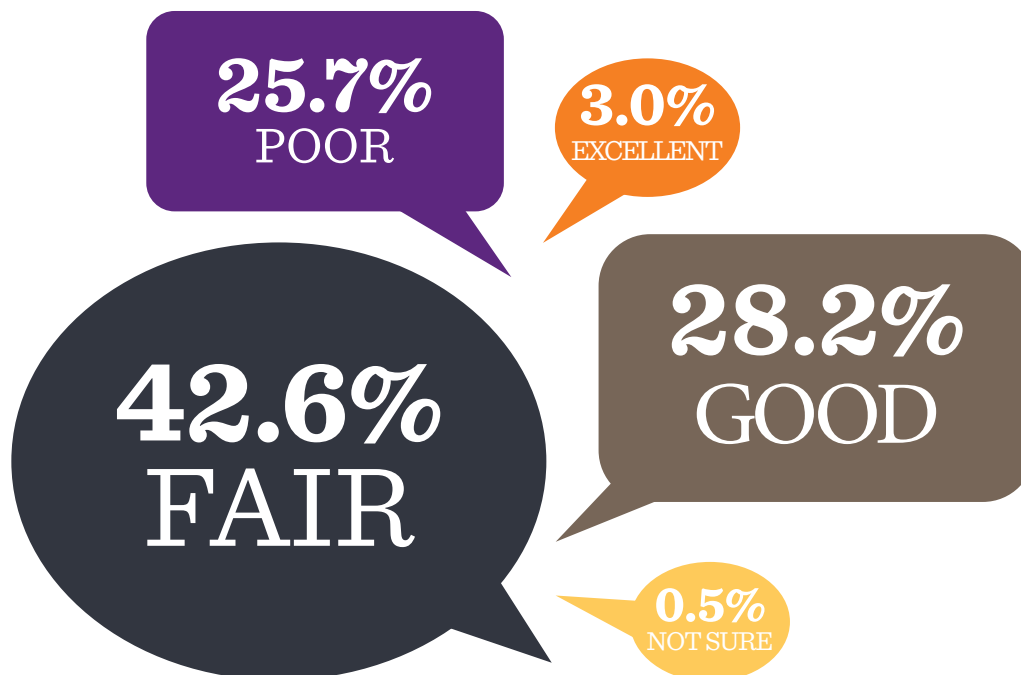
OPTIMISM

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



ECONOMIC CLIMATE

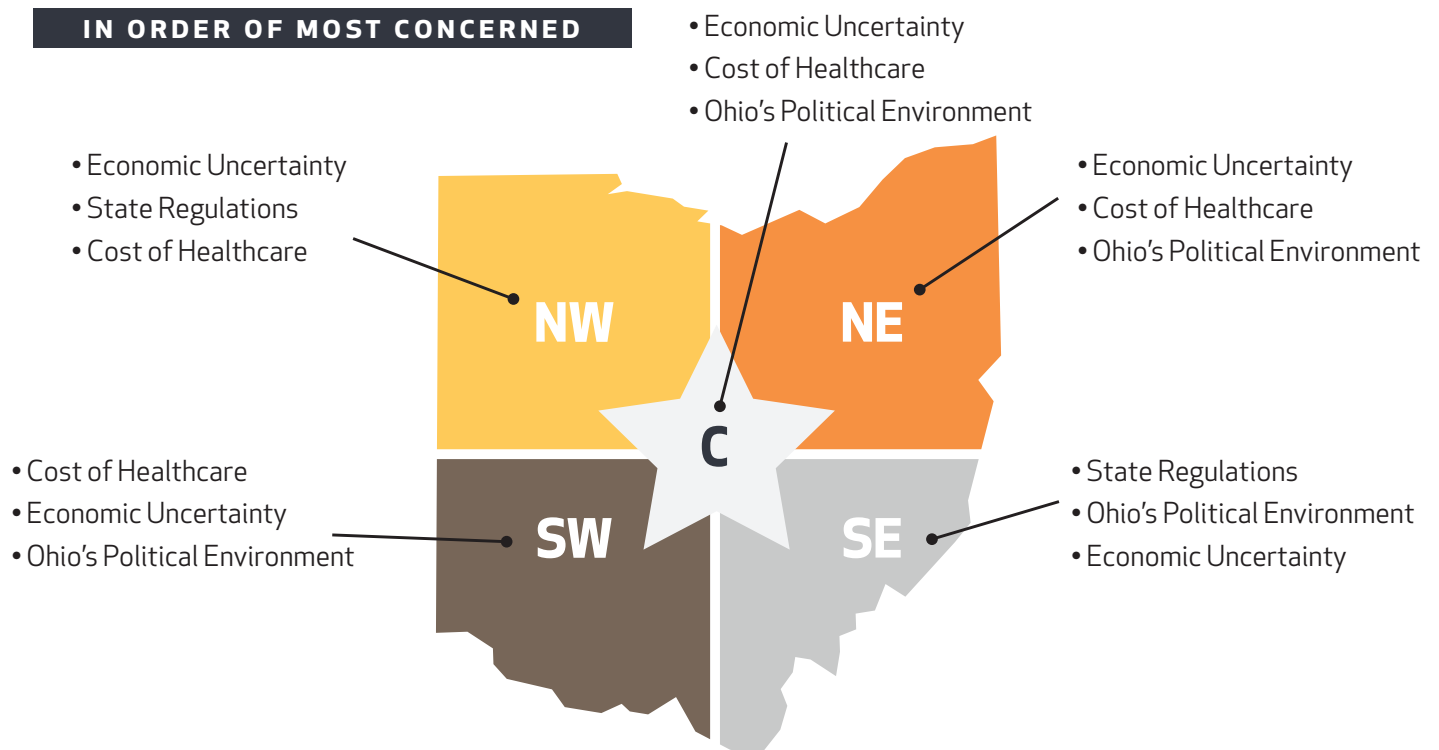
Percentage of business leaders that say the economic climate is...



TOP 5 CONCERNS *of* OHIO BUSINESS LEADERS

2Q 2020	1Q 2020 (Last quarter)	2Q 2019 (Last year)
1. Economic Uncertainty	1 <->	5 ↑
2. Cost of Healthcare	2 <->	1 ↓
3. Ohio's Political Environment	10 ↑	7 ↑
4. State Regulations	4 <->	9 ↑
5. Cost of All Employee Benefits	3 ↓	2 ↓

TOP CONCERNS *by* REGION:

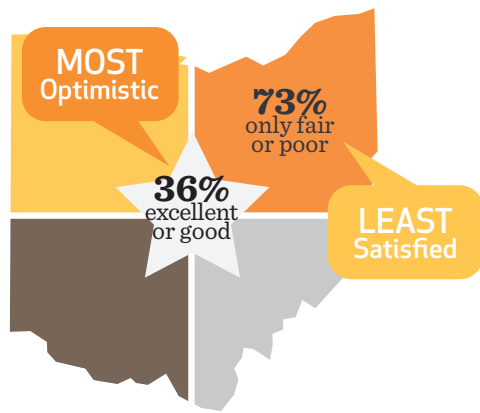


THE NATION COMPARED TO OHIO

Most Important Issue Is...

ISSUE	NATION	OHIO
Quality of Labor	21%	9.4% (3rd)
Taxes	18%	4.0% (5th)
Government Regulations	14%	10.4% (2nd)

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



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

Central Ohio 36% excellent or good

Least Satisfied?

Northeast Ohio 73% only fair or poor

FINDINGS of NOTE

The **CONSTRUCTION** industry sees the brightest outlook for profits, with **50%** of respondents indicating they anticipate profits to increase quarter-over-quarter.

Economic uncertainty continues to give businesses in the **MANUFACTURING** industry worries, with **91.4%** of respondents indicating they were either very or somewhat concerned.

Businesses in **SOUTHWEST OHIO** have strong concerns about Ohio's political environment, with **43.2%** indicating the highest level of concern on our survey.

RETAIL businesses expect to see a sharp rebound in hiring, with **62.5%** of respondents from that sector indicating they plan to add to their employee headcounts in the next quarter.

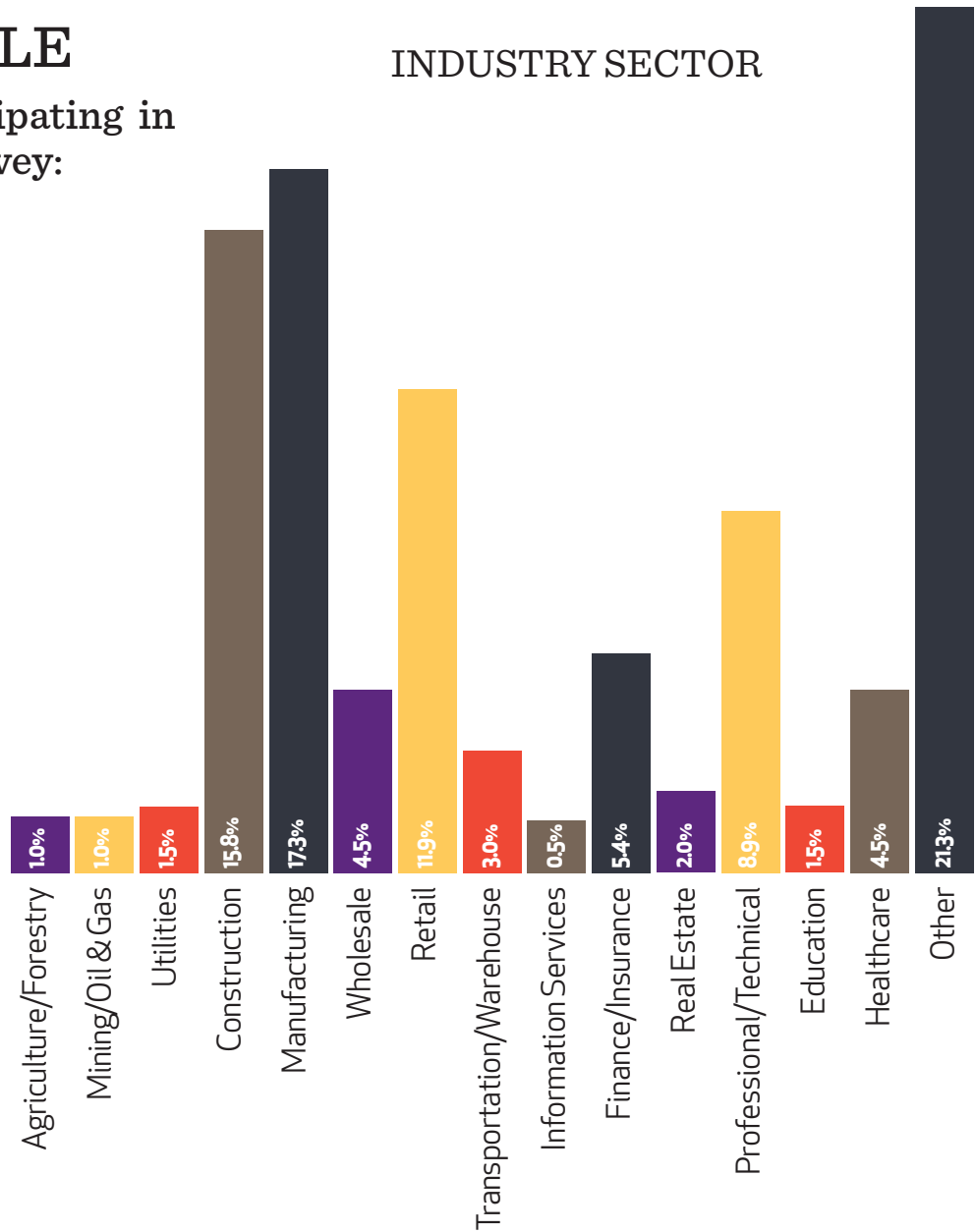
SURVEY PROFILE

Business Leaders Participating in 2Q Prosperity Pulse Survey:

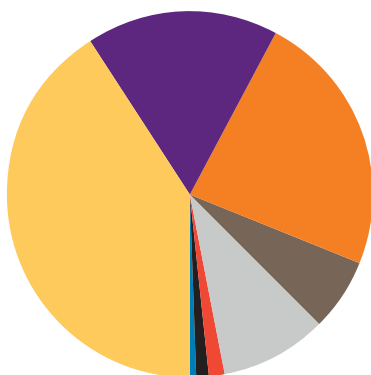
The Ohio Chamber of Commerce Research Foundation partnered with Clout Research to conduct the *Prosperity Pulse*, a quarterly survey of business leaders in various sectors across the State of Ohio regarding the strength of their companies and the state economy.

The survey included 404 respondents who completed survey interviews online and on the telephone with live agent interviewers between July 20-August 13, 2020. It carries a confidence interval of 95% and a margin of error of +/- 4.9 percentage points.

INDUSTRY SECTOR

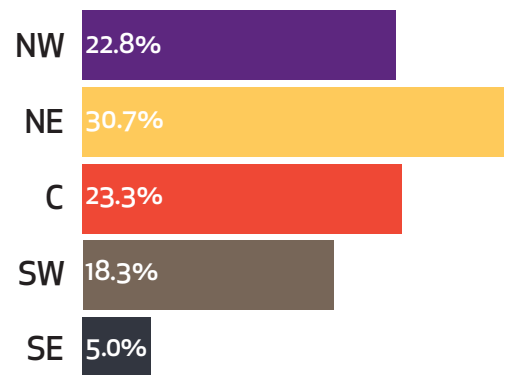


BY COMPANY GROSS REVENUE



Under \$500k	41.1%
\$500k-\$999k	16.8%
\$1M-\$5M	23.3%
\$6M-\$10M	6.4%
\$11M-\$50M	9.4%
\$51M-\$100M	1.5%
\$101M-\$500M	1.0%
\$501M-\$999M	0.5%

REGION



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