

An Economic Analysis of Goering Center Member Businesses

April 12, 2021

Table of Contents

Executive Summary.....	2
Introduction	6
Methodology.....	6
Peer Region Benchmarking	6
Economic Impact.....	7
Membership Survey	8
Peer Region Benchmarking	8
Economic Impact of Core Member Businesses	14
Fiscal Impact of Core Member Businesses	15
Membership Survey	16
Core Member Results	17
Associate Member Results	22
Corporate Partner Results.....	23
Conclusion.....	24

Executive Summary

Launched in 1989, the Goering Center for Family and Private Business (Goering Center) has grown into one of the nation's largest university-based educational non-profit for family and private businesses, with more than 400 members. The Goering Center assists family and private businesses in Greater Cincinnati in a variety of ways including professional development training, educational programming, and roundtable discussions, which provide multiple avenues from which businesses can learn from leading experts and one another. The Goering Center offers its members and community partners programs that focus on the challenges that face family and private businesses of all sizes.

The Goering Center engaged the Economics Center to examine the economic impact of Core Member businesses within the Cincinnati Metropolitan Statistical Area economy. This Region consists of fifteen counties in Ohio, Kentucky, and Indiana.¹ The Economics Center quantified the aggregated economic impact of the Goering Center's Core Members including direct and indirect economic output, direct and indirect jobs supported, and the associated earnings from jobs supported.

Using publicly available data, the Economics Center established a baseline for continual measurement of the Cincinnati MSA's economy and the impact of Goering Center's Core Member businesses on the Region.

The Economics Center created and distributed a survey to Goering Center Members, both Core and Associate, as well as its Corporate Partners. The purpose of the survey was to engage members and affiliates regarding their sentiment towards the current (at the time of survey completion) state of the economy and to determine their level of optimism for the future state of the economy as well as to collect information regarding the level of engagement and satisfaction with the Goering Center. It is to be noted, however, that the survey was administered in October 2020 in the midst of the Coronavirus pandemic.

Peer City Benchmarking

To understand the economic context in which Goering Center members conduct business, the Economics Center performed an analysis comparing the Cincinnati MSA to peer regions on key economic variables.² To visualize the relative economic performance of the Cincinnati MSA, the peer region analysis examines population, median household income, labor force participation rate, unemployment, gross domestic product (GDP), and GDP per capita in Cincinnati and its peers. All of the geographies and peer regions in the analysis are at the MSA level unless otherwise noted, in which the analysis is at the county level containing the principal city of each MSA.

¹ In Ohio, the included counties are Brown, Butler, Clermont, Hamilton, and Warren. In Indiana, the Region consists of the counties of Ohio, Dearborn, and Franklin. Finally, in Kentucky, the included counties are Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton.

² The peer regions analyzed include Cleveland, Columbus, Indianapolis, Pittsburgh, Charlotte, Denver, and St. Louis.

Over the last two decades, Cincinnati displayed a lower population growth rate and labor force participation rate than its peers. However, the Cincinnati MSA's median household income, unemployment rate, and gross domestic product performed in line with its peers over the last two decades. Most notably, visualizing the Cincinnati MSA's slower population growth rate and average GDP growth together show that Cincinnati has outperformed its peers in terms of GDP per capita growth and is only outpaced by Pittsburgh.

Economic Impact of Core Members

Overall, more than 400 Goering Center Core Member businesses were included as part of this economic impact analysis. This analysis resulted in the total number of establishments, employees, wages, and the abundant spin-off effects of these business operations in the Cincinnati MSA. In 2020, the Goering Center Core Member businesses included in the economic impact analysis:

- Made approximately \$7.4 billion of direct operating expenditures and employed more than 29,366 individuals with wages of nearly \$2.0 billion.
- Generated an additional \$6.1 billion of indirect output, which supported another 34,492 jobs with earnings of \$1.7 billion.
- Created more than \$13.5 billion of total economic output and were responsible for supporting directly and indirectly 63,858 jobs and nearly \$3.7 billion in earnings in the Cincinnati MSA.

Fiscal Impact of Core Members

In addition to quantifying the economic impact of Goering Center's Core Members in the Cincinnati MSA, the Economics Center also calculated the fiscal impacts in terms of local income and sales tax revenue generated for local and state government entities. Goering Center's Core Members included in the economic impact analysis generated:

- \$8.1 million in local sales tax revenue for Ohio Counties.
- \$42.0 million in state sales tax revenue for Ohio, Kentucky, and Indiana.
- \$44.0 million in local earnings tax revenue.

Membership Survey

The Economics Center created and distributed a survey to Goering Center members, both Core and Associate, as well as its Corporate Partners. The purpose of the survey was to engage members and affiliates regarding their level of engagement and satisfaction with the Goering Center. Further, Core Members were asked a series of questions to understand their sentiment towards the current (at the time of survey completion) state of the economy and to determine their level of optimism for the future state of the economy given the Coronavirus pandemic.

Core Member key survey findings include:

- Of Core Member respondents, the largest proportion of businesses (23.7 percent) had conducted between \$10 and \$24.9 million in sales in the last year.

- On average, each Goering Center Core Member employs 67 individuals.
- When asked questions related to the effects of COVID-19, responses indicate that Core Members have been negatively affected by COVID-19 but display resilience and optimism for the future of their businesses.
- Core Members have displayed ingenuity in the face of the Coronavirus pandemic as nearly half (46.2 percent) of Core Members have increased their use of online platforms to offer goods and services. Furthermore, more than half (55.5 percent) of Core Members have created new products or service offerings.
- More than half (55.2 percent) also foresee that general business conditions will be better in six months than they are currently (at the time of survey completion).
- Responses indicated that Core Members are quite satisfied with the Goering Center as the vast majority (89.3 percent) of Core Member respondents are either likely or very likely to recommend the Goering Center to another company.
- Three-quarters (74.8 percent) of Core Member respondents either agree or strongly agree that the Goering Center services and programs meet their needs.
- Core members also report being active with the Goering Center, as 69.7 percent of Core Members sometimes, usually, or always participate in Goering Center programs and events.
- Nearly half (45.4 percent) of Core Members respondents indicated they have become more confident in their business's long-term sustainability since joining the Goering Center.

Associate Member key survey findings include:

- Approximately three-quarters (72.8 percent) of Associate Member respondents indicated that their involvement with the Goering Center had raised their business's profile in the community.
- All Associate Member respondents indicated they are either likely or very likely to recommend the Goering Center to a client. Further, 75.0 percent of respondents reported they had previously referred a company to the Goering Center.

Corporate Partner key survey findings include:

- All Corporate Partners indicated that they are either likely or very likely to recommend the Goering Center to another company.
- The majority (58.3 percent) of Corporate Partners responded that they financially support the Goering Center because they respect and support the Goering Center's work in the community, while one-third of Corporate Partner respondents indicated their primary reason for financial support is that it is a good marketing investment with a strong return on investment from their

company's exposure to the Goering Center Members, and 8.3 percent responded that they support the Goering Center because they want to associate their brand with the Goering Center's good reputation.

Introduction

Launched in 1989, the Goering Center for Family and Private Business (Goering Center) has grown into one of the nation's largest university-based educational non-profit for family and private businesses, with more than 400 members. The Goering Center assists family and private businesses in Greater Cincinnati in a variety of ways including professional development training, educational programming, and roundtable discussions, which provide multiple avenues from which businesses can learn from leading experts and one another. The Goering Center offers its members and community partners programs that focus on the challenges that face family and private businesses of all sizes.

Using publicly available data, the Economics Center established a baseline for continual measurement of the Cincinnati MSA's economy and the impact of Goering Center's Core Member businesses on the Region.

The Goering Center engaged the Economics Center to examine the economic impact of Core Member businesses within the Cincinnati Metropolitan Statistical Area economy. This Region consists of fifteen counties in Ohio, Kentucky, and Indiana.³ The Economics Center quantified the aggregated economic impact of the Goering Center's Core Members including, direct and indirect economic output, direct and indirect jobs supported, and the associated earnings of jobs supported.

The Economics Center created and distributed a survey to Goering Center members, both Core and Associate, as well as its Corporate Partners. The purpose of the survey was to engage members and affiliates regarding their sentiment towards the current (at the time of survey completion) state of the economy and to determine their level of optimism for the future state of the economy and to collect information regarding the level of engagement and satisfaction with the Goering Center.

Methodology

This report's analysis is given in three sections: peer region benchmarking, the economic impact of Core Members, and a survey of Goering Center members. Peer region benchmarking is included as framework to understand recent economic trends in Cincinnati, where Goering Center members conduct business. The economic impact of Core Members is then given to quantify the impact members have on the Cincinnati economy. Finally, the report analyzes a membership survey created and distributed by the Economics Center.

Peer Region Benchmarking

To understand the economic context in which Goering Center members conduct business, the Economics Center prepared a peer region analysis to quantitatively and visually

³ In Ohio, the included counties are Brown, Butler, Clermont, Hamilton, and Warren. In Indiana, the Region consists of the counties of Ohio, Dearborn, and Franklin. Finally, in Kentucky, the included counties are Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton.

interpret possible trends occurring in the Greater Cincinnati region relative to its peers across the United States. For this analysis, the Economics Center utilized data from FRED, the Research and Data division of the Federal Reserve of St. Louis.

Peer regions included were Cleveland, Columbus, Charlotte⁴, Denver, Indianapolis, Pittsburgh, and St. Louis. These cities are primarily in the Midwest, with Denver and Charlotte being exceptions. The peer city analysis provides context that can be used to better understand trends nationally, in other regions, and how Cincinnati's growth in GDP, population, labor force, and a number of other factors, compare to other cities.

Economic Impact

Businesses were identified from a membership list that was provided to the Economics Center by the Goering Center. Companies were matched to unemployment insurance data received from the Ohio Department of Job and Family Services to retrieve the appropriate industry (six-digit NAICS codes), employment figures, and wages. Where necessary, the Economics Center supplemented employment and wage data using industry-specific averages for the Cincinnati MSA economy.

The Economics Center calculated the economic impact of Goering Center's Core Members on the Cincinnati MSA using employment and wage data from the Ohio Department of Job and Family Services and from Emsi, a third-party economic and labor force data provider. These data were then included in an input-output model, which measures the economic activity in each industry and the use of those goods and services by other industries as well as households within the Cincinnati MSA.

Input-output models provide a picture of the direct and indirect economic impacts of a given business or industry in a defined geography. The direct economic impacts Core Member businesses were measured in terms of the number of employees and wages paid to those individuals. In turn, those wages and spent in the Cincinnati MSA economy and support other jobs and spending in other industries, which comprise the indirect economic impacts of a given business's or industry's activity. Finally, the direct and indirect impacts of these inter-industry relationships create induced economic impacts due to the spending of households.

The total economic impact is the sum of the direct impact and the indirect impact. In this analysis, the direct impact is the amount of operations expenditures made directly by Goering Center's Core Member businesses within the Cincinnati MSA. These expenditures also affect other industries by increasing demand, jobs, and wages for the suppliers of these businesses. This is the indirect impact or the additional economic impact. Direct impacts have ripple effects, or induced impacts, due to increases in household income and spending.

Economic multipliers are figures that represent the inter-industry and household relationships measured in the input-output model. For every dollar spend by a given business in a particular industry, multipliers reflect how many additional dollars will be

⁴ Charlotte experienced redistricting in 2009, which is responsible for a large shift between 2009 and 2010 in population and labor force participation.

spent in an economy by other businesses and households, thereby determining the total economic impact of a business or industry. The economic multipliers reflect two sets of economic impacts. First, the direct effect number of jobs and wages, and second, the final effects, which add the indirect and induced impacts to the direct effect impacts. To account for and include only the dollars remaining in the Cincinnati Metropolitan Statistical Area's (MSA) economy,⁵ The Economics Center controlled for economic leakage of the operations expenditures, as a portion of these operations expenditures leak out of the MSA due to outside vendors or service providers being used either directly or indirectly. The demand met in the Cincinnati MSA, or the spending that remained in the MSA were calculated using data provided by Emsi.

The input-output model developed for this analysis used Emsi's gravitational flows multi-regional social account matrix. It is based on data from the United States Census Bureau Current Population Survey and American Community Survey, as well as the Bureau of Economic Analysis' National Income and Product Accounts, Input-Output Make and Use Tables, and Gross State National Product data. Further, the input-output model also used data from the Ohio Department of Job and Family Services, Labor Market Division, the Kentucky Office of Employment and Training, and the Indiana Department of Workforce Development. Additionally, weighted tax rates were calculated by taking the workforce and population into account to get a better idea of how much in both earnings and sales taxes are generated by activities associated with Goering Center's Core Members.

Membership Survey

The Economics Center, in conjunction with the Goering Center, designed and distributed a survey to all Goering Center Members and Corporate Partners. The survey explored business baseline data, revenue, and involvement with the Goering Center also in addition to attitudinal factors by businesses relative to business experience as a member. The survey analysis included summary statistics of respondents as well as some additional statistical analysis to explore member sentiment of activities as well as the members' actual utilization of Goering Center programming.

Peer Region Benchmarking

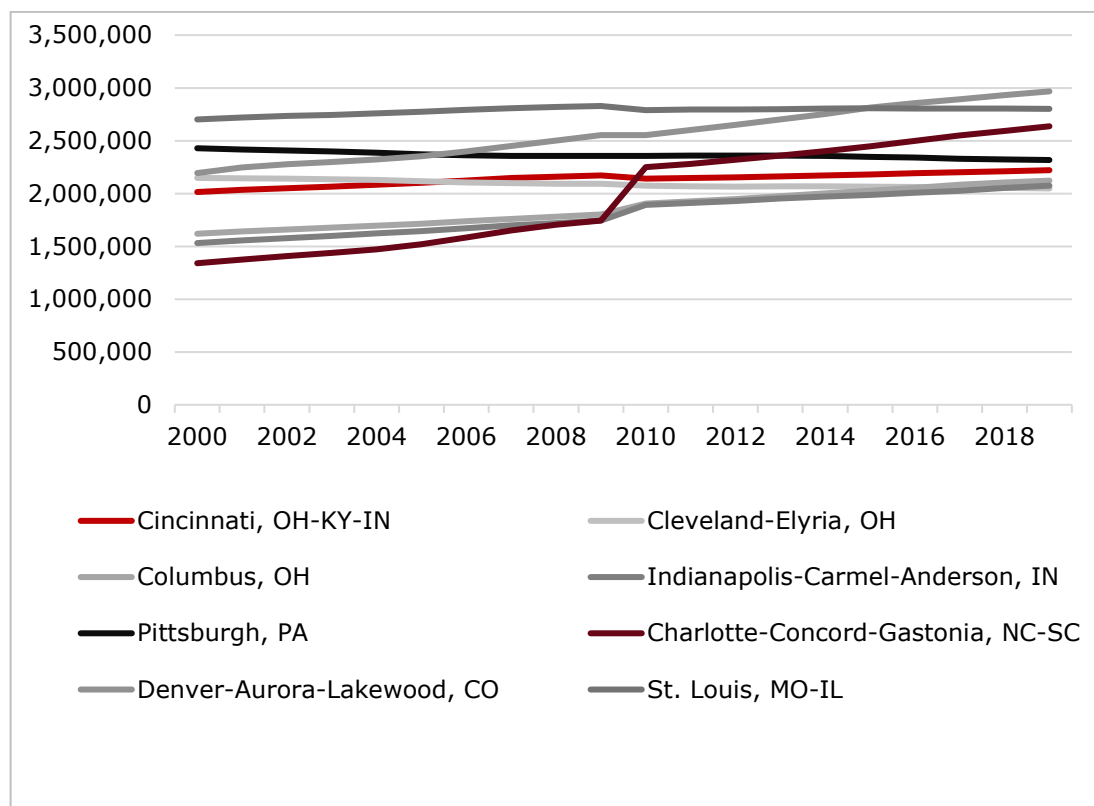
To understand the economic context of the Cincinnati Region, the Economics Center conducted an analysis comparing the Cincinnati MSA to seven peer regions on key economic variables. The peer regions analyzed include Cleveland, Columbus, Indianapolis, Pittsburgh, Charlotte, Denver, and St. Louis. To visualize the relative economic performance of the Cincinnati MSA, the peer region analysis examines population, median household income, labor force participation rate, unemployment, GDP, and GDP per capita in Cincinnati and its peers.

As shown in Figure 1, the Cincinnati MSA's population has increased over the last two decades, but at a slower rate than its peers. On average, the Cincinnati MSA's population has increased by 10,870 per year over the last two decades. In comparison, the average

⁵ The Cincinnati MSA contains 15 counties in the States of Ohio, Kentucky, and Indiana.

annual population change of Cincinnati's peers range from -5,864 (Pittsburgh) to 68,235 (Charlotte). Denver experienced significant growth throughout this time, with its population increasing from approximately 2.25 million residents in 2000 to nearly 3.0 million in 2019.

Figure 1: Population by MSA, 2000 – 2019

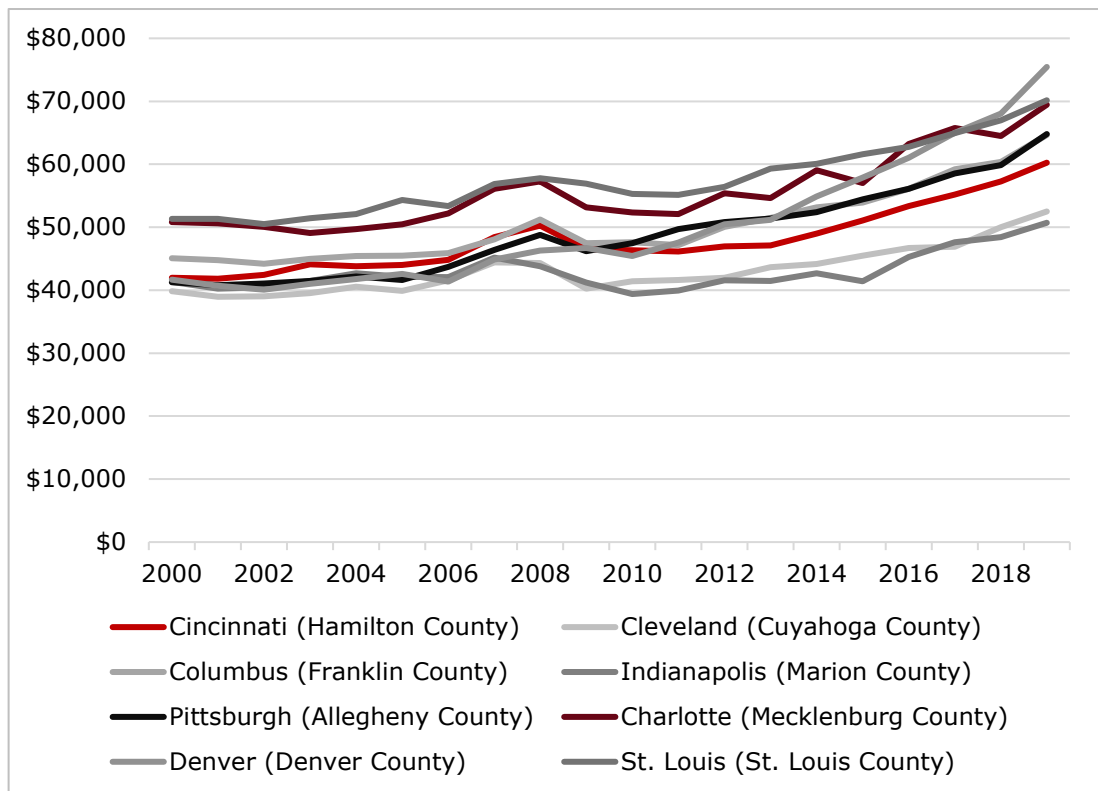


Source: St. Louis Federal Reserve Economic Data

Cincinnati's median household income is average when compared to its peer cities over the last two decades, increasing from \$41,965 in 2000 to \$60,251 in 2019.⁶ On average, Cincinnati's median household income has increased annually by \$962, which is in line with its peers. In Ohio, Cincinnati's median household income has historically ranked between Columbus and Cleveland. Cincinnati, as well as Indianapolis and Cleveland, notably, experienced a longer return to median household wealth gains following the Great Recession, whereas Denver and Pittsburgh both seemed to recover quickly and maintain growth in median household income during the same time period, as shown in Figure 2.

⁶ Median Household income data are available only at the County level from the St. Louis Federal Reserve.

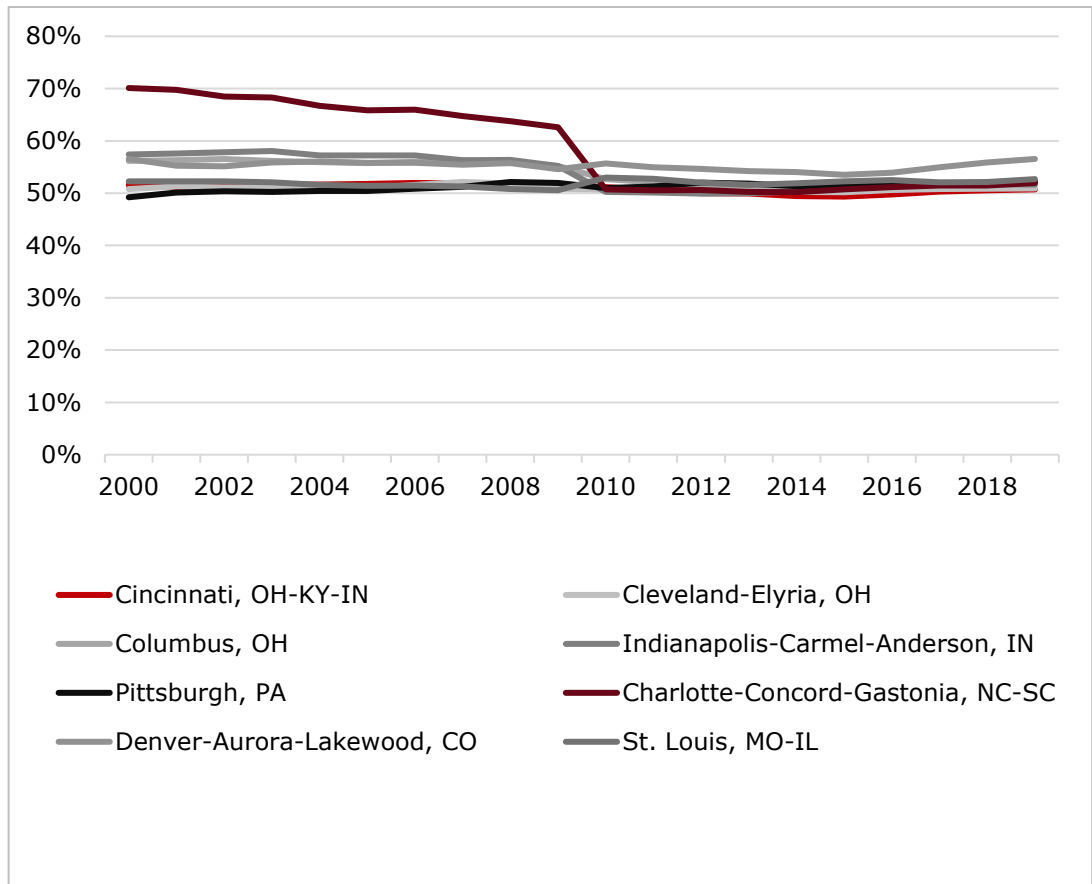
Figure 2: Median Household Income, 2000 - 2019



Source: St. Louis Federal Reserve Economic Data

Figure 3 displays the proportion of the civilian labor force by total population for each MSA. As a percentage of total population, the Cincinnati MSA's labor force participation rate has been stable over the last two decades, averaging approximately 51.0 percent. From 2000 to 2019, the rate of labor force participation in the Cincinnati MSA was lower than that of its peers, which averaged between 51.0 percent and 59.0 percent. Denver, again, is a standout in terms of performance with the highest labor force participation. Interestingly, there was a general convergence of labor force participation relative to the total population at just over 50 percent of the population being engaged in the labor force.

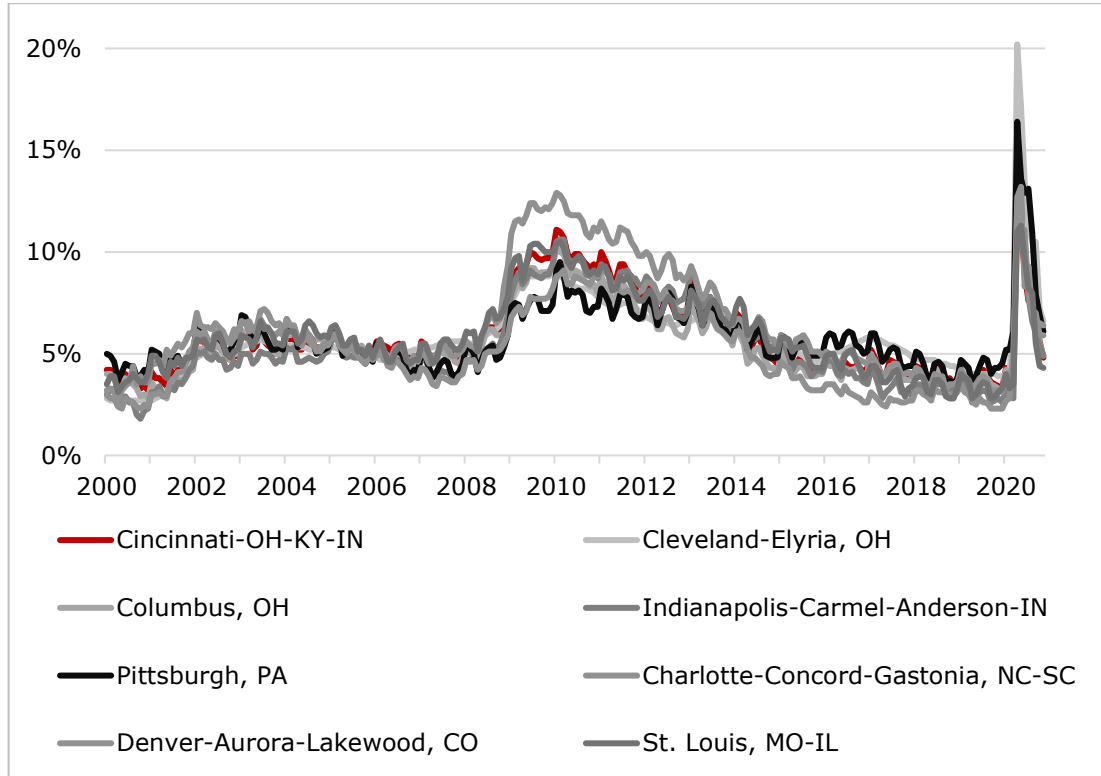
Figure 3: Labor Force Participation Rate, All Ages by MSA, 2000 - 2019



Source: St. Louis Federal Reserve Economic Data

As shown in Figure 4, the Cincinnati MSA's unemployment rate has trended similarly to the peer regions over the last two decades, with the biggest spikes following the Great Recession in 2008 and the current recession due to the Coronavirus pandemic. The Cincinnati MSA has averaged an unemployment rate of 5.8 percent, which is in line with its peers. Charlotte experienced the most significant increase in unemployment post the Great Recession, which may be due to the City's heavy reliance in the economy on financial services. Cleveland was significantly impacted during the COVID-19 recession. Cincinnati generally trended along with the majority of the peer regions.

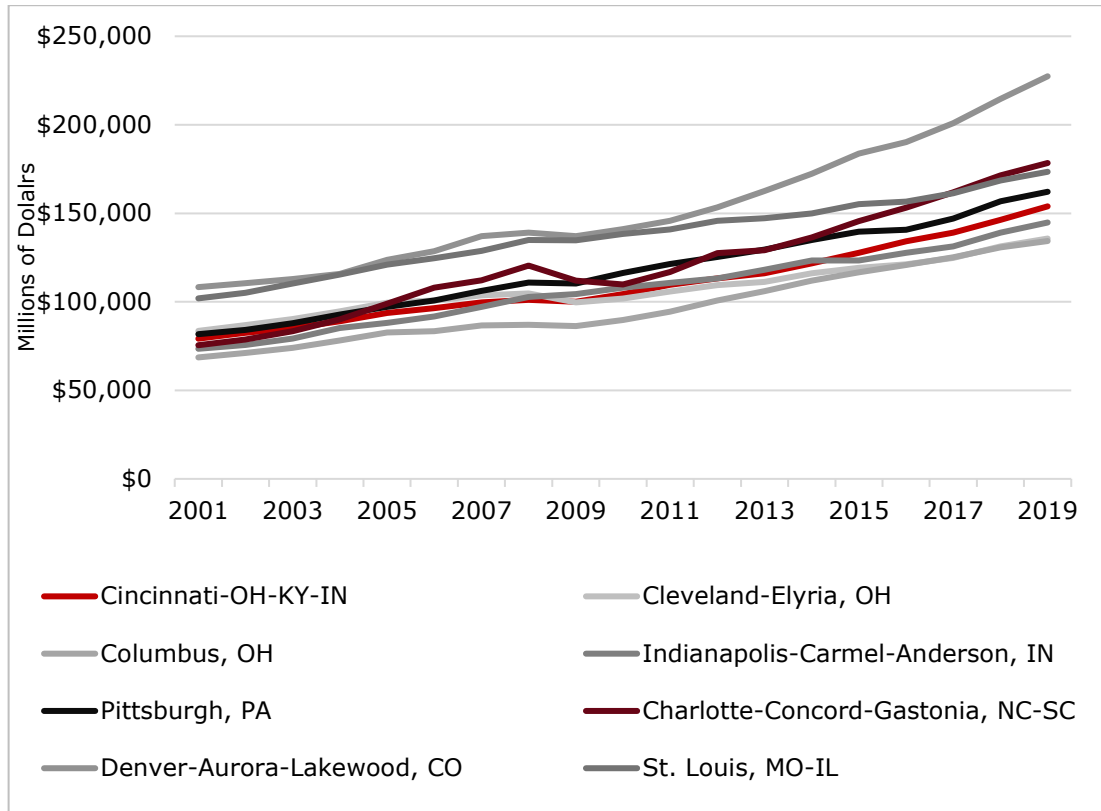
Figure 4: Unemployment Rate by MSA, 2000 to 2020



Source: St. Louis Federal Reserve Economic Data

The Cincinnati Region's GDP has performed average in comparison to the peer MSAs in the last two decades, as shown in Figure 5. On average, the Cincinnati MSA's GDP has increased by \$3.7 billion per year, which is in line with the other regions included in this analysis. While Cincinnati did experience significant increases in gross domestic product during this period, the region did not show significant increases in terms of relative rank amongst the peers.

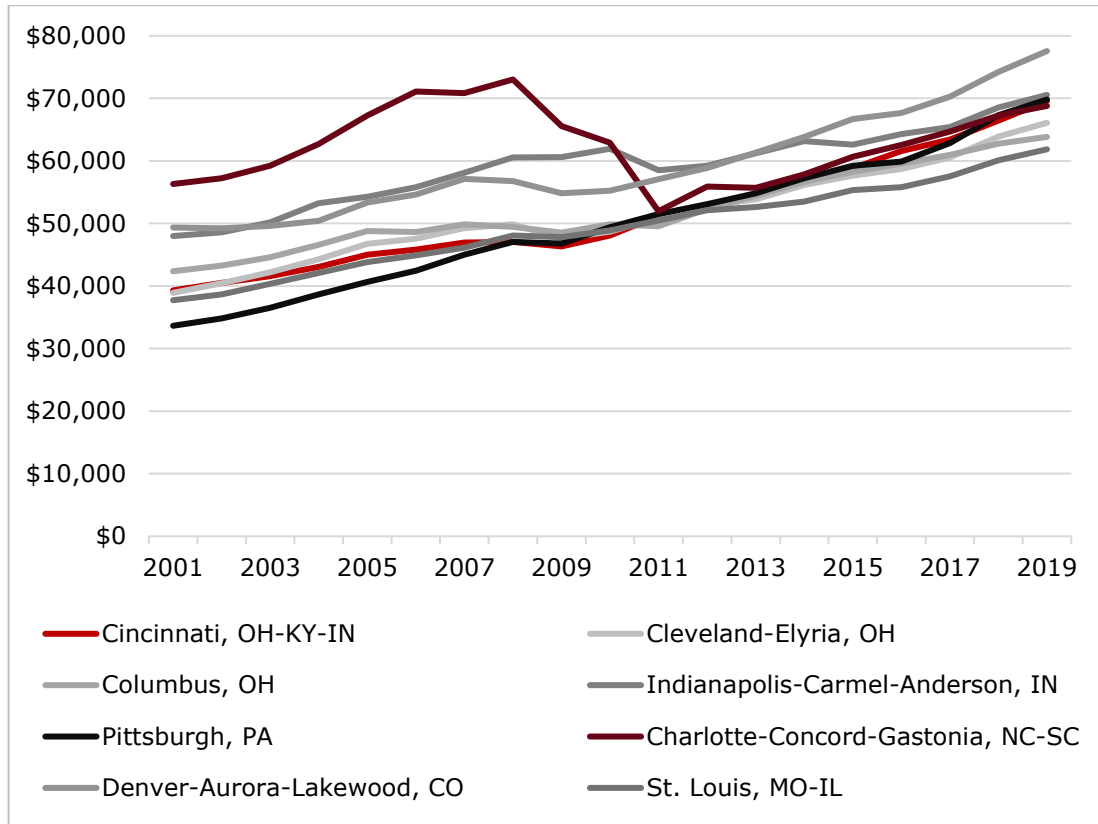
Figure 5: Gross Domestic Product by MSA, 2001 – 2019



Source: St. Louis Federal Reserve Economic Data

Per capita, the Cincinnati MSA began the millennium with the lowest GDP of its peers. However, over the last two decades, Cincinnati's per capita GDP performance has outpaced its peers and now outperforms four of the seven peer regions, as shown in Figure 6. The Cincinnati MSA's per capita GDP has had an average annual increase of \$1,682, a higher rate than six out of seven of its peers, only outpaced by Pittsburgh.

Figure 6: Gross Domestic Product Per Capita by MSA, 2001 - 2019



Source: St. Louis Federal Reserve Economic Data

As a whole, the peer region analysis gives context to Cincinnati's economic performance in the last two decades. Between 2000 and 2019, Cincinnati displayed a lower population growth rate and labor force participation rate than its peers. However, the Cincinnati MSA's median household income, unemployment rate, and gross domestic product performed in line with its peers over the last two decades. Most notably, visualizing the Cincinnati MSA's slower population growth rate and average GDP growth together show that Cincinnati has outperformed its peers in terms of GDP per capita growth and is only outpaced by Pittsburgh.

Economic Impact of Core Member Businesses

The Cincinnati MSA economy is substantially impacted by Goering Center Core Members. In order to quantify their cumulative impact, the Economics Center and the Goering Center developed a comprehensive database of Core Members in the Cincinnati MSA. This database was then paired with ES202 data from the Ohio Department of Jobs and Family

Services. More than 400 Core Members were identified and included as part of this economic impact analysis. This analysis resulted in the total number of establishments, employees, and wages, as well as the abundant spin-off effects of these business operations and investment in the Cincinnati MSA.

Goering Center Core Member businesses contribute considerably to the Cincinnati MSA economy through their operating expenditures. Operations expenditures made by the Core Members in the Cincinnati MSA totaled approximately \$7.4 billion in 2020. Further, the Core Member businesses included in this analysis were responsible for employing 29,366 individuals with nearly \$2.0 billion in earnings. The operations expenditures made by Core Members and the subsequent spending of wages earned by individuals directly employed by one of the Core Member businesses generated an additional \$6.1 billion of indirect economic output, which supported another 34,492 jobs with earnings of approximately \$1.7 billion in the Cincinnati MSA.

In total, the Core Member businesses included in this economic impact analysis generated more than \$13.5 billion of economic output and were responsible for supporting 63,858 jobs, either directly or indirectly, and more than \$3.6 billion in earnings in the Cincinnati MSA, as shown in Table 1.

Table 1: Economic Impact of Goering Center Core Members, 2020

	Output	Earnings	Jobs
Direct	\$7,383,146,212	\$1,974,556,564	29,366
Indirect	\$6,134,268,848	\$1,688,860,796	34,492
Total	\$13,517,415,060	\$3,663,417,360	63,858

Source: Economics Center calculations using Emsi multipliers.

Fiscal Impact of Core Member Businesses

In addition to quantifying the economic impact of Goering Center's Core Member businesses in the Cincinnati MSA, the Economics Center also calculated the fiscal impacts in terms of local income and sales tax revenue that is generated for local and state government entities.

The Economics Center calculated the sales tax revenue generated for counties as well as states within the Cincinnati MSA, resulting from the spending of the wages earned by employees of Goering Center's Core Members. To calculate sales tax revenue, the Economics Center used a blended sales tax rate for the Cincinnati MSA.⁷ Further, the Economics Center accounted for economic leakage to ensure only the retail spending estimated to be retained in the Cincinnati MSA was used in the calculation and the Economics Center used the Bureau of Economic Analysis's Midwest Consumer Expenditure Survey for information on consumption patterns. The five Ohio counties in the Cincinnati MSA received more than \$8.1 million in sales tax revenue due to the retail spending of

⁷ The blended sales tax rate was calculated using data from Emsi.

the earnings, while the States of Ohio, Kentucky, and Indiana collected approximately \$42.0 million in sales tax revenue.⁸

Income tax revenue generated for the Cincinnati MSA was calculated using the total earnings of more than \$3.6 billion resulting from the direct and indirect economic output of Goering Center Core Members. The Economics Center calculated a blended Cincinnati MSA income tax rate of 1.2 percent. Income tax revenue generated from the total earnings was approximately \$44.0 million in 2020.⁹

Table 2 details the sales tax revenue generated for counties in the Cincinnati MSA and the States of Ohio, Kentucky, and Indiana as a result of Goering Center's Core Member businesses as well as income tax revenue generated for local jurisdictions in the MSA. Overall, more than \$94.1 million in sales and income tax revenue accrued to local and state governments in 2020 as a result of Goering Center's Core Member businesses.

Table 2: Fiscal Impact of Goering Center Core Members, 2020

Tax Revenue	
Sales Tax	
Ohio Counties in the Cincinnati MSA	\$8,112,195
Ohio, Kentucky, and Indiana	\$42,048,964
Income Tax	
Cincinnati MSA	\$43,961,008
Total	\$94,122,167

Source: Economics Center calculations using data provided by the Ohio Department of Taxation, the Kentucky Department of Revenue, the Indiana Department of Revenue, and EMSI.

Membership Survey

The Economics Center created and distributed a survey to Goering Center members, both Core and Associate, as well as its Corporate Partners. The purpose of the survey was to engage members and affiliates regarding their sentiment towards the current (at the time of survey completion) state of the economy and to determine their level of optimism for the future state of the economy and to collect information regarding the level of engagement and satisfaction with the Goering Center. The survey was distributed to 836 email addresses on October 13, 2020. The open rate was 53.0 percent, with 444 individuals opening the email containing the survey. The survey was open from October 13, 2020 to October 28, 2020 and 153 individuals responded to the survey, 89.0 percent of which completed the survey in its entirety.

Individuals completing the survey identified whether they were a Core Member, Associate Member, or Corporate Partner. Each group of individuals was then directed to a version of

⁸ Counties in Indiana and Kentucky do not levy a local sales tax.

⁹ This calculation was \$3,663,417,360 multiplied by the blended 1.2 percent MSA income tax rate.

the survey specific to their relationship with the Goering Center. Individuals who indicated that they were unsure of their membership status were directed to the survey given to Core Members. In total, 129 Core Members, 12 Associate Members, and 12 Corporate Partners responded to the survey. The report highlights how each relationship group responded to the survey, and the full results of the survey are included in the Appendix.

Core Member Results

129 Core Members responded to the survey provided, which consisted of 26 questions. The first question to Core Members asked for their business's sales in the last complete calendar or fiscal year. Of Core Member respondents, the largest proportion of businesses (23.7 percent) had conducted between \$10 and \$24.9 million in sales in the last year. Table 2 displays the number of respondents by annual sales.

Table 3: Core Member Annual Sales

Annual Sales	Respondents
<\$50,000	1
\$50,000 - \$99,999	1
\$100,000 - \$249,999	1
\$250,000 - \$499,999	2
\$500,000 - \$999,999	8
\$1.0M - \$2.49M	18
\$2.5M - \$4.9M	19
\$5.0M - \$9.9M	18
\$10.M - \$24.9M	27
≥\$25.0M	19
Total	114

Source: Economics Center's analysis of survey results.

The survey also asked Core Members the number of full-time employees currently employed by their business. On average, each Goering Center Core Member employs 67 individuals. Table 4 on the following page displays the average employment by average sales of companies.

Table 4: Core Member Employment by Annual Sales

Annual Sales	Average # of employees	Respondents
<\$50,000	12	1
\$50,000 - \$99,999	1	1
\$100,000 - \$249,999	1	1
\$250,000 - \$499,999	1	2
\$500,000 - \$999,999	7	8
\$1.0M - \$2.49M	8	18
\$2.5M - \$4.9M	22	19
\$5.0M - \$9.9M	35	18
\$10.M - \$24.9M	62	27
≥\$25.0M	223	19
Total	67	129

Source: Economics Center's analysis of survey results.

Effects of COVID-19

The Core Member survey also asked a number of questions related to businesses' experience of the last six months in order to gauge the effects of COVID-19 on Goering Center members. Overall, responses indicate that Core Members have been negatively affected by COVID-19 but display resilience and optimism for the future of their businesses.

More than half of respondents (52.5 percent) reported that they had experienced decreased sales in the six months prior to the survey. However, most Core Members (63.0 percent) indicated that business earnings were expected to be either the same or better than the prior year. Operating capacity appears to be stable for Core Members, as exactly half of Core Members reported their operating capacity to be unchanged compared to year ago. Approximately twice as many Core Members reported an increase to operating capacity than a decrease, with 33.1 percent of respondents reporting an increase to operating capacity compared to 17.0 percent reporting a decrease in capacity. The vast majority (89.0 percent) of Core Members reported that they had not closed a location or opened a previously closed location of a business, indicating stable business operations. The vast majority (70.9 percent) of Core Member respondents indicated having enough cash on hand to cover three or more months of business operations.

Core Members have displayed ingenuity in the face of the COVID-19 pandemic. Nearly half (46.2 percent) of Core Members have increased their use of online platforms to offer goods and services in the last six months, which was likely accelerated due to pandemic shutdowns. Furthermore, a slight majority (55.5 percent) of Core Member respondents have created new products or service offerings in the last six months. Close to half (44.0 percent) of Core Members report that their business is planning a capital expenditure within the next 12 months.

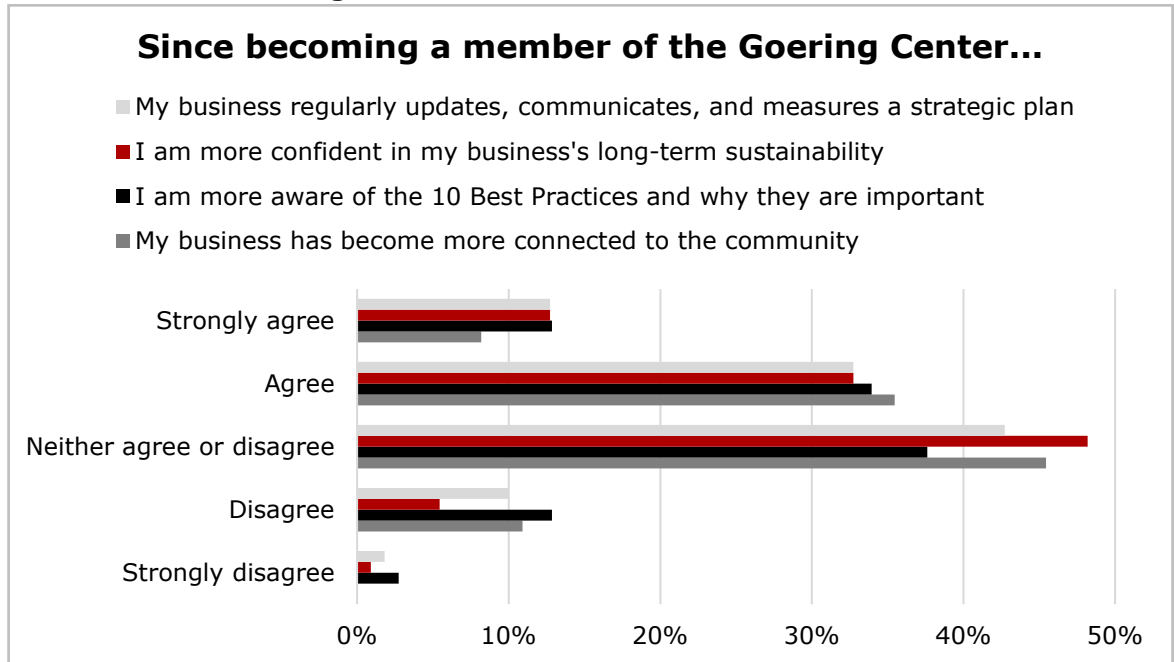
Core Members also display great optimism for the future. The majority (56.0 percent) of Core Members believe that the next six months will be a good time to expand. More than half (55.2 percent) also predict that general business conditions will be better in six months than they are currently, with only 12.9 percent believing the economy will be worse. Nearly all respondents (97.4 percent) of Core Member respondents indicated that they expected their business's number of employees to increase or remain the same in the next six months. Additionally, 87.9 percent of all Core Member respondents indicated that real sales are expected to remain stable or increase over the next six months. Therefore, expectations of staffing levels and sales are directionally constant. In the last six months, more Core Members reporting adding jobs (28.6 percent) than shedding jobs (26.9 percent). Interestingly, given the high unemployment rate currently, 48.7 percent of Core Members indicated that they had open positions that they have not been able to fill. Finally, 79.6 percent of respondents expect loans to be easier or approximately the same level of difficulty to obtain in the next six months (at the time of survey response).

Relationship with Goering Center

A final section of the survey asked Core Members a series of questions regarding their relationship with the Goering Center. Responses indicated that members are quite satisfied with the Goering Center. The vast majority (89.3 percent) of Core Member respondents are either likely or very likely to recommend the Goering Center to another company. Additionally, a solid majority (74.8 percent) of Core Member respondents either agree or strongly agree that the Goering Center services and programs meet their needs. Core Members also report being active with the Goering Center, as 69.7 percent of Core Members sometimes, usually, or always participate in Goering Center programs and events.

It is also clear from Core Member responses that the Goering Center provides value to its members. Four survey questions focused on potential positive impacts resulting from membership, including the use of strategic plans and the 10 Best Practices, as well as confidence in their business's sustainability and connection to the community. The extent of agreement trended similarly across the four questions, displayed in Figure 7. On average, 45.3 percent of members either agreed or strongly agreed that since becoming a member of the Goering Center, they had been positively impacted in the manner described by the question. On average, only 11.2 percent of Core Members did not believe that they had been positively impacted in these four manners. Approximately half (45.5 percent) of Core Members either agree or strongly agree that their business has regularly updated, communicated, and measured their strategic plan since becoming a member. Nearly half (45.5 percent) of Core Members have become more confident in their business's long-term sustainability since becoming a member. Fully 46.8 percent of all Core Members have become more aware of the 10 Best Practices since becoming a member of the Goering Center. Finally, 43.6 percent of Core Member respondents reported becoming more connected to the community since joining the Goering Center.

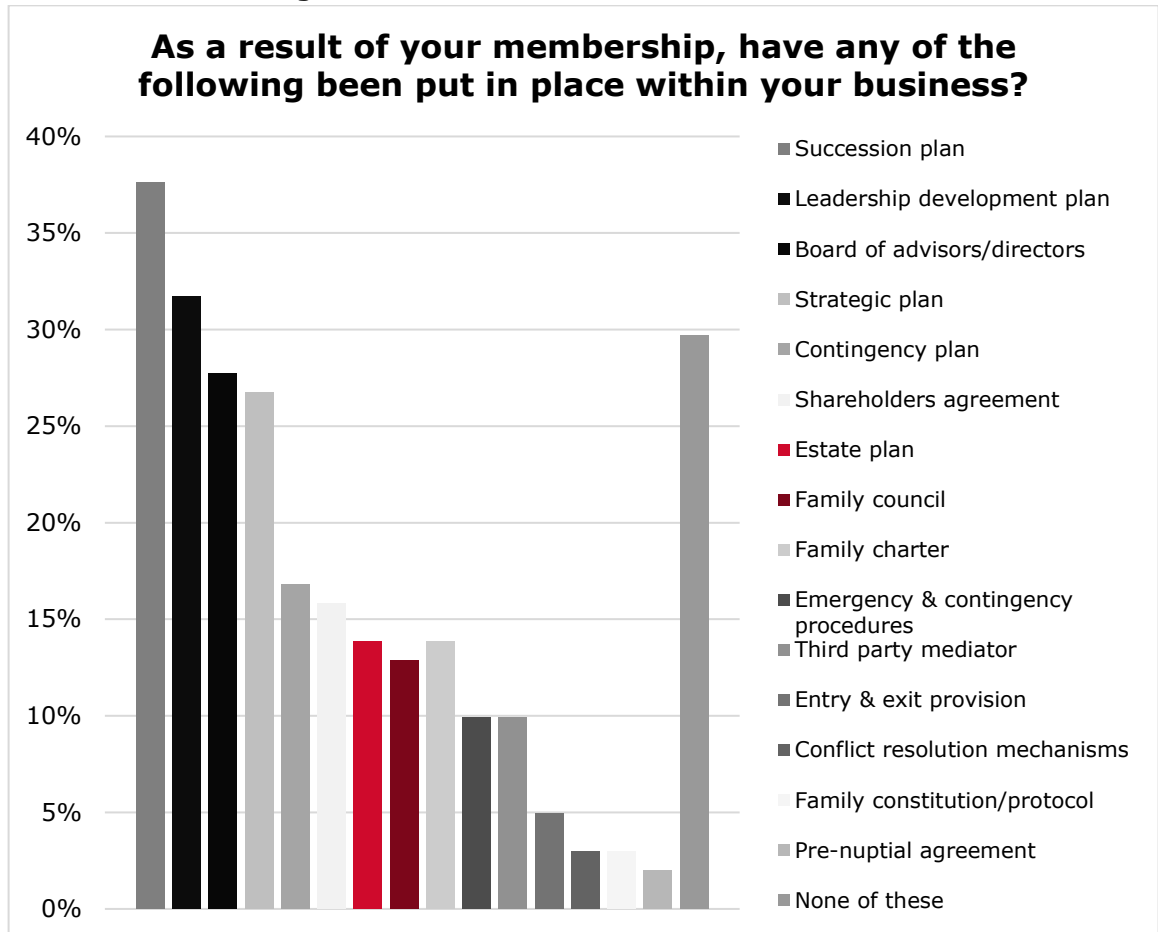
Figure 7: Core Members Value Added



Source: Economics Center's analysis of survey results.

An additional survey question asked what business practices Core Members have put in place as a result of their membership with the Goering Center, displayed in Figure 8. For the question, Core Members were asked to select which business practices they have put in place from a list of practices and were able to select all that may apply. Respondents indicated that as a result of their membership, 70.3 percent of Core Members put at least one business practice in place. The most common business practices put in place were succession plans (37.6 percent of respondents) and leadership development plans (31.7 percent of respondents). The least common business practices put in place were pre-nuptial agreements (2.0 percent of respondents), conflict resolution mechanisms (3.0 percent of respondents), and family constitutions or protocols (3.0 percent of respondents).

Figure 8: Core Member Business Practices



Source: Economics Center's analysis of survey results.

The Economics Center found a positive, albeit weak, correlation between Core Members' perceived level of activity and the number of activities they participated in. This may suggest that members generally are aware of the value of business practices such as succession planning, leadership development, and the development of a board of advisors or directors.

On average, of the fifteen business practices included in the survey, respondents reported implementing approximately 1.8 of the activities since becoming a Core Member, the most common being succession planning.¹⁰ This is generally consistent across all revenue levels for Core Members except for companies earning between \$10 million and up to \$25.0 million, which participate in approximately 2.7 of the business practices, nearly one more, or more than 50.0 percent more, activities. Companies earning approximately \$1.0 million to less than \$2.5 million reported adopting 1.9 of the business practices since joining the Goering Center, companies with \$2.5 million and less than \$10.0 million in

¹⁰ Not all business practices are applicable to every business surveyed.

revenue reported installing 1.6, on average, of the business practices, and companies earning more than \$25.0 million have put in place 1.8 of the practices since becoming a Core Member. The most active company indicated that 11 of the 15 business practices had been adopted as a result of its engagement with the Goering Center, whereas there were 43 (of 100 survey participants) that have not implemented any of the practices.

Associate Member Results

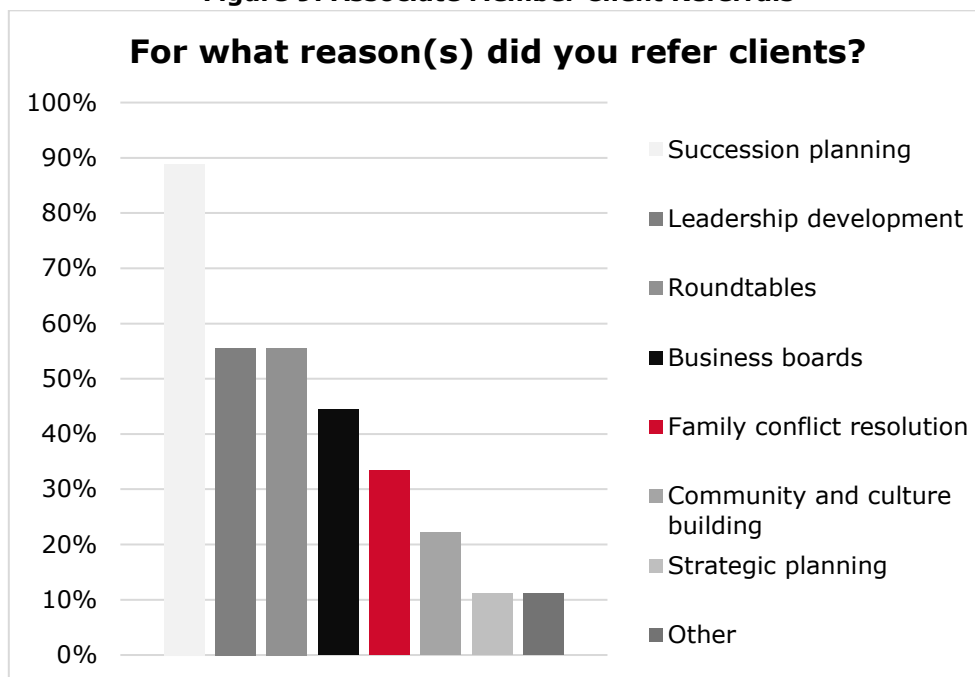
The survey to Associate Members consisted of eight questions regarding members' relationships with the Goering Center and yielded 12 Member responses.

Responses indicated that Associate Members are quite satisfied with the Goering Center. Nearly three quarters (72.8 percent) of Associate Members indicated that their involvement with the Goering Center had raised their business's profile in the community. Associate Members also report being quite active with the Goering Center, as 66.7 percent of Associate Member respondents reported sometimes, usually, or always participating in the Goering Center's program and events. Approximately one-third (36.4 percent) of Associate Members indicated that they either agree or strongly agree that their business finds value in being included in the Goering Center's professional services registry. Only 18.2 percent of Associate Member respondents indicated that they did not find value in their inclusion.

Fully 100.0 percent of Associate Member respondents indicated that they are either likely or very likely to recommend the Goering Center to a client. Three-quarters of Associate Members respondents reported referring a company to the Goering Center since becoming an Associate Member. However, the three respondents who reported not having referred a client to the Goering Center also stated that they are likely or very likely to recommend a company to the Goering Center.

The survey asked Associate Members who have referred clients to the Center why they chose to refer their clients, displayed in Figure 9 below. For the question, Core Members were asked to select which reasons they gave referrals from a list of reasons and were able to select all that may apply. The most common reason members reported referring clients to the Goering Center for was succession planning, with 88.9 percent of Associate Member respondents indicating that succession planning was a reason for a referral. Further, 11.1 percent of Associate Member respondents referred clients for strategic planning, 22.2 percent for community and culture building, 55.6 percent for leadership development, 44.4 percent for business boards, 33.3 percent for family conflict resolution, 55.6 percent for roundtables, and 11.1 percent for "other," for which respondents were asked to specify the other reason.

Figure 9: Associate Member Client Referrals

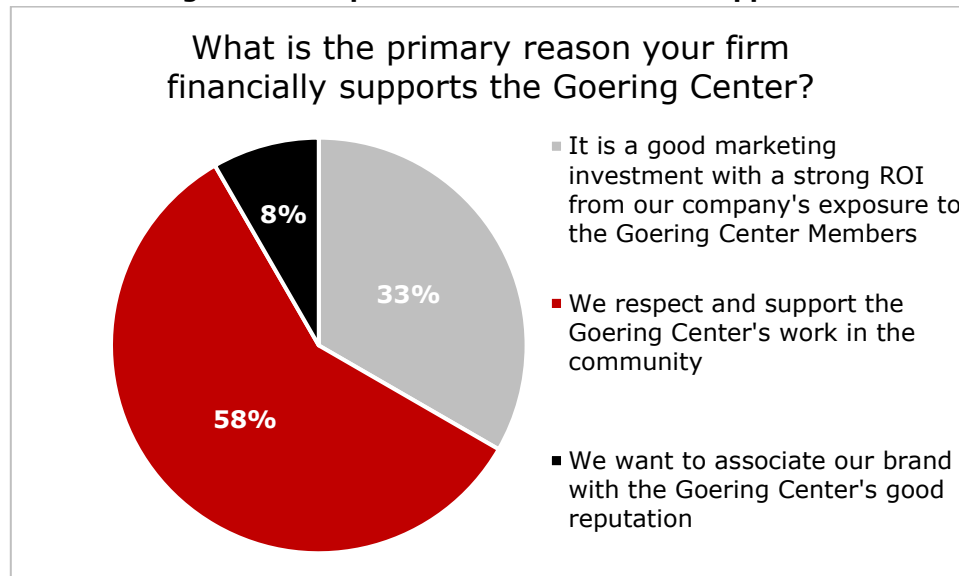


Source: Economics Center's analysis of survey results.

Corporate Partner Results

The survey received 12 responses from Corporate Partners of the Goering Center, whose survey consisted of seven questions. Responses indicated that Corporate Partners are quite satisfied with the Goering Center. All Corporate Partners indicated that they are either likely or very likely to recommend the Goering Center to another company. The survey asked Corporate Partners the primary reason their firm financially supports the Goering Center, displayed in Figure 10. The majority (58.3 percent) of Corporate Partners responded that they financially support the Goering Center because they respect and support the Goering Center's work in the community. One-third of Corporate Partners responded that their primary reason for financial support is that their support is a good marketing investment with a strong return on investment from their company's exposure to the Goering Center Members, and 8.3 percent responded that they support the Goering Center because they want to associate their brand with the Goering Center's good reputation.

Figure 10: Corporate Partners Financial Support*



Source: Economics Center's analysis of survey results.

*Percentages do not sum to 100 due to rounding.

The vast majority (75.0 percent) of Corporate Partner respondents feel as though their support is either very or extremely well recognized by the Goering Center, with only one Corporate Partner indicating that they do not believe the Goering Center does not do well with recognizing their support. All Corporate Partners indicated that they were either likely or very likely to continue their support of the Goering Center. All Corporate Partner respondents indicated their involvement with the Goering Center had raised their company profiles in the community.

Conclusion

The Cincinnati MSA's economy, to which Goering Center members substantially contribute, remains strong relative to its peer regions. Between 2000 and 2019, Cincinnati displayed a lower population growth rate and labor force participation rate than its peers. However, the Cincinnati MSA's median household income, unemployment rate, and gross domestic product performed in line with its peers over the last two decades. Most notably, visualizing the Cincinnati MSA's slower population growth rate and average GDP growth together show that Cincinnati has outperformed its peers in terms of GDP per capita growth and is only outpaced by Pittsburgh.

In 2020, the more than 400 Goering Center Core Member businesses generated considerable economic impacts to the Cincinnati MSA in output, jobs, earnings, and tax revenue as a result of operations expenditures. Operations expenditures made by Core Member businesses in the Cincinnati MSA totaled approximately \$7.4 billion. Further,

Goering Center's Core Member businesses included in this analysis were responsible for employing 29,366 individuals with nearly 2.0 billion in earnings. The operations expenditures made by Core Member businesses generated an additional \$6.1 billion of indirect economic output, which supported another 34,492 jobs with earnings of approximately 1.7 billion in the Cincinnati MSA.

Overall, more than \$94.0 million in sales and income tax revenue accrued to local and state governments in 2020 as a result of the wages supported by the Goering Center's Core Members. Of the total fiscal impact, approximately \$44.0 million accrued to local municipalities in the form of earnings tax, \$8.1 million in sales tax revenue was generated for Ohio Counties, and \$42.0 million state sales tax was created for Ohio, Kentucky, and Indiana.

While Core Member businesses reported being negatively affected by COVID-19, they report resilience and optimism for the future of their businesses. Further, Goering Center's Core Members have displayed ingenuity in the face of the Coronavirus pandemic as nearly half of Core Members have increased their use of online platforms to offer goods and services, while more than half (55.5 percent) have adapted to current conditions by creating new products or service offerings. More than half (55.2 percent) of Core Member survey respondents foresee that general business conditions will be better in six months than they are currently (at the time of survey completion).

Responses indicate that Core Members are quite satisfied with the services and programming offered by Goering Center as the vast majority (89.3 percent) of Core Member respondents are either likely or very likely to recommend the Goering Center to another company. Further, 74.8 percent of Core Members respondents either agree or strongly agree that the Goering Center services and programs meet their needs. Nearly half (45.4 percent) of Core Members respondents indicated they have become more confident in their business's long-term sustainability since joining the Goering Center.

Approximately three-quarters (72.8 percent) of Associate Members respondents indicated that their involvement with the Goering Center had raised their business's profile in the community. All Associate Member respondents indicated they are either likely or very likely to recommend the Goering Center to a client. Further, 75.0 percent of respondents reported they had referred a company to the Goering Center.

All Corporate Partners indicated that they are either likely or very likely to recommend the Goering Center to another company. The majority (58.3 percent) of Corporate Partners responded that they financially support the Goering Center because they respect and support the Goering Center's work in the community, while one-third of Corporate Partner respondents indicated their primary reason for financial support is that it is a good marketing investment with a strong return on investment from their company's exposure to the Goering Center Members, and 8.3 percent responded that they support the Goering Center because they want to associate their brand with the Goering Center's good reputation.