



Business Pulse

2006

Why People Live and Work in Northern Ohio

BUSINESS OWNERS make the best salespersons, especially when it comes to promoting the place that they call home. The 35,000 businesspeople represented by the Northern Ohio Area Chambers of Commerce (NOACC) are perhaps the region's best ambassadors. In honor of its 10th anniversary, NOACC wanted to give them and other business managers a voice – to hear directly from them what they feel are the good points about living and working in Northern Ohio, and what they feel are barriers to business growth. The BusinessPulse 2006 study was the result.

With support from Anthem Blue Cross and Blue Shield, NOACC surveyed thousands of business owners and senior managers in the northern part of the state, including members of 120 Chambers of Commerce from Youngstown to the Indiana border. The BusinessPulse 2006 study sought to answer several questions:

- what do businesspeople enjoy most and least about living and working in Northern Ohio?
- what factors would be most responsible for encouraging young adults to settle here after college?
- what barriers to business growth exist that must be removed?
- how well can businesspeople themselves communicate to others the positive attributes of building a business in Northern Ohio?

Conducted independently by Kent State University's Bureau of Research, the study is based on 786 completed surveys and has a ± 4 percent margin of error.

Summary Results

The surveys were tabulated and analyzed using Chi-Square and Analysis of Variance (ANOVA) statistical procedures for significance. Here are the key findings:

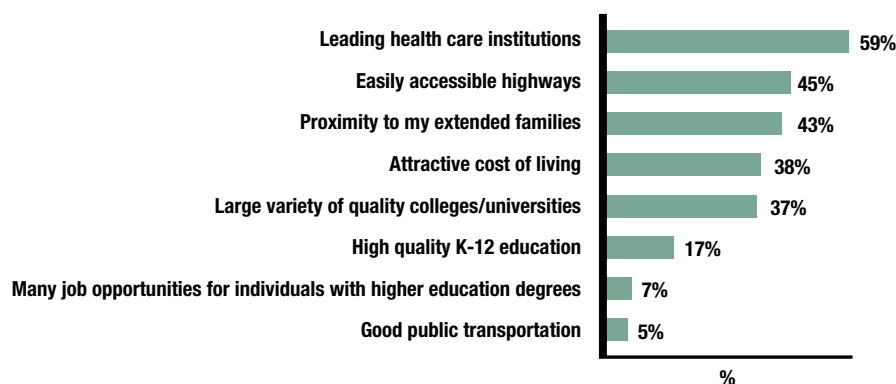
- Health care, affordability, and higher education are leading strengths of our region.
- Factors driving business growth include: a growing economic/business environment, tax policy, health care, and cost of living.
- Good jobs, business growth, and a low cost of living are the factors that will keep young adults from leaving the region. These are the *have* to have factors – the factors that the region must have to attract young adults.
- *Nice* to have factors are cultural amenities, cultural diversity, and proximity to family. These factors may be attractive to young adults, but are not considered to be vitally important to keeping them in the region, according to survey respondents.

Detailed data are shown in the following charts. Keep in mind that the opinions of respondents reflect their perceptions. Economic development experts may have a different view on issues around economic development.

1. Quality of Life

When asked to identify factors that added to the quality of life in Northern Ohio, survey respondents throughout the region placed health care institutions at the top of the list, and education/existing job opportunities near the bottom:

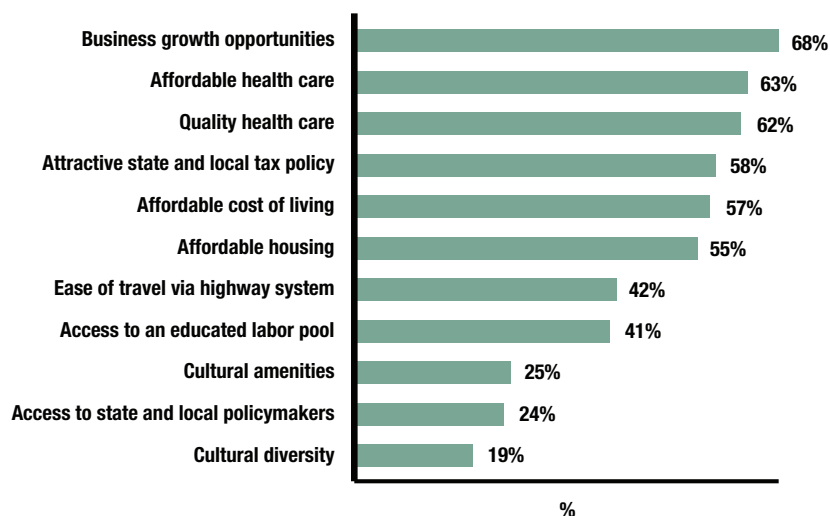
Percent who “strongly agree” that Northern Ohio has:



2. Critical Success Factors

Respondents were asked to identify which of 11 factors were most critical for making their businesses grow or be successful. At the top of the list was “business growth opportunities” at 68 percent, followed by “affordable health care” at 63 percent and “quality health care” at 62 percent:

To what extent are the following issues critical to your business success/growth in Northern Ohio?

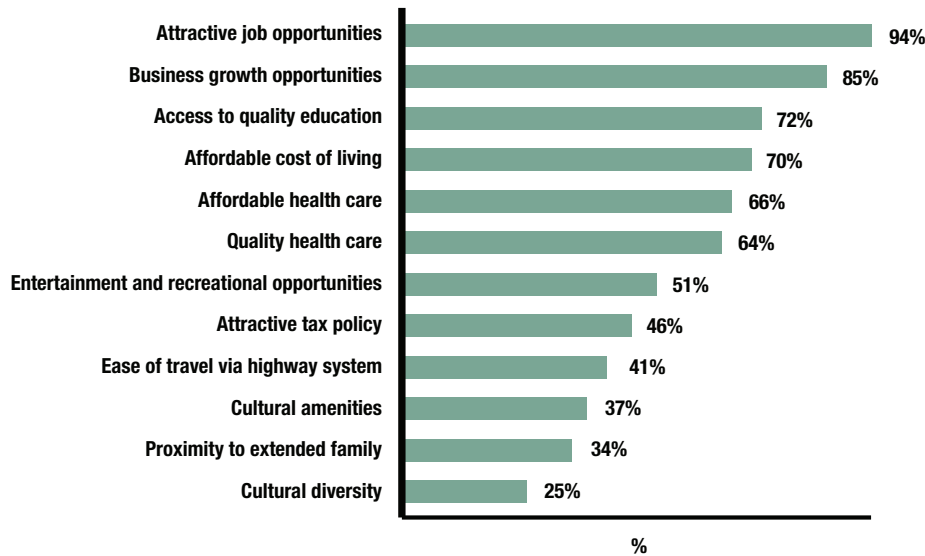


These responses are consistent with the results of the previous question. Respondents consider affordability and quality health care to be both strengths of the region as well as critical to growing their businesses.

3. Bringing the Kids Home

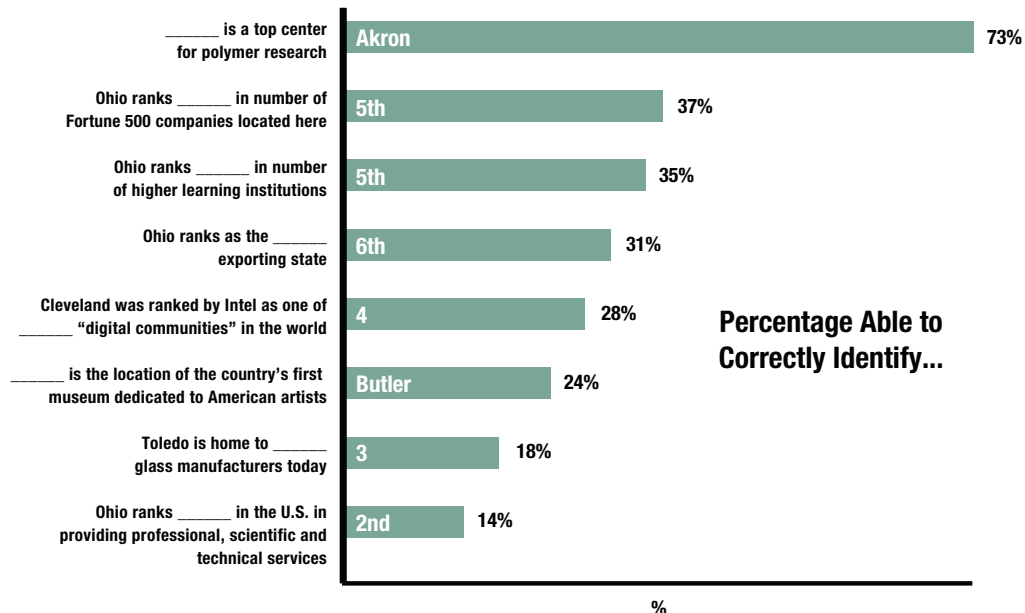
In fact, affordability topped the list of features that would be most effective in encouraging young adults to settle in Ohio. But it begins, predictably, with the need to ensure they can find jobs they find enticing:

Which of the following are critical to encouraging your children to live here?



4. Are Ohio Business Owners Good Ambassadors?

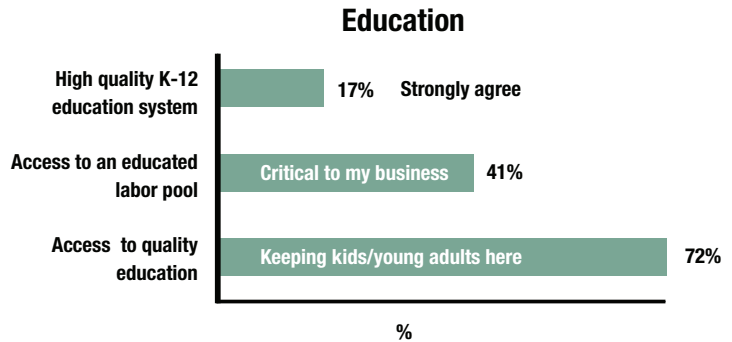
The survey found that local business people must become better informed about the economic clout and cultural assets of Northern Ohio, before they can become effective ambassadors for the region. About two-thirds of respondents could not correctly identify basic features of Ohio’s economic clout and cultural amenities. The exception is Akron’s polymer industry: 73 percent were able to select Akron from a list of Ohio cities as the top polymer research center.



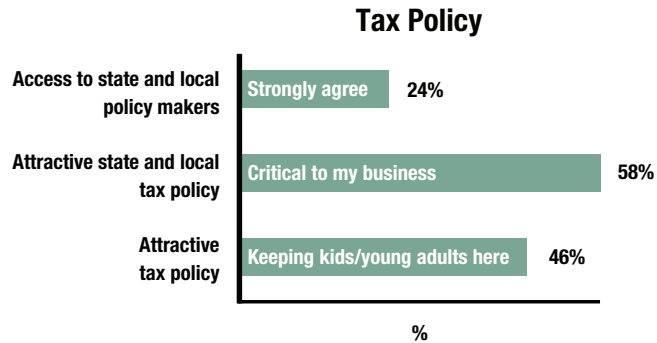
Non-Aligning Factors

The survey revealed several areas where respondent perceptions did not align with the factors that they said were important to living and working in the Northern Ohio.

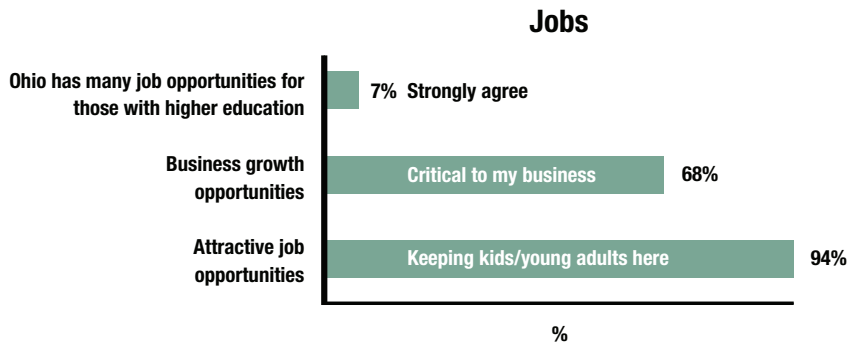
■ Forty-one percent said access to educated workers is important for business growth and 72 percent said access to quality education is important to retaining young adults in the region. Yet only 17 percent strongly agreed that the region has a high quality K-12 education system. Actually, Ohio ranks 10th among the states in the standardized tests for fourth grade math, and ranks 12th in reading. Those scores put Ohio ahead of neighboring states Indiana, Pennsylvania, West Virginia, Kentucky, and Michigan.



■ While more than half said that attractive tax policies were critical to their businesses, few people felt it was important enough to get actively involved. Less than one quarter strongly agreed that access to policy makers was important for growing their businesses.



■ “Attractive job opportunities” was the most cited factor (94 percent) in keeping young adults in the region. However, only seven percent strongly agree that Ohio has many job opportunities for college graduates.

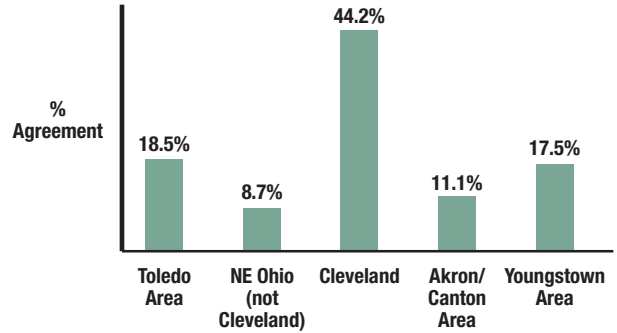


■ Although 70 percent of respondents feel that affordability is important to keeping young adults in the region after college, only 38 percent think that the region has an attractive cost of living. In fact, Ohio’s cost of living is actually lower than the national average, and several parts of Northern Ohio enjoy a cost of living that is more than 10 percent lower than average.

Responses by Zip Code

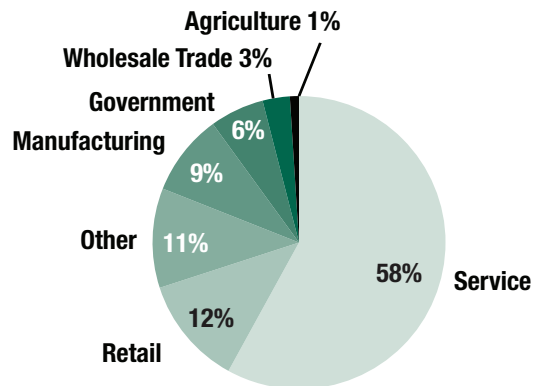
Analysis of the survey responses shows regional differences emerged within Northern Ohio.

- 94 percent of survey respondents strongly agreed or agreed that Ohio has excellent health care. Disagreement with this statement was near zero in Cleveland and Akron, but higher in Toledo (12 percent) and Youngstown (16 percent).
- Respondents in Toledo feel better about K-12 educational system than the survey respondents overall. In that area, 90 percent strongly agreed/agreed that Ohio provides a strong K-12 education, compared to 70 percent for the overall pool of respondents.
- 44 percent of respondents overall strongly agreed or agreed that there are many job opportunities in Ohio for individuals with higher education degrees.
 - The most optimistic about this were in Canton/Akron, where 61 percent strongly agreed/agreed with that statement.
 - Those least likely to agree with that statement were those in the Youngstown area.



Demographics

A majority of the respondents work in service industries, a statistic that represents the changing nature of the overall U.S. economy.



Anthem  This survey was conducted with the generous support of Anthem Blue Cross and Blue Shield

About Anthem Blue Cross and Blue Shield

Anthem Blue Cross and Blue Shield is a subsidiary of WellPoint, Inc. (NYSE: WLP). WellPoint, Inc. is an independent licensee of the Blue Cross and Blue Shield Association and serves its members as the Blue Cross licensee for California; the Blue Cross and Blue Shield licensee for Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri (excluding 30 counties in the Kansas City area), Nevada, New Hampshire, Ohio, Virginia (excluding the Northern Virginia suburbs of Washington, D.C.), Wisconsin; and through HealthLink and UniCare. Additional information about WellPoint is available at www.wellpoint.com. In Northern Ohio, Anthem Blue Cross and Blue Shield may be reached by dialing 1-800-551-3119.

About NOACC

The Northern Ohio Area Chambers of Commerce, celebrating its 10th year, is the nation's largest association of independent chambers of commerce. Representing more than 120 chambers from around Northern Ohio, it offers competitive cost-savings benefits and services for nearly 35,000 member businesses. NOACC uses its partnership buying power to provide chambers with health care benefits and other programs they would not be able to offer on their own.



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