

PROSPERITY
PULSE

INSIGHT FROM OHIO BUSINESS LEADERS



**Research
Foundation**

Thank you for participating in the Ohio Chamber Research Foundation’s 3rd 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.

Results from this quarter show the Prosperity Pulse falling just over 10 percent, from its 2Q mark of 119.6 down to 106.8. While still showing a generally positive view of Ohio’s economic outlook, this drop corresponds with a national dip in economic data and sentiment. In recent weeks, news related to the ongoing inquiry into potential presidential impeachment, uncertainty regarding trade negotiations with China and Congress’ inaction on the new US-Mexico-Canada Agreement, and concerns about a deepening national political divide have all found their way to the forefront.

In positive news, business owners in Ohio have strong hiring plans, as 92 percent of respondents to our survey planned to add jobs in the next quarter in sectors across the economy. This is an increase of 8 points from the 2nd Quarter survey, and speaks to the continued optimism shared by 83 percent of respondents about the future of their companies. While the cost of healthcare remains the largest concern of business leaders, state and local taxes climb the ranks again this quarter, and workforce issues land among the top five.

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

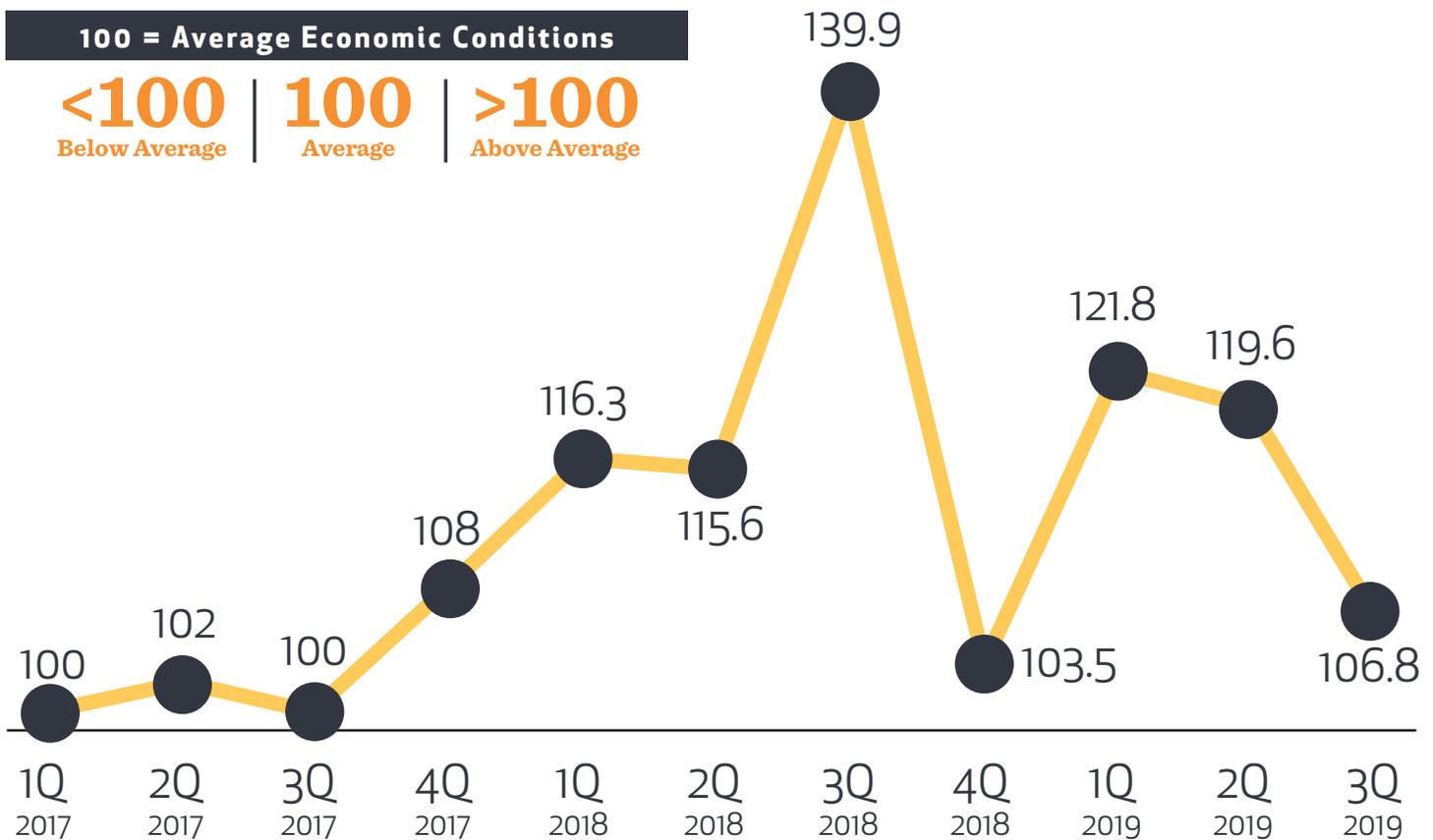
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ABOUT THE OHIO CHAMBER OF COMMERCE RESEARCH FOUNDATION

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

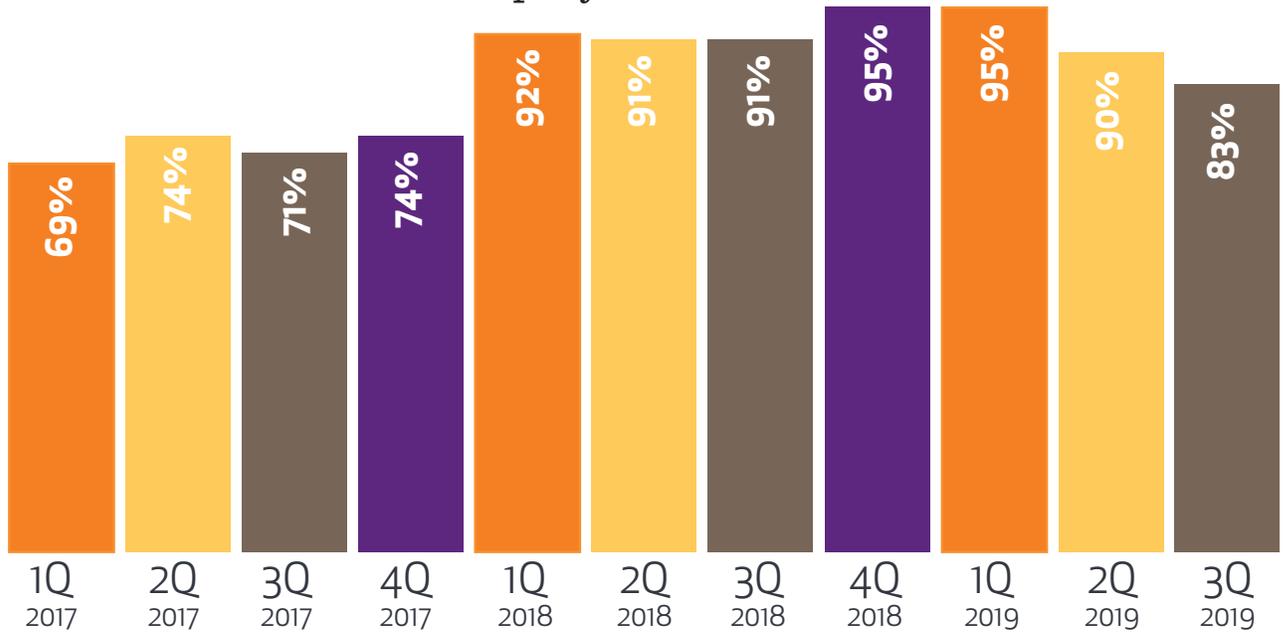
The *Prosperity Pulse* is an index measurement of the economic health of Ohio companies, taking into consideration the future outlook of five key indicators: profits, employment levels, unfilled openings, capital expenditures, and overall economic optimism. *Note that starting with polls conducted in 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	3Q Positive	Change from 2Q	Change from 3Q 2018
Anticipated Profits	29%	-5 ↓	-29 ↓
Plans to Add Jobs	92%	+8 ↑	-6 ↓
Unfilled Jobs	21%	-/+0 <->	-14 ↓
Planned Capital Expenditures	25%	-3 ↓	-47 ↓
Overall Economic Outlook	32%	+2 ↑	-17 ↓

OPTIMISM

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



ECONOMIC CLIMATE

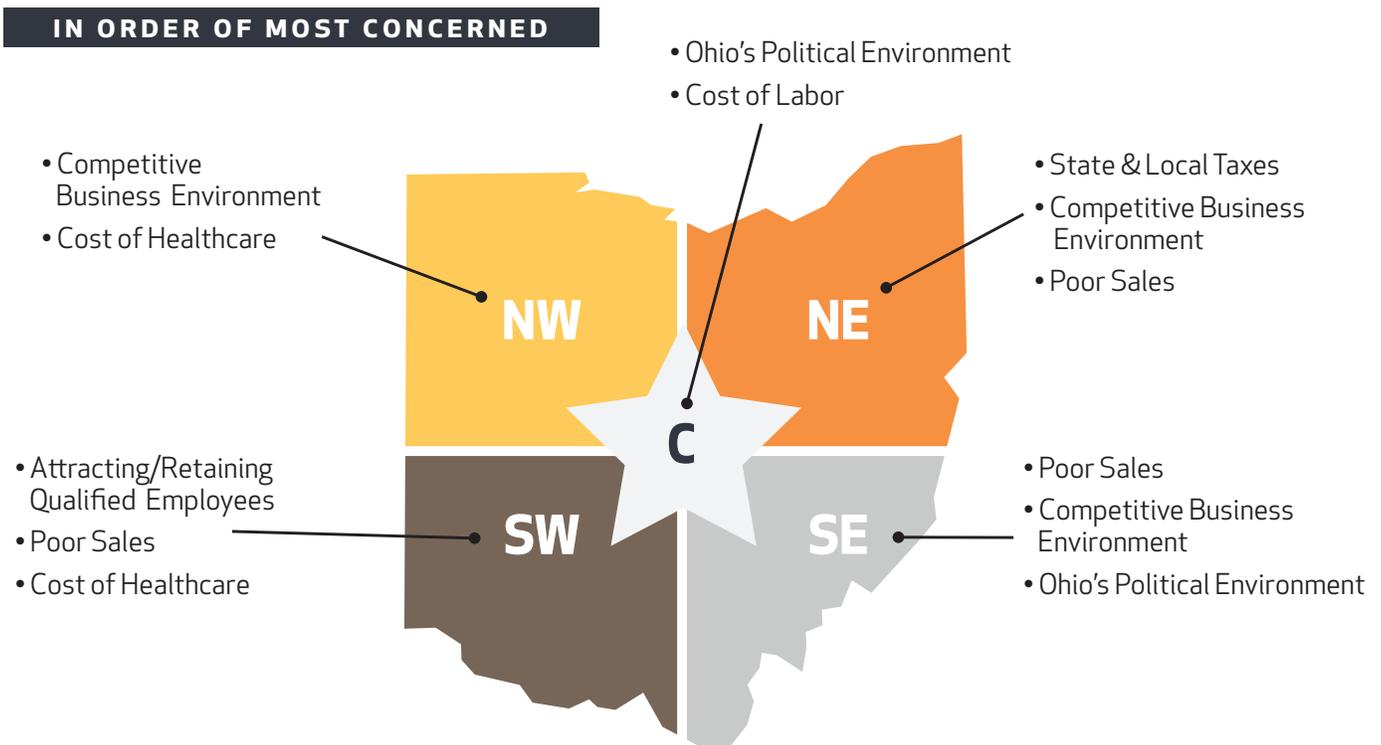
Percentage of business leaders that say the economic climate is...



TOP 5 CONCERNS *of* OHIO BUSINESS LEADERS

4Q 2019	2Q 2019 (last quarter)	3Q 2018 (last year)
1. Cost of Healthcare	1 <->	1 <->
2. Cost of All Employee Benefits	2 <->	3 ↑
3. State / Local Taxes	4 ↑	9 ↑
4. Workforce	6 ↑	4 <->
5. Ohio's Political Environment	7 ↑	2 ↓

TOP CONCERNS *by* REGION:

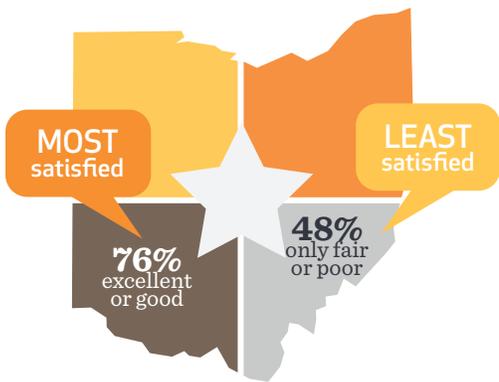


THE NATION COMPARED TO OHIO

Most Important Issue Is...

ISSUE	NATION	OHIO
Quality of Labor	25%	10.9% (6th)
Taxes	15%	11.4% (3rd)
Government Regulations	13%	13% (1st)

National Comparison: NFIB Research Foundation Small Business Optimism Index, October 2019



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

Southwest Ohio 76% excellent or good

Least satisfied?

Southeast Ohio 48% only fair or poor

FINDINGS of NOTE



The AGRICULTURE industry remains worried about economic uncertainty,

with **40%** of respondents saying they are very concerned about the issue.

Hiring was strongest in NE Ohio in the previous quarter,

with **96.8%** of business owners reporting that they added to their headcounts during the last three months.

PROFESSIONAL SERVICES businesses are expecting a strong close to the year, with

51.9% expecting a better 4th Quarter for their operations than they experienced in the 3rd Quarter.



Businesses in the WHOLESALE industry are anticipating the largest increase in business expenses,

with **85.7%** of business owners indicating they expect greater than 10 percent growth in their overall costs.

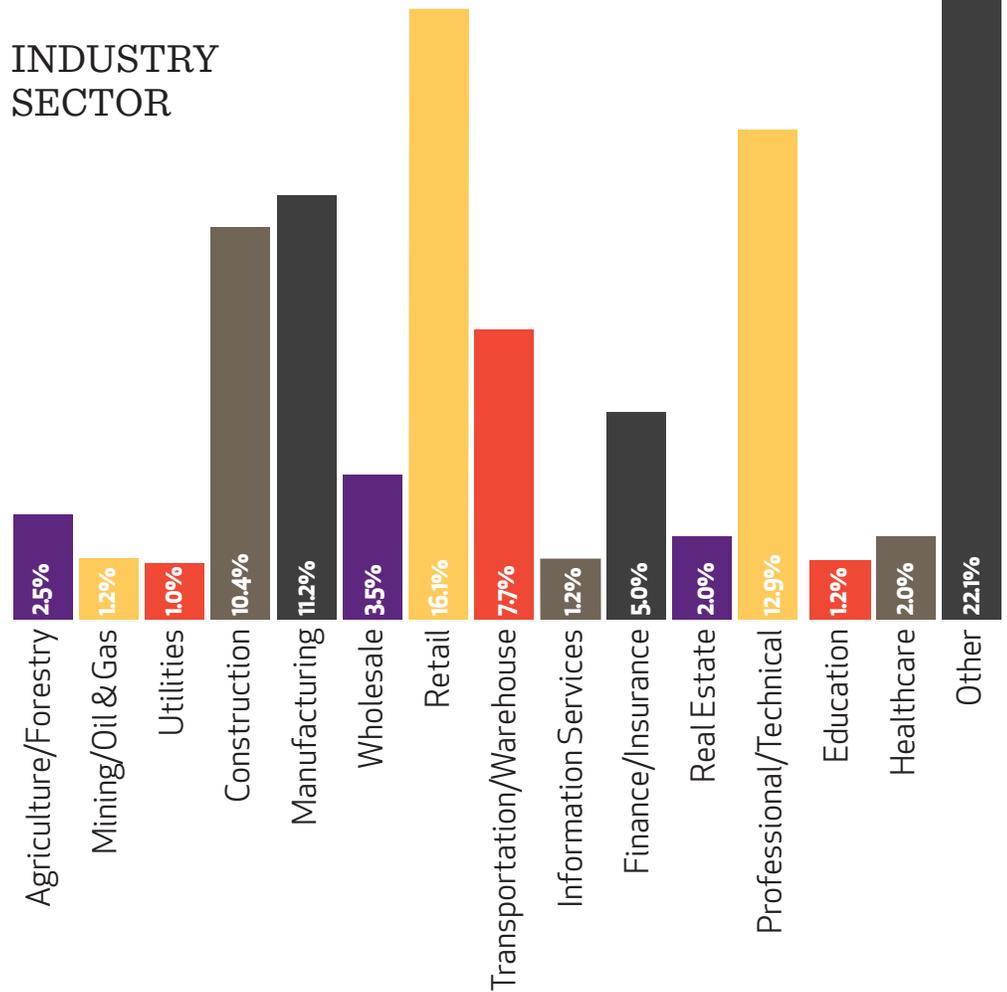
SURVEY PROFILE

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.

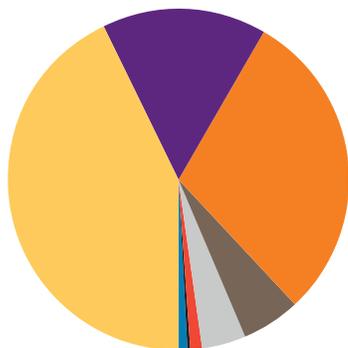
The survey included 403 respondents who completed survey interviews online and on the telephone with live agent interviewers between October 28-November 19, 2019. It carries a confidence interval of 95% and a margin of error of +/- 4.86 percentage points.

BUSINESS LEADERS PARTICIPATING IN 2Q PROSPERITY PULSE SURVEY:

INDUSTRY SECTOR

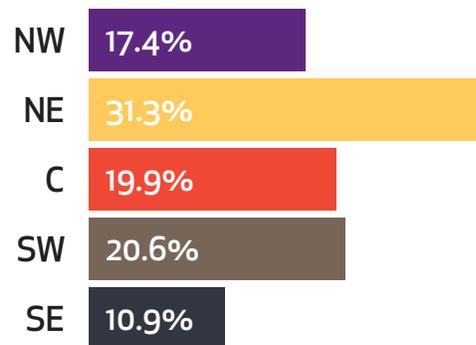


BY COMPANY GROSS REVENUE



Under \$500k	42.9%
\$500k-\$999k	15.4%
\$1M-\$5M	29.8%
\$6M-\$10M	5.5%
\$11M-\$50M	4.2%
\$51M-\$100M	1.2%
\$501M-\$999M	0.2%
\$1B+	0.7%

REGION



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