



PROSPERITY
PULSE

INSIGHT FROM OHIO BUSINESS LEADERS



**Research
Foundation**

Thank you for participating in the Ohio Chamber Research Foundation’s 4th Quarter 2019 *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 your participation.

This quarter, the *Prosperity Pulse* Index bounced back to 118, its 4th highest reading in survey history. Nearly 40 percent of business owners expect to have a profitable 1st Quarter of 2020, and a majority (52%) have a positive outlook on the future of the economy overall, which is an increase of 20 points. These results reflect the strong market performance to close the year and belief that the recently enacted United States-Mexico-Canada Agreement (USMCA) will contribute to increased economic growth. Additionally, one in four respondents to our survey reported having current job openings, providing more opportunity for job-seeking Ohioans.

Continuing to lead the list of issues of concern for business leaders is the cost of healthcare, having now found itself in the top position for three full years of quarterly surveys. While the cost of employee benefits remains in second position for this quarter, concerns over identifying and attracting qualified workforce talent have risen to third for the 4th Quarter survey. State and local taxes continue to be a priority, but fall two spots to round out the top five.

Please enjoy the highlights of the latest *Prosperity Pulse*, and again, thank you for sharing your insights!

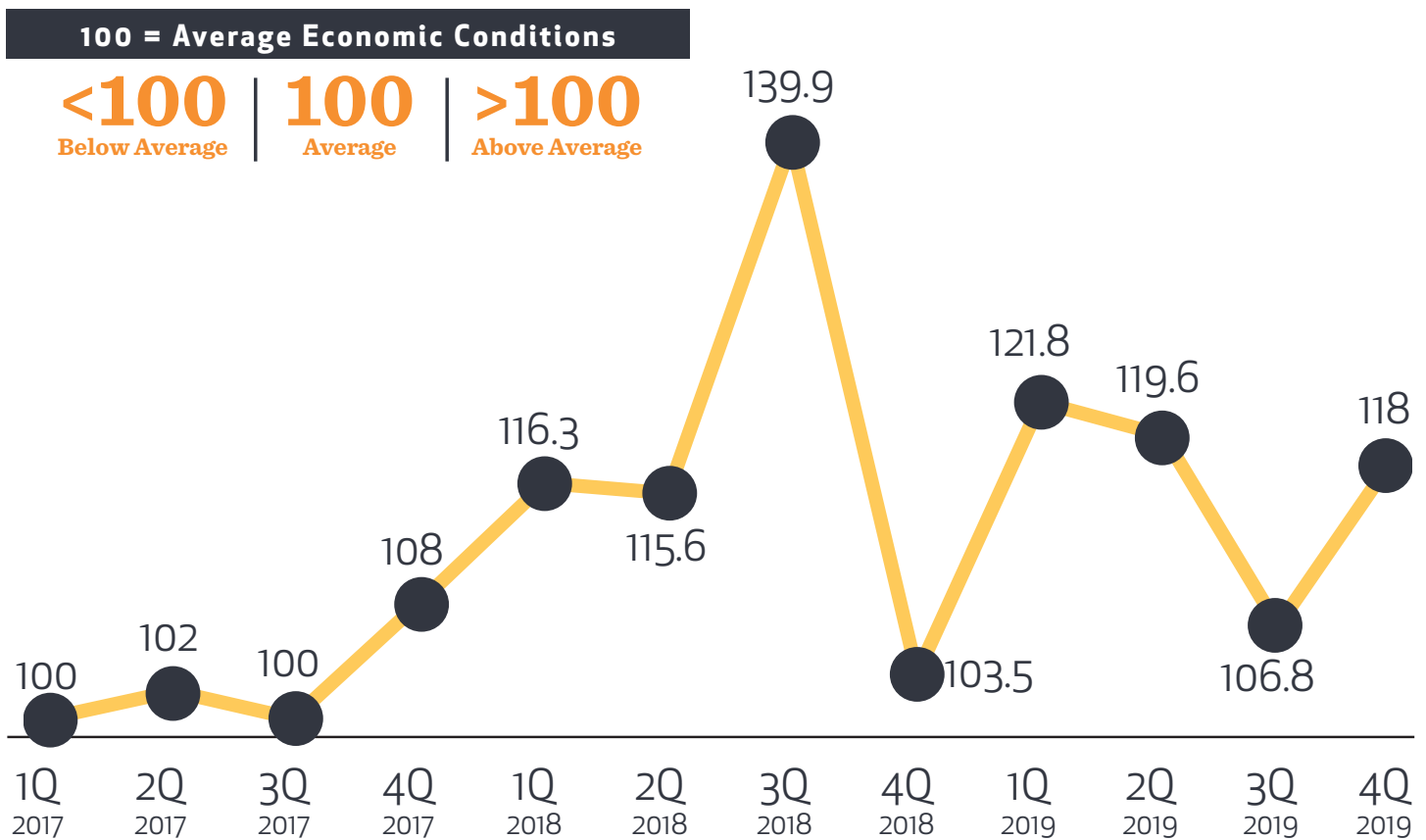
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ABOUT THE OHIO CHAMBER OF COMMERCE RESEARCH FOUNDATION

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

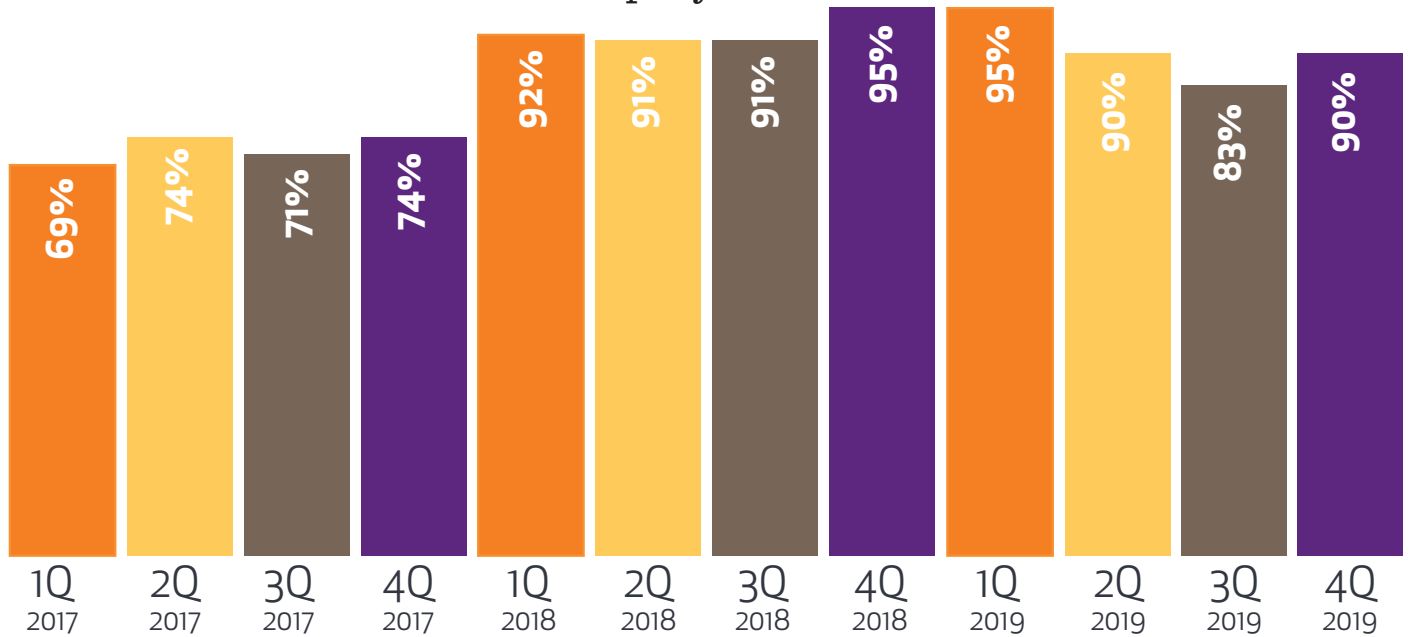
The *Prosperity Pulse* is an index measurement of the economic health of Ohio companies, taking into consideration the future outlook of five key indicators: profits, employment levels, unfilled openings, capital expenditures, and overall economic optimism. *Note that starting with polls conducted in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



Prosperity Pulse Components	4Q Positive	Change from 3Q	Change from 4Q 2018
Anticipated Profits	37%	+8 ↑	+12 ↑
Plans to Add Jobs	84%	-8 ↓	-16 ↓
Unfilled Jobs	25%	+4 ↑	+14 ↑
Planned Capital Expenditures	19%	-6 ↓	+4 ↑
Overall Economic Outlook	52%	+20 ↑	+12 ↑

OPTIMISM

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



ECONOMIC CLIMATE

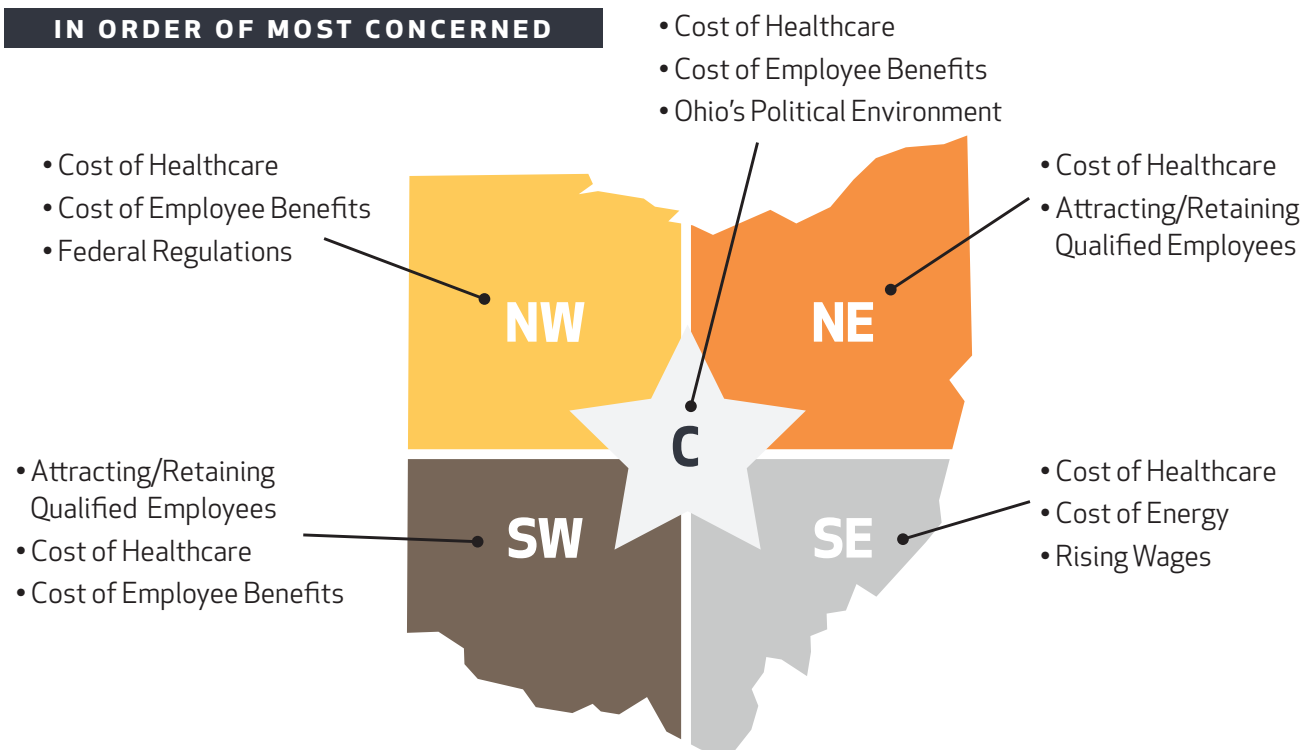
Percentage of business leaders that say the economic climate is...



TOP 5 CONCERNS *of* OHIO BUSINESS LEADERS

4Q 2019	3Q 2019 (Last quarter)	4Q 2018 (Last year)
1. Cost of Healthcare	1 <->	1 <->
2. Cost of All Employee Benefits	2 <->	3 ↑
3. Workforce	T4 ↑	12 ↑
4. Ohio's Political Environment	T4 <->	T4 <->
5. State / Local Taxes	3 ↓	T4 ↓

TOP CONCERNS *by* REGION:

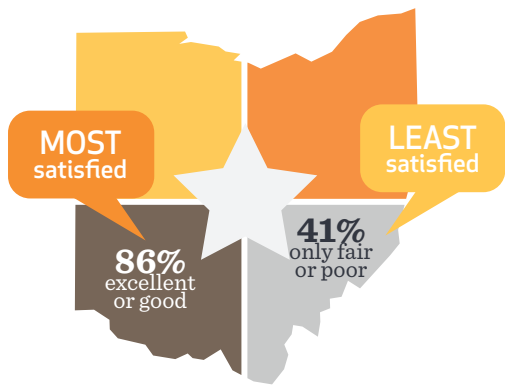


THE NATION COMPARED TO OHIO

Most Important Issue Is...

ISSUE	NATION	OHIO
Quality of Labor	26%	16.7% (1st)
Taxes	17%	7.9% (4th)
Government Regulations	13%	12% (3rd)

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



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

Southwest Ohio 86% excellent or good

Least satisfied?

Southeast Ohio 41% only fair or poor

FINDINGS of NOTE



Businesses in NE Ohio have the brightest outlook on the economy, with **58.6%** of respondents indicating they expect improved economic activity moving forward.

The **CONSTRUCTION** industry expressed the most concern about workforce issues, with **64.8%** of respondents indicating they were very concerned.

Job opportunities are currently strongest in SW Ohio, where **57.3%** of respondents indicated they had unfilled positions at their companies.



Cost of employee benefits is weighing on the minds of business leaders in the **MANUFACTURING** industry, with **92.5%** of respondents expressing they were very or somewhat concerned with the issue.

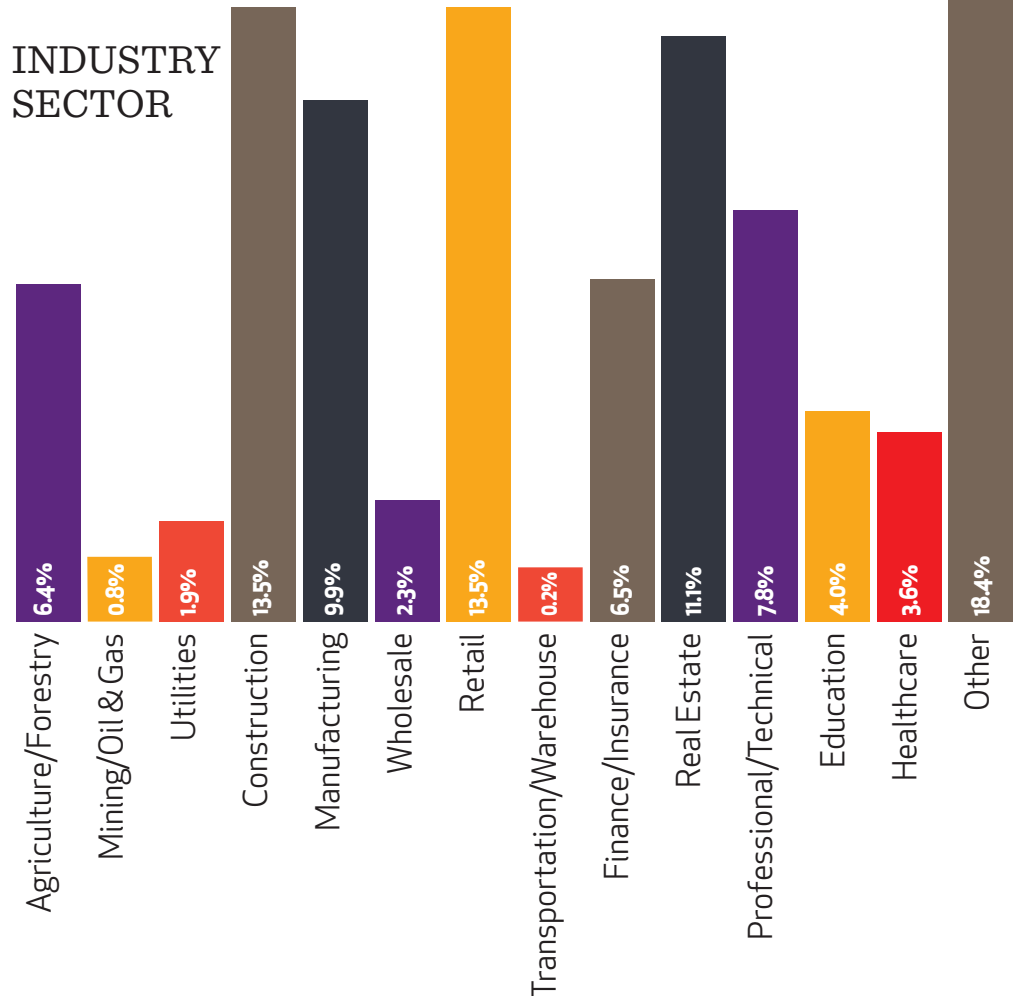
SURVEY PROFILE

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.

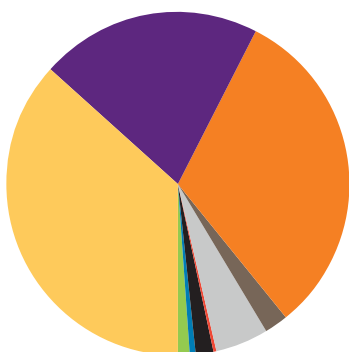
The survey included 406 respondents who completed survey interviews online and on the telephone with live agent interviewers in January-February, 2020. It carries a confidence interval of 95% and a margin of error of +/- 4.79 percentage points.

BUSINESS LEADERS PARTICIPATING IN 3Q *PROSPERITY PULSE* SURVEY:

INDUSTRY SECTOR

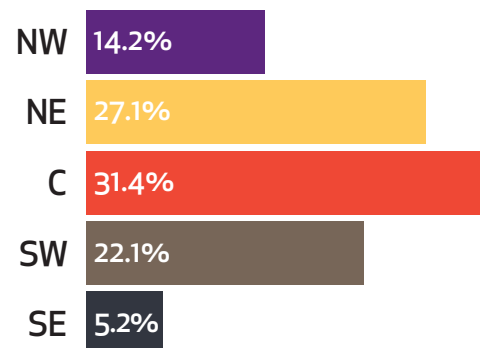


BY COMPANY GROSS REVENUE



Under \$500k	36.6%
\$500k-\$999k	20.9%
\$1M-\$5M	31.6%
\$6M-\$10M	2.2%
\$11M-\$50M	5.1%
\$51M-\$100M	0.3%
\$101M-\$500M	1.6%
\$501M-\$999M	0.5%
\$1B+	1.1%

REGION



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