

FROM THE NATIONAL CENTER FOR THE MIDDLE MARKET  
IN COLLABORATION WITH THE OHIO CHAMBER OF COMMERCE



# STATE OF THE MIDDLE MARKET IN OHIO

After being hit hard by the recession, Ohio's middle market has enjoyed a significant rebound. Despite key challenges, performance is strong and the outlook is bright.



NATIONAL CENTER FOR  
THE MIDDLE MARKET

In Collaboration With



THE OHIO STATE UNIVERSITY  
FISHER COLLEGE OF BUSINESS



GE Capital



# STRONG PAST YEAR PERFORMANCE

Ohio's middle market is growing across all industry segments



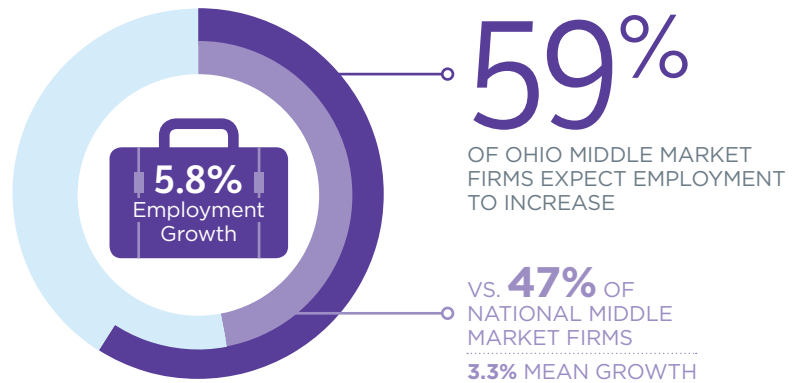
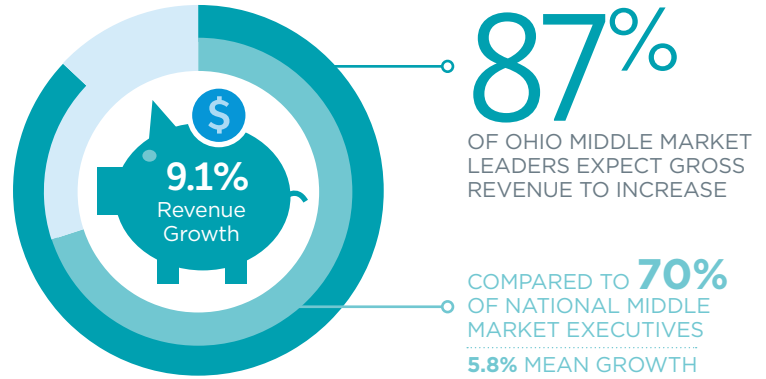
**52%** believe their company is outperforming its competitors

NEW CUSTOMERS ARE DRIVING GROWTH

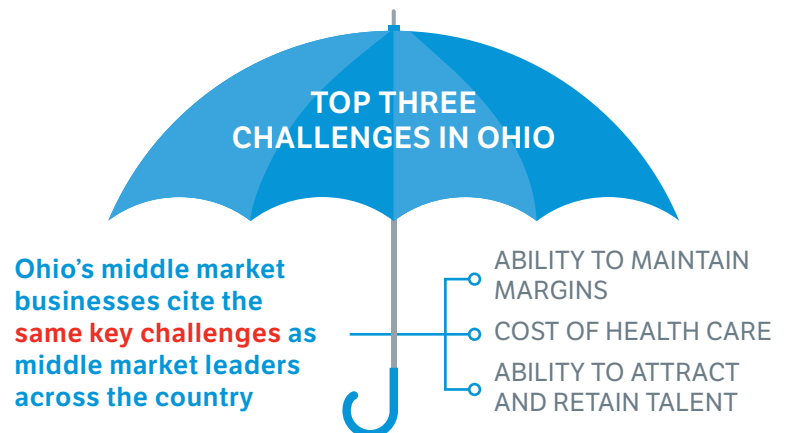
**57%** of firms increased their customer base over the past 12 months

# EXTREMELY POSITIVE OUTLOOK

More than **40%** of Ohio middle market firms expect industry expansion in the coming year



## LEADERS CONFRONT UNIVERSAL CHALLENGES



# GREATER CONFIDENCE IN THE ECONOMY



82%

AT LEAST SOMEWHAT  
CONFIDENT IN THE  
LOCAL ECONOMY



80%

AT LEAST SOMEWHAT  
CONFIDENT IN THE  
STATE ECONOMY



62%

AT LEAST SOMEWHAT  
CONFIDENT IN THE  
US ECONOMY



42%

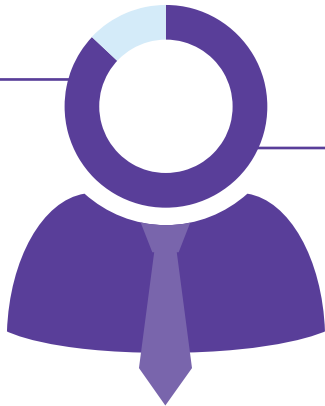
AT LEAST SOMEWHAT  
CONFIDENT IN THE  
GLOBAL ECONOMY

## NEED HELP ADDRESSING **THE SKILLS GAP**

Firms are primarily adding jobs in operations, marketing and sales, and manufacturing—the three areas where it is most difficult to find qualified candidates

87%

OF OHIO MIDDLE MARKET LEADERS SAY ATTRACTING, TRAINING, AND RETAINING TALENT IS A CHALLENGE



COMPARED TO NATIONALLY **77%**



**68%** say it is somewhat/extremely difficult to find qualified candidates for open positions



57%

of firms are interested in polices that would promote a local workforce with skills that match company needs

71%

BELIEVE LOCAL EDUCATION CONTRIBUTES TO THE SKILLS GAP



92%

feel an increase in minimum wage would not have an impact on hiring

42%

BELIEVE K-12 STEM EDUCATION IS FAIR/POOR

30%

BELIEVE COMMUNITY COLLEGE STEM EDUCATION IS FAIR/POOR

67% feel the curriculum does not prepare students for jobs

## THE U.S. MIDDLE MARKET

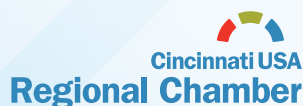
The U.S. middle market is defined by companies with annual revenues between \$10 million and \$1 billion. In addition to their geographic and industry diversity, these companies are both publicly and privately held and include family-owned businesses and sole proprietorships. While the middle market represents approximately 3% of all U.S. companies, it accounts for a third of U.S. private sector GDP and jobs. The U.S. middle market is the segment that drives U.S. growth and competitiveness.



### NATIONAL CENTER FOR THE MIDDLE MARKET

Founded in 2011 in partnership with GE Capital, and located at The Ohio State University Fisher College of Business, The National Center for the Middle Market is the leading source of knowledge, leadership and innovative research on the U.S. middle market economy. The Center provides critical data, analysis, insights and perspectives to help accelerate growth, increase competitiveness and create jobs for companies, policymakers and other key stakeholders in this sector. The Center's website, which offers a range of tools and resources for middle market companies, can be visited at [www.middlemarketcenter.org](http://www.middlemarketcenter.org).

## WITH THE CONTRIBUTION OF:



# OHIO MIDDLE MARKET BUSINESSES DEFINED

NEARLY  
**2MM**  
TOTAL EMPLOYEES

**37%** of total employees in the state

OVER  
**5,000**  
COMPANIES

**1%** of all companies in the state

**400**  
AVERAGE EMPLOYEES PER COMPANY

**\$226 B**

TOTAL ANNUAL REVENUE

**20%** of all revenue created by businesses in the state

**\$42.2 MM**

AVERAGE REVENUE PER COMPANY



**42%** of Ohio Middle Market firms operate entirely in the US.

Ohio middle market firms believe lower corporate tax rates and overall simplicity would be the biggest factors in achieving a pro-growth tax code

## Business resources used by Ohio's middle market firms include:



**56%**  
CONSULTANTS



**52%**  
CHAMBER OF COMMERCE



**47%**  
UNIVERSITIES



**37%**  
ECONOMIC DEVELOPMENT ORGANIZATIONS

**53%** of middle market firms feel the cost/time required to comply with regulations is too high

Copyright © 2014 The Ohio State University and GE Capital Corporation. All rights reserved. This publication provides general information and should not be used or taken as business, financial, tax, accounting, legal, or other advice, or relied upon in substitution for the exercise of your independent judgment. For your specific situation or where otherwise required, expert advice should be sought. The views expressed in this publication reflect those of the authors and contributors, and not necessarily the views of The Ohio State University or GE Capital or any of their affiliates. Although The Ohio State University and GE Capital believe that the information contained in this publication has been obtained from, and is based upon, sources The Ohio State University and GE Capital believe to be reliable, The Ohio State University and GE Capital do not guarantee its accuracy, and it may be incomplete or condensed. The Ohio State University and GE Capital make no representation or warranties of any kind whatsoever in respect of such information. The Ohio State University and GE Capital accept no liability of any kind for loss arising from the use of the material presented in this publication.

**Source:** Survey of C-level Executives of firms operating in Ohio. Self-administered online survey using contacts from various metro Chambers of Commerce, regional Economic Development Organizations, and supplemented with a Research Now online panel. Field period: June 23 - August 27, 2014.