Always Innovating

Economy Under Pressure but Holding Strong

A report on the economy, Columbus business landscape, and emerging perceptions across key economic areas

Thompson Hine has again partnered with Columbus Business First to measure the perceptions and sentiments of business owners and top-level management executives on the state of business and the economy in Central Ohio and beyond. This year, we also sought opinions on:

- Top drivers and barriers for economic growth
- Geographic regions and industries most poised for economic development
- The state of public/private partnerships
- Confidence in policy leaders
- Housing affordability and availability
- Education funding
- The impact of geopolitical events, including conflicts and tariffs
- The current and expected future impact of artificial intelligence (AI)

In total, 168 business leaders in the Columbus market participated in this year's survey. Industries represented included consulting, manufacturing, real estate, government, construction, legal services, education, retail, non-profit, healthcare, and architecture/engineering, among others. Most respondents held top-level management positions, with business owners comprising the largest category. Annual revenues ranged from less than $500,000 to $1 billion or more.

Columbus business leaders expressed cautious optimism about their own companies this year, with nearly half reporting that their businesses are performing better than they were one year ago. A strong majority also expected continued improvement in the coming year.

Yet concerns about both the U.S. and Columbus economies have increased, and expectations for near-term economic improvement have dropped sharply. Survey results also revealed a disconnect between business and civic leadership when it comes to addressing economic development.

Despite this strain, the Columbus business community is holding steady. Leaders identified clear strengths in specific industries and regions that are shaping Central Ohio's economic future. Population growth and tech-driven innovation are leading the charge for future expansion, provided housing affordability, rising living costs, and talent shortages do not constrain progress.

Michael V. Wible
Partner in Charge, Columbus;
Partner, Corporate Transactions & Securities

ECONOMIC AND BUSINESS OUTLOOK

Columbus Business

In 2025, 45% of business leaders stated that their businesses are in "somewhat" or "much better" shape than in the year prior—roughly the same percentage that gave this response in 2024.

For the remaining respondents, however, there was a marked increase in those who said their businesses are now either "somewhat" or "much worse," rather than "about the same."

2025 **2024**

45% vs. 44%

Percentage of business leaders who stated their business was in somewhat or much better shape compared to previous year

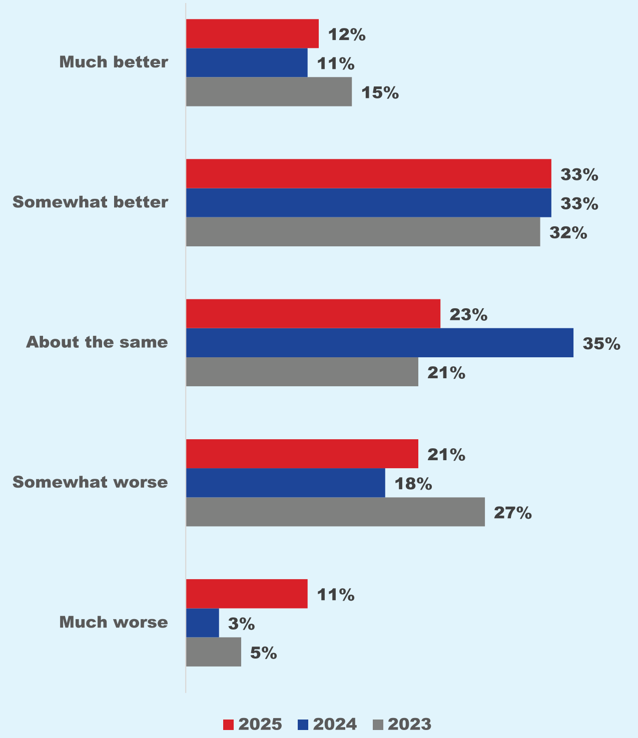
Looking ahead, 59% of business leaders said they expect an upturn in 2026—a decline from 67% in 2024, but still above 2023 levels of optimism.

2025 **2024**

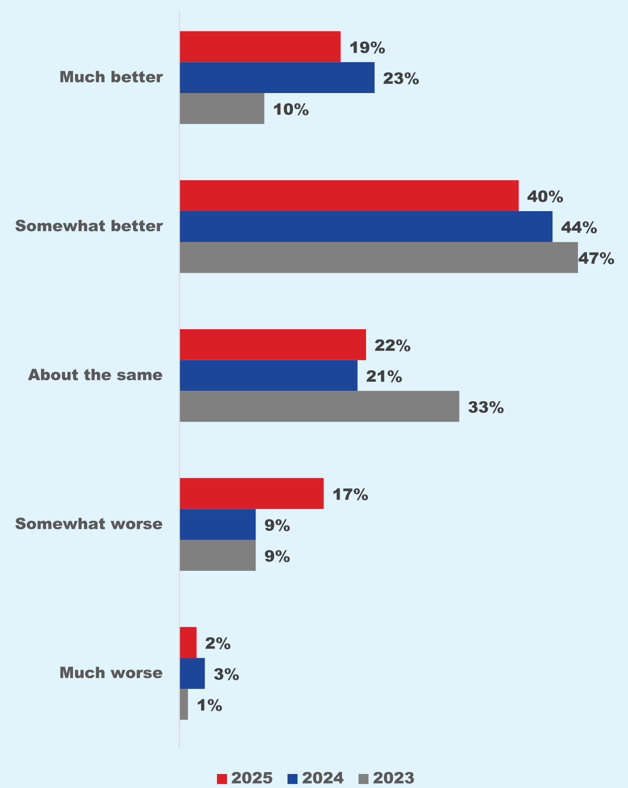
59% vs. 67%

Percentage of business leaders who believe business would be in somewhat or much better shape next year

State Of Business – Now Compared To One Year Ago



Expected State of Business in One Year

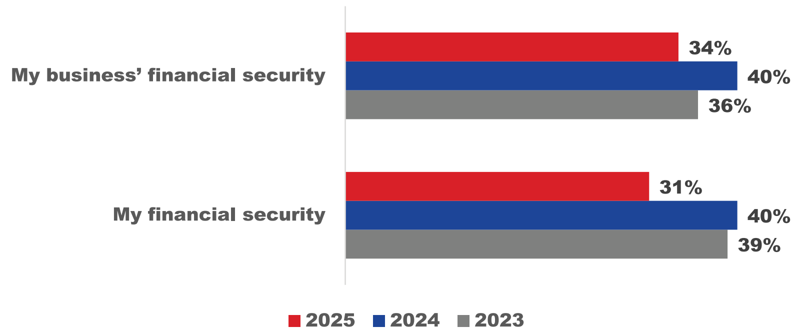


> **"2025 was a dynamic and impactful year for the startup and investor community. In 2026, we expect entrepreneurs to continue to drive innovation, transforming markets and business models and achieving meaningful advancements in healthcare, climate/sustainability, and technology."**
>
> **Lindsay Karas Stencel**
> **Partner, New Ventures**

Business and Personal Financial Security

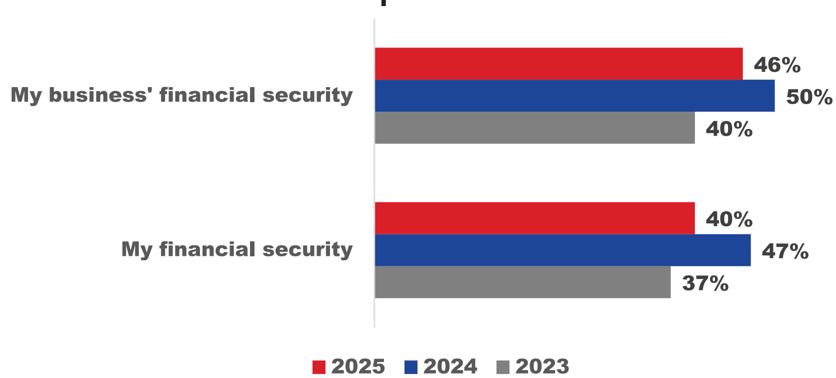
Fewer business leaders this year are "somewhat" or "very" concerned about their businesses' or personal financial security, an improvement from 40% in both categories last year.

Current Concerns About Security of Business and Personal Finances



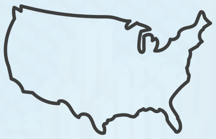
When asked whether conditions will improve over the next 6–12 months, 46% believe their businesses' financial security will improve, and 40% believe their personal financial security will improve.

Expect the Security of Their Businesses and Personal Finances to Improve in 2026



Local and National Economies

Expanding the fiscal focus, slightly more business leaders are concerned about the U.S. economy this year, while fewer are concerned about the Columbus economy.



2025 **2024**

77% vs. 71%

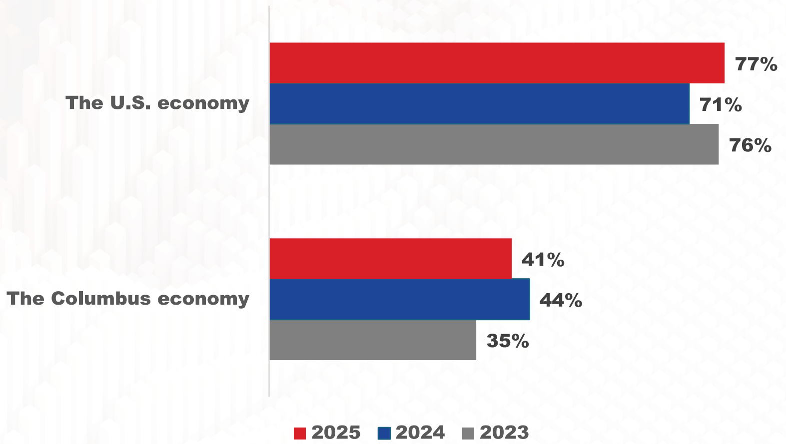
Columbus business leaders' concern level toward the U.S. economy has increased from 2024

2025 **2024**

41% vs. 44%

Columbus business leaders' concern level towards the local economy has decreased from 2024

Current Concerns About Security of U.S. and Columbus Economies



Yet when it comes to expectations for improved performance over the next 6–12 months, confidence in both the U.S. and Columbus economies dropped significantly, representing the largest comparative shifts in our survey from the previous year.

29%

Expect the U.S. economy to get better over the next 6 to 12 months, down from 53% in 2024

27%

Expect the Columbus economy to get better over the next 6 to 12 months, down from 50% in 2024

"This year's survey revealed a strong need and desire to prioritize housing investment to support the economic growth that the Columbus region has been driving. Construction of local mixed-use developments will be an important component of that housing investment, helping create more housing while creating the density and demand necessary to sustain those critical housing projects, and supporting existing housing."

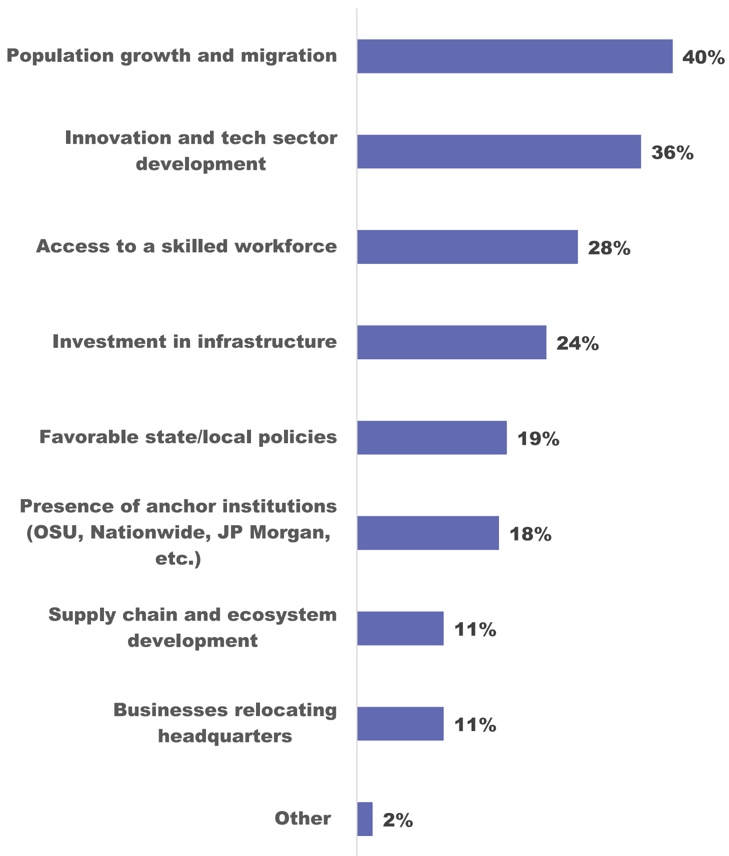
Kevin Oles
Partner, Construction

CENTRAL OHIO ECONOMICS

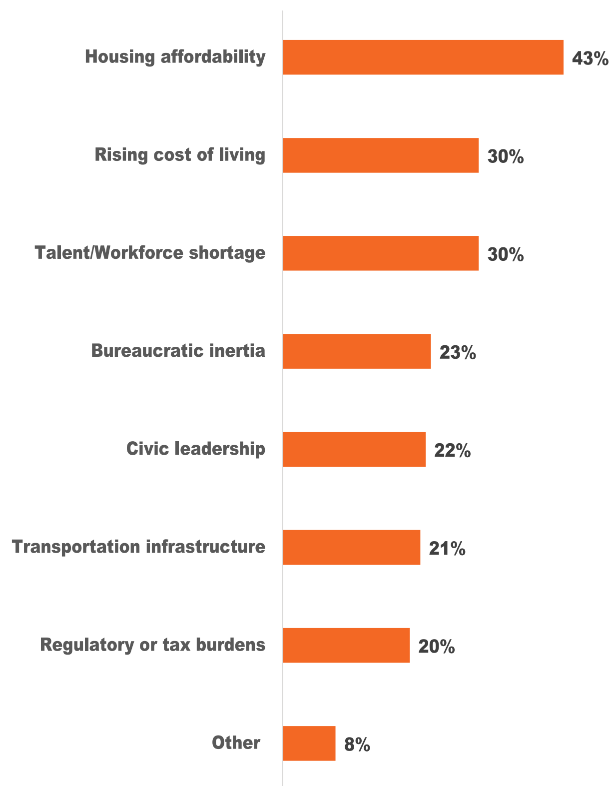
Factors Impacting Economic Growth

Business leaders identified population growth and tech-driven innovation as the primary current engines of future expansion, with housing affordability, rising living costs, and talent shortages representing the top potential challenges.

Top Drivers of Central Ohio Economic Growth

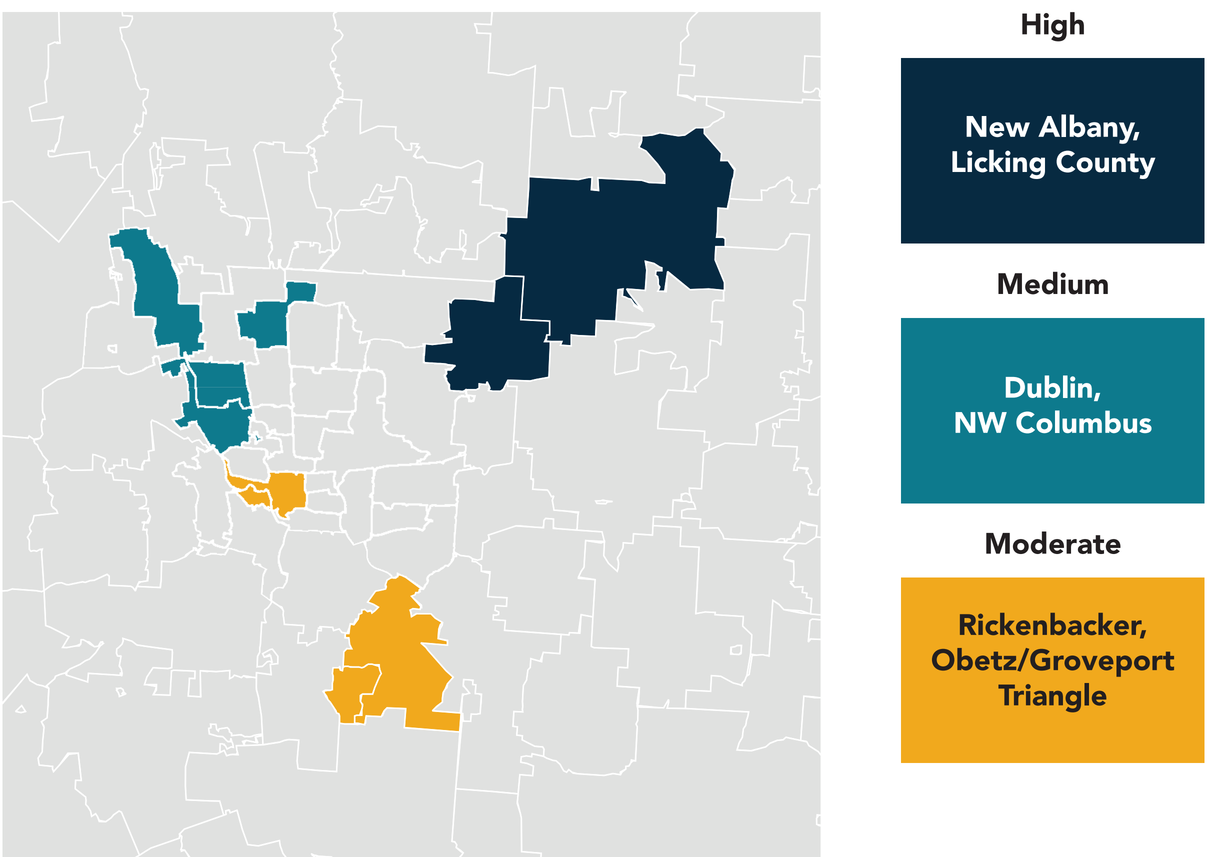


Top Barriers to Central Ohio Economic Growth



Areas of Greatest Growth Potential

The New Albany/Licking County corridor, Dublin/Northwest Columbus, and the Rickenbacker/Obetz/Groveport Triangle were selected as the most development-ready areas poised to shape Central Ohio's economic future.



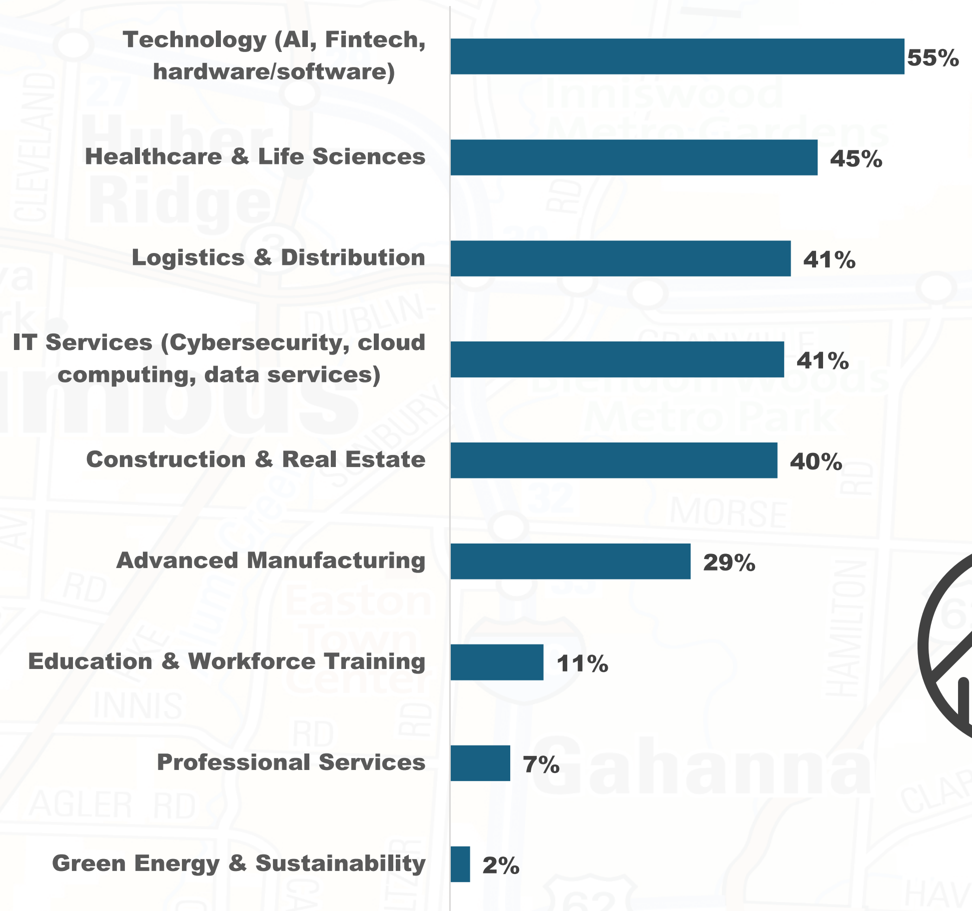
"New Albany/Licking County Corridor, Dublin/Northwest Columbus, and the Rickenbacker/Obetz/Groveport Triangle are poised for economic development growth. As this geographical progress continues to ebb and flow, however, *any* potential site location will benefit from the availability of incentives, the ability to cultivate key relationships, and deep experience with how these projects are successfully financed. This includes the issuance of tax-exempt bonds and taxable obligations."

Richard E. Helm
Partner, Commercial & Public Finance

Industry Growth

In terms of industries with the greatest growth potential in Central Ohio, business leaders predicted that technology and healthcare would experience the strongest growth over the next two to three years.

Industries with the Most Growth Potential



State of Public/Private Partnerships

In somewhat conflicting responses, nearly three-quarters of respondents said they believe the public and private sectors are "somewhat" or "very" aligned in advancing regional economic development, but a majority also agreed with a separate statement identifying a disconnect between business and civic leadership when it comes to addressing economic development.

72%

Believe public and private sectors are aligned in advancing regional economic development

29%

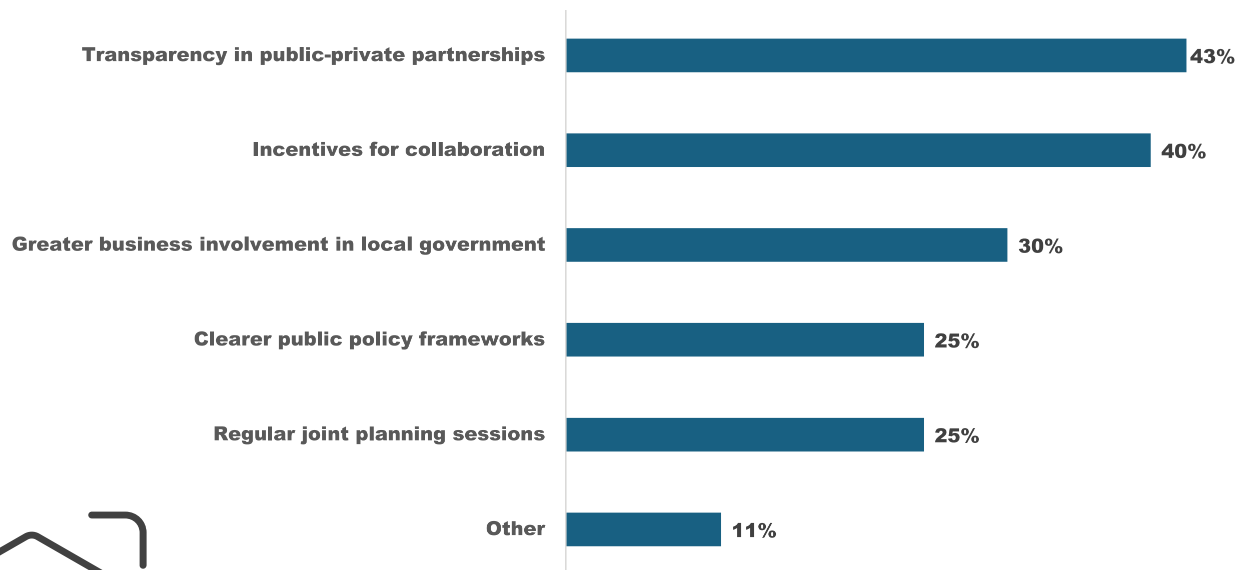
Are either very or somewhat confident Columbus policy leaders can navigate challenges over the next 3 years

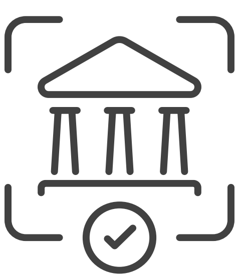
"Appropriately structured tax and other business incentives can provide both the capital and confidence needed to justify greater investments, sustain jobs and act as a stabilizing force, helping to free up additional private investment. In addition, 40% of business leaders surveyed this year felt incentives might be one way to improve critical collaboration between business and civil leadership."

Arik A. Sherk
Partner, Commercial & Public Finance

When asked about ways to improve collaboration between leaders, transparency and incentives emerged as the top recommendations.

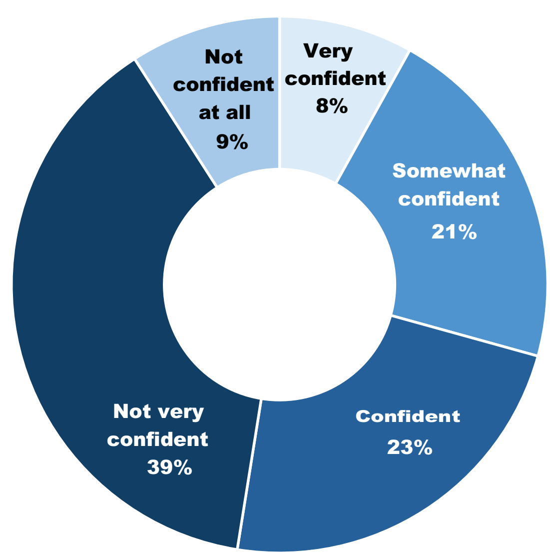
Ways to Improve Collaboration Between Business and Civic Leadership



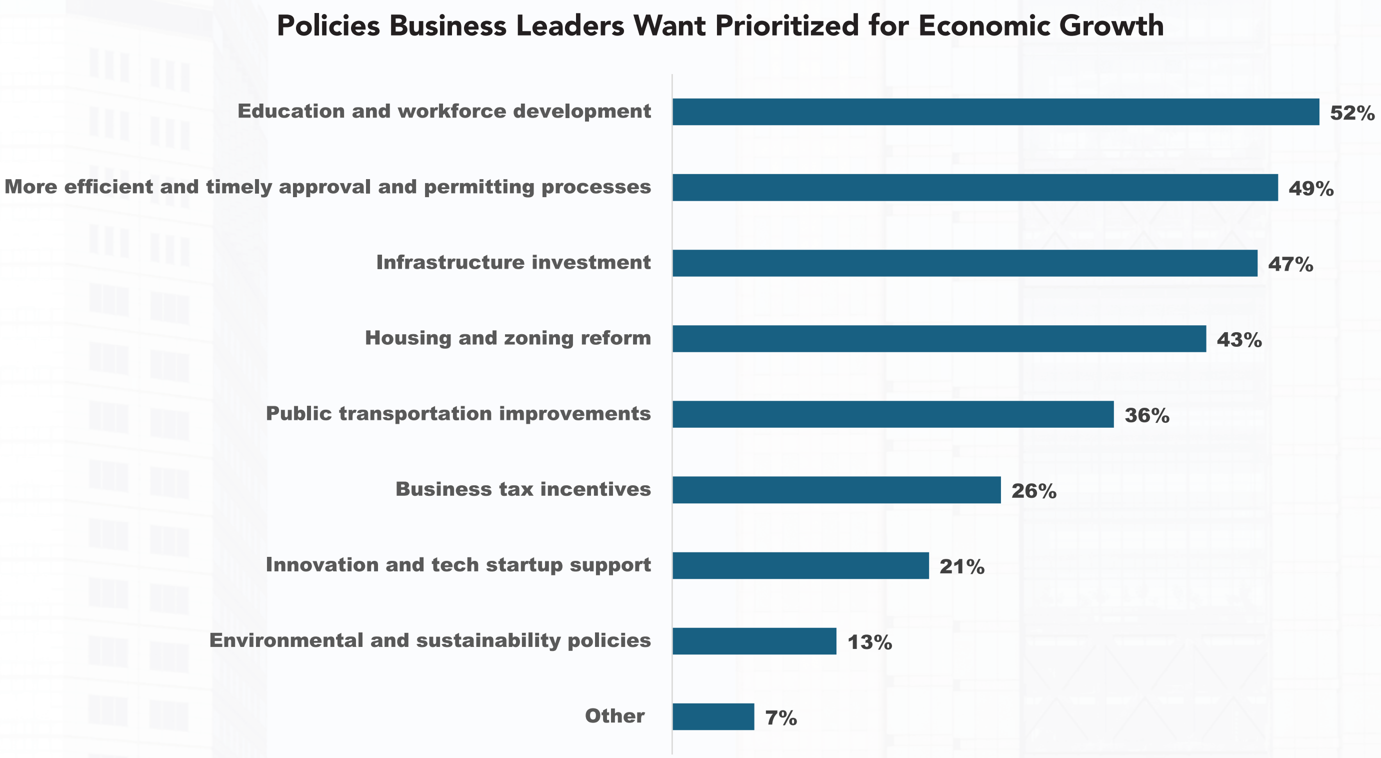


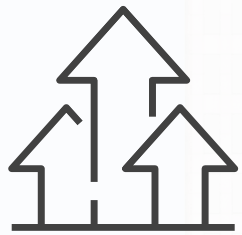
Slightly more than half of business leaders reported some level of confidence that policy leaders could navigate challenges—involving housing affordability, rising living costs, talent/workforce shortages, bureaucratic inertia, civic leadership, transportation infrastructure, and regulatory/tax burdens—over the next three years, while 48% were either "not very" or "not at all" confident.

Confidence in Policy Leaders



When asked which local or state policies should take priority to support business growth, leaders highlighted education and workforce development, more efficient permitting processes, infrastructure investment, and housing/zoning reform, among other initiatives.





Business leaders would like the City of Columbus to maintain focus on local business growth, with just half responding that the city should do more to attract national and global corporate investments, *with caution.*

"Immigration is a powerful engine for growth and a proven catalyst for building resilient, high-performing teams. In today's dynamic environment, forward-looking companies are tapping into global talent—especially in the skilled trades—to close critical labor gaps, accelerate innovation, and strengthen their competitive edge. With smart, compliant strategies, immigration isn't just a necessity; it's a strategic advantage that unlocks new capacity, capability, and opportunity."

Kelli L. Hayes
Partner, Immigration

EDUCATION & WORKFORCE DEVELOPMENT

When asked to rate current K–12 education funding, half of respondents said they consider it inadequate and underfunded—and even 36% of those who find it adequate conceded that it is strained. Nearly four out of five business leaders say they want more state funding directed toward public education.

Respondents also ranked several workforce development initiatives as priorities for future state funding, with skilled trade/technical certifications, apprenticeships/on-the-job training programs, and high school career and technical education (CTE) leading the pack.

While education, workforce development, and housing were focuses of this year's survey, there are a variety of factors involved in successfully attracting, retaining, and managing the talent base needed to support businesses and grow the local economy.

78%
Believe more state funding should be directed towards public education to support long-term economic development

"Central Ohio companies navigating evolving workforce challenges can better position themselves for success by adopting a holistic, forward-thinking approach—aligning tailored, compliant handbooks and policies with routine, targeted training; ongoing regulatory monitoring; and pragmatic, risk-mitigating approaches to dispute prevention and resolution."

Todd M. Seaman
Partner, Business Litigation

"Business leaders are calling for greater alignment of the public and private sectors in advancing regional economic development, including creative solutions to address housing costs and demand. To realize their full potential for all stakeholders, affordable housing projects must be carefully planned, enabled, and implemented, taking into account deal structure and viability when balancing the use of economic development tools with associated program requirements."

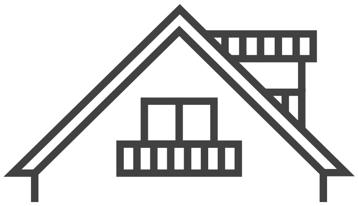
Jack Clark
Partner, Construction

HOUSING

It was nearly unanimous: 96% of respondents said the region's housing stock is insufficient to meet future economic growth. When asked for more specificity, 32% characterize housing affordability as a "major crisis" and 55% describe it as a "moderate concern."

96%
State the region doesn't have sufficient housing stock to meet future economic growth

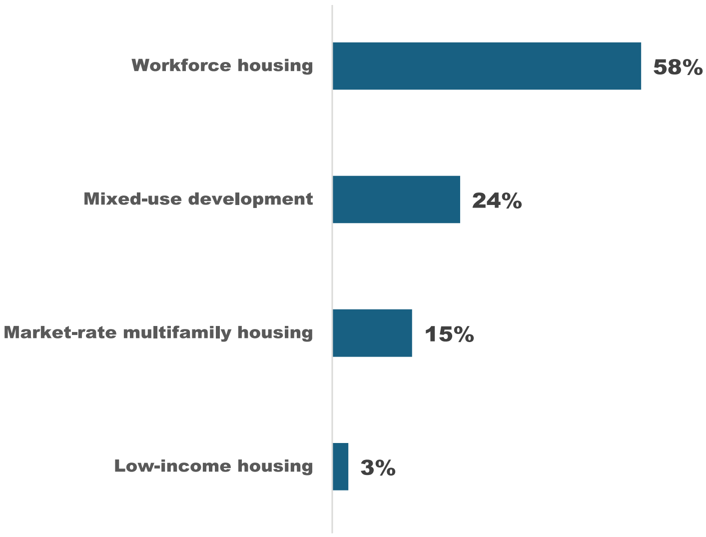
32%
Believe housing affordability in the region is a major crisis



The solution?

Fifty-eight percent feel workforce housing should be prioritized, with some respondents also supporting mixed-use development and market-rate multifamily housing. Only 3% support prioritizing low-income housing, at least in the context of supporting economic growth.

Housing Investments to Prioritize



ADDITIONAL INSIGHTS

Tariffs

Respondents expressed mixed views on the impact of geopolitical events, particularly federal tariff policy. While 10% anticipate tariffs will mostly help their business, 47% expect they will mostly hurt it.

10%
Anticipate the federal administration's tariff policy will mostly help their business

47%
Anticipate the federal administration's tariff policy will mostly hurt their business

Geopolitical

The majority of respondents stated that other geopolitical events, such as the war in Ukraine, U.S.–China relations, and the Israel–Gaza conflict, are influencing their business decisions in some way.

69%
Geopolitical events have had at least some influence on their business decision making

31%
Geopolitical events have had no influence on their business decision making

"As AI adoption accelerates, businesses are beginning to see meaningful efficiency and creativity gains. The organizations that excel are those that set clear direction at the leadership level while enabling teams to safely experiment and operationalize AI. With powerful tools now widely accessible, differentiation increasingly comes down to adoption, governance, and the ability to turn experimentation into real outcomes."

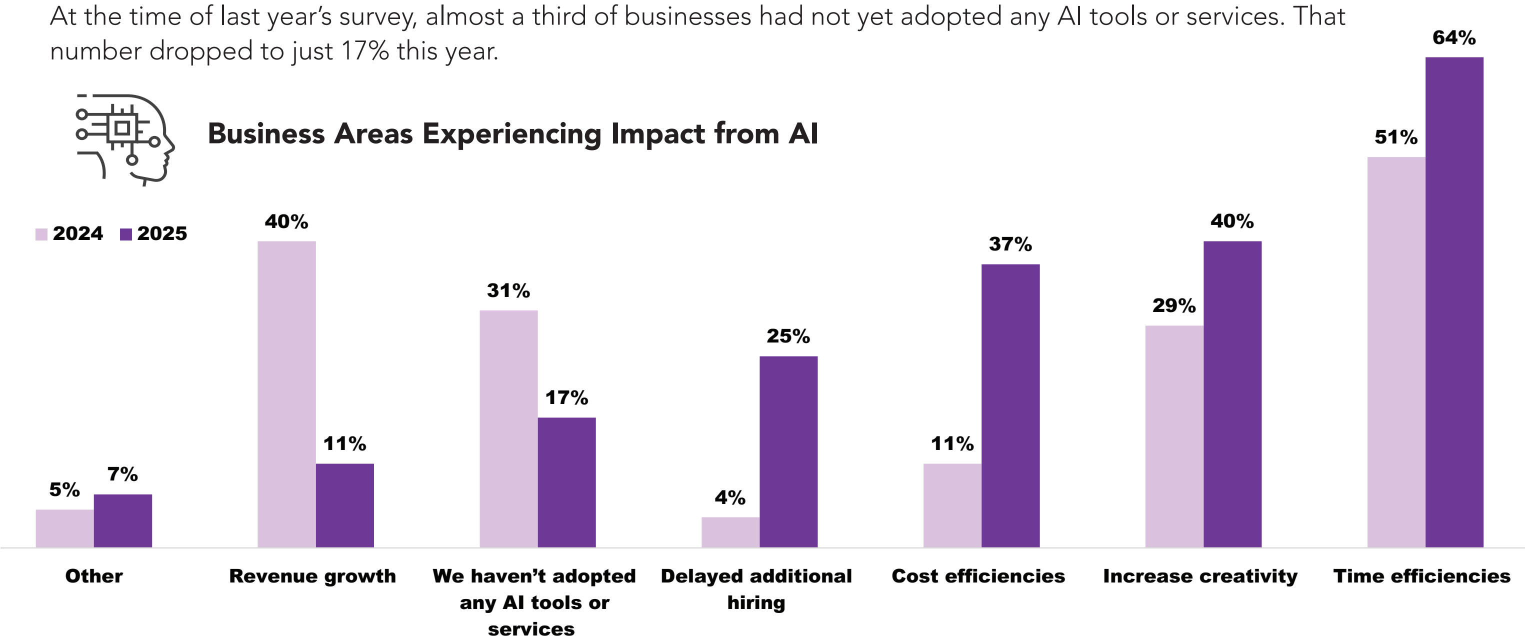
Matthew D. Coatney
Chief Information Officer

Artificial Intelligence

AI's influence increased rapidly over the past year, particularly in the areas of time and cost efficiencies, as well as creativity. AI also played a significantly larger role this year in delaying additional hiring. A quarter of all business leaders surveyed reported benefits from this added staffing flexibility.

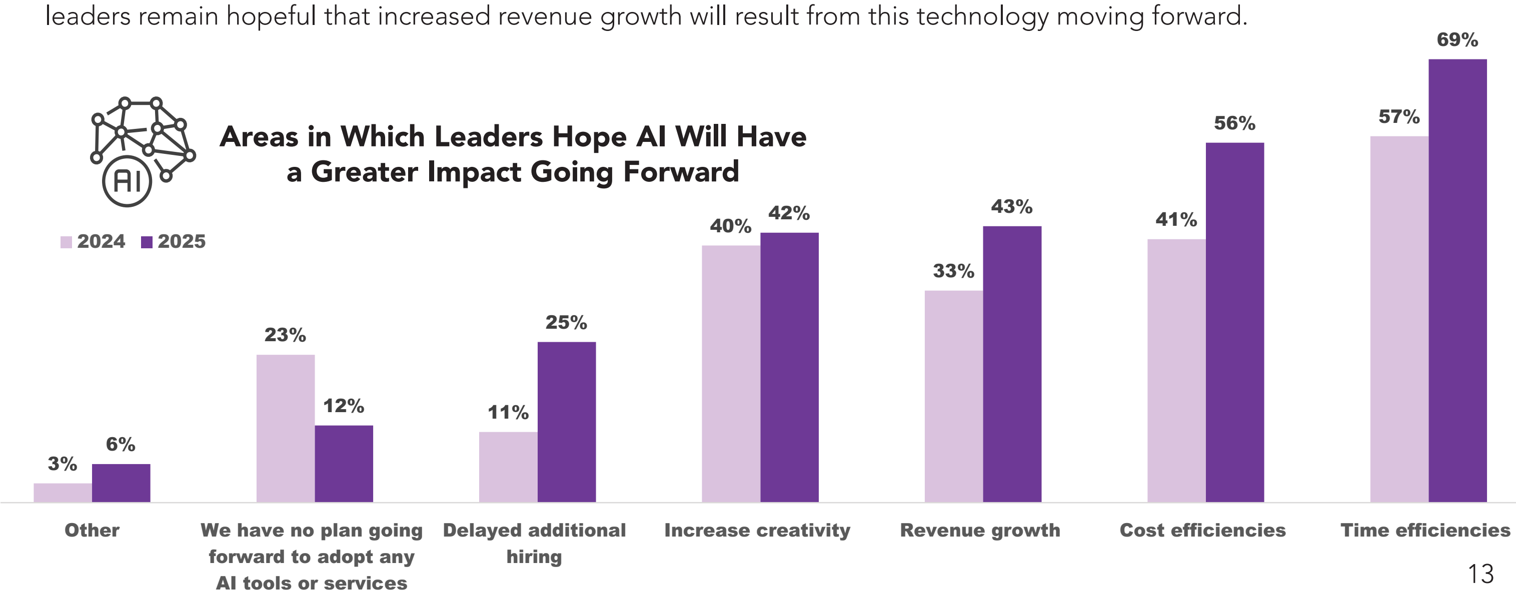
At the time of last year's survey, almost a third of businesses had not yet adopted any AI tools or services. That number dropped to just 17% this year.

Business Areas Experiencing Impact from AI



When asked what they hoped AI's greater impact would be going forward, leaders expressed a desire for more of the same time, cost, and creativity efficiencies. While AI contributed less to revenue growth this year than last, business leaders remain hopeful that increased revenue growth will result from this technology moving forward.

Areas in Which Leaders Hope AI Will Have a Greater Impact Going Forward



IN RESPONDENTS' OWN WORDS

When asked to describe the single most important change they would recommend to support Central Ohio's economic future, the following represents a sampling of business leaders' responses:

Workforce Training

"An aggressive, business-friendly approach to attract and grow existing and/or new businesses, coupled with major programs that emphasize technical and job skills training. College degrees are not essential to this type of skill development."

Public/Private Partnerships

"By allowing all qualified contractors—regardless of union affiliation—to compete fairly, we can foster a more competitive, innovative, and cost-effective construction industry and ensure a more level playing field in public and private development projects."

Government Action

"Control taxes, as Ohio is one of the most significantly taxed states."

"Ensure tax abatements are provided to companies that pay a livable wage."

"We need to get the government out of the way of progress. We need balanced budgets, low taxes, reasonable regulations, and the stopping of the corporate handouts, which clearly allow the government to decide who will win and who will lose."

"Less gov't/more streamlined approach in regard to zoning, planning, etc."

"Reduce bureaucracy. We are so slow to be able to move because of zoning, codes, permitting and other regulatory hurdles."

"Make it easier to do business. It takes far too long to bring concepts to reality in central Ohio."

Education

"Investing in education early. Guiding underprivileged children towards opportunities and growth."

Housing

"Allowing for and incentivizing the type of housing future residents and workers of the greater Columbus area would like to live in."

Supporting Small Businesses

"99% of all businesses are small businesses. Consequently, they are the largest employer. Resources and support should be directed in small business growth."

Adjusting to AI

"Help small businesses launch and become successful. AI will create a need for a new wave of entrepreneurship because the old jobs will become obsolete."

"Help those who have jobs keep them. Encourage companies to retain their employees and not replace immediately with AI. AI needs to be placed on a leash, or Ohio needs to focus funding on unemployment funds."

"With the AI depression and massive unemployment on the horizon, the city needs to strengthen its social safety net and apply policies that share that net's burden with the companies who are impacting it. Tax AI."

Transportation and Infrastructure

"Our traffic infrastructure is 30 years behind. The roads have become so hazardous that you pray on the way to and from work to make it alive. The Governor and other work CEOs/Presidents desperately need to support hybrid remote work for those that can in order to keep the others on the road safer. People who move here for the data centers, etc. will go back home when they find out the disasters of driving here."

"Roads and mass transit - If you live anywhere outside of Columbus (Powell, Dublin, Westerville, etc...) the roads have become extremely overcrowded and there is little to no mass transit to get individuals from the burbs to downtown. With the anticipated growth projections for the region, it is going to get worse."

Politics/Policy/Planning

"Alignment of planning at the federal/state/local levels. Initiatives like the Intel example are harmful to localities unless properly planned and executed. The eventual delay in construction is likely even more problematic than the actual project itself."

"Better collaboration across party lines to do what is best for our community."

"Central Ohio cannot flourish if we leave the less fortunate members of our community behind. Current food, education and insurance issues are damaging to Central Ohio."

**Some statements have been edited for length or clarity.*

CONCLUSION

To facilitate continued economic growth of Central Ohio, business leaders participating in this survey mapped a clear path that includes improved transparency, stronger incentives, and more efficient government processes—along with greater prioritization of education and workforce development and, perhaps most importantly, policy improvement and collaboration between business and civic leaders.

THOMPSON HINE

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Thompson Hine LLP, a full-service business law firm with over 400 lawyers in 11 offices, was ranked number 1 in the category "Most innovative North American law firms: New working models" by the *Financial Times* and was 1 of 7 firms shortlisted for *The American Lawyer's* inaugural Legal Services Innovation Award. The firm has been recognized by the *National Law Journal* as a Legal Technology Trailblazer and featured by *Bloomberg* for its innovative service delivery models, which drive accuracy and predictability. The firm's commitment to innovation is embodied in Thompson Hine SmartPaTH™ – a smarter way to work – predictable, efficient and aligned with client goals.

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