

OHIO

SMALL BUSINESS

ECONOMIC TRENDS

Winter 2026



Introduction

Each month, NFIB publishes the Small Business Economic Trends (SBET) report, which tracks economic activity among small businesses in the U.S. The survey measures changes in sales, employment, investment, financing, and economic sentiment. While this is a useful country-wide snapshot, no state can be defined by national numbers alone. Therefore, the NFIB Research Center has produced state-specific

numbers in our new, semi-annual “State of the States” SBET report for some of the largest states in the U.S. To create statistically meaningful numbers, responses from six monthly surveys are pooled together, creating data points for summer (April-September) and winter (October-March). These reports help signal the unique challenges and strengths of each state covered.

OHIO

It's the "Birthplace of Aviation" and the "Mother of Presidents." It's a large midwestern state that combines substantial rural areas with three major cities. The seventh most populous state, Ohio has an economy that reflects its historical role in the country and diversified population. Manufacturing is the biggest single sector, as Ohio boasts the fourth-largest manufacturing industry in the country. But the economy is diversified overall, with sectors including real estate, finance, health care, wholesale, and retail that all meaningfully contribute to its economy.

Contextual Data

GDP:	\$989 Billion (7 th)
Per capita income:	\$67,900 (37 th)
Unemployment rate:	4.2% (25 th)



1.1 million
small businesses



2.2 million
small business employees

Ohio has climbed to just shy of \$1 trillion in total economic output as measured by GDP in the latest data, ranking seventh nationally. Its per capita income is climbing steadily too, though remaining steady in its rank (37) among the 50 states. The biggest shift in its key economic stats is in unemployment. In the previous edition of this report, Ohio had an unemployment rate of 5.0% (preliminary August data). Now, that rate is just 4.2% (preliminary February data). Some of the improvement came from data revisions, as the final August number was lowered to 4.4%. But, overall, Ohio has had a declining unemployment rate since early 2025, a positive contrast to the steady-to-possibly-increasing national rate.



Optimism Index

After two periods comfortably above the national average, Ohio's Small Business Optimism Index fell to roughly match the U.S. in the latest data (Oct. 2025-Mar. 2026). Currently, the Ohio index is at 98.3, fractionally behind the U.S. at 98.5 (Fig. 1). Both are slightly above the historical average of 98.0.

While the decline clearly does not fall into the "good news" category, it should not yet be

seen as particularly bad news. A one-period drop without a clear cause always raises the question of inherent survey noise or the start of something more significant. The latest data is still consistent with a reality where Ohio's small business environment is a bit better than the national one, but perhaps not by quite the margin that it was with the previous data (where Ohio was 1.5 points better than the U.S.).

Small Business Optimism Index Seasonally Adjusted (1986=100)



Figure 1



Optimism Index (cont.)

Reviewing the underlying components of the Index shows one category meaningfully better in Ohio, one category meaningfully worse, and the rest fairly similar (Table 1). On the bright side, profits are trending in the right direction, with a 7-point overperformance in Ohio

compared to the U.S. On the disappointing side, sales expectations were less positive, with Ohio scoring 6 points worse than the U.S. overall. Despite these two components with significant differences, the overall picture here is similar between Ohio and the U.S.

Optimism Index Components

Component (Seasonally Adjusted)	Current (OH)	Current (U.S.)	Difference (Rounded)
Plans to Increase Employment	13.1	15.4	-2
Current Openings	31.7	32.0	0
Expected Credit Conditions	-4.9	-4.2	-1
Expect Economy to Improve	15.7	18.9	-3
Expect Real Sales Higher	4.7	10.6	-6
Earnings Trends	-14.8	-21.4	7
Current Inventory (Too Low)	-2.0	-2.6	1
Plans to Increase Inventory	-2.3	-2.4	0
Now a Good Time to Expand	16.6	13.2	3
Plans to Make Capital Outlays	18.3	19.4	-1

Table 1



Business Health

In early 2025, NFIB introduced a new question on business health to serve as a concrete, point-in-time complement to the comprehensive and forward-looking Optimism Index. By narrowing the focus to the current health of the respondent's business, the new question gives a useful alternative pulse of the small business economy.

As with the Optimism Index, the business health data suggests marginal differences between Ohio and the U.S. overall (Fig. 2).

Ohio had 4 percentage points fewer small business owners identify their businesses' health as "Good." Instead, 3 percentage points more identified their business health as "Excellent," and 1 percentage point more said their business health was "Fair." The rise in "excellent" responses is great; the rise in "fair" is not great. Given the small scale of these changes, the best interpretation is that Ohio small businesses have similar health assessments to the U.S. overall.

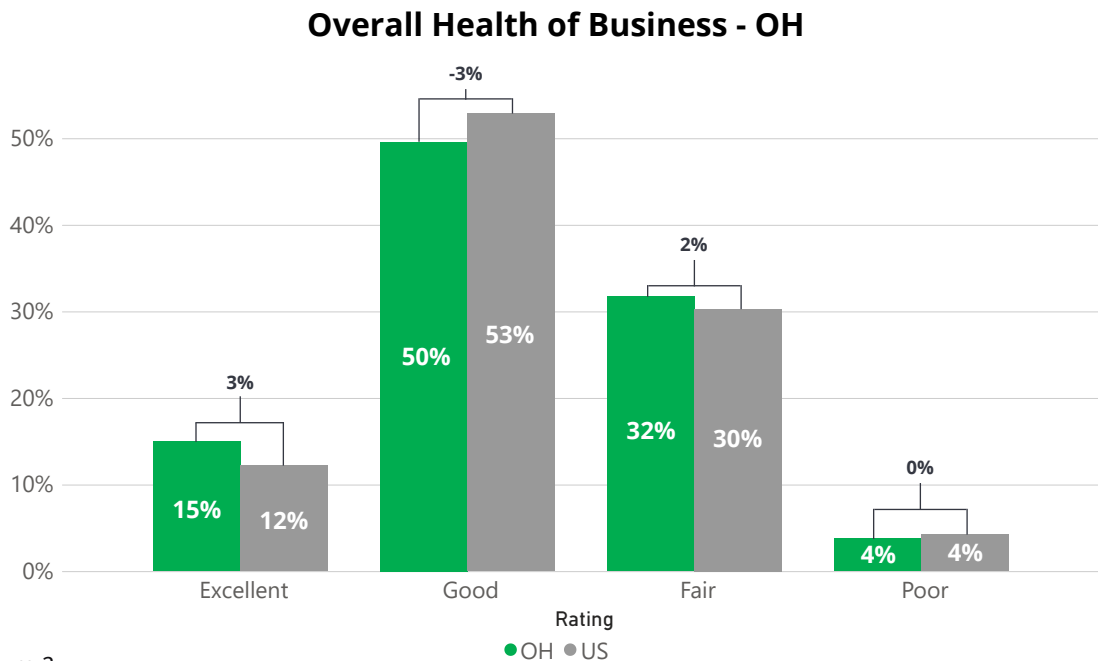


Figure 2

The negative wrinkle here is, like the Optimism Index, Ohio small businesses were more positive relative to the U.S. in the previous period. In fact, the business health data was, if anything, even more positive relative to the U.S. than the Optimism Index data was in the previous report. So here again, there is

the disappointing lost advantage. That said, like the Optimism Index, it remains an open question whether this is a negative trend or simply a less positive reading of consistent conditions just a bit better than the U.S. as a whole.



Employment Index

This winter, NFIB launched an index to measure the state of the Small Business job market. The new Employment Index incorporates six components related to hiring and compensation and turns them into a single number, where higher means a tighter labor market where workers are harder to find and retain, and a lower number means a weaker labor market where hiring and retention are relatively easier.

Right now, that Index is signaling that the Ohio small business jobs market is faring worse than the U.S. overall (Fig. 3). However,

one key note: The data of the past decade shows much more volatility for the Ohio Index relative to the U.S. data. The Index has frequently jumped from above and below the national average. The latest data continues that trend. In the previous period (Apr.-Sep. 2025), the Ohio Employment Index was 2.0 points stronger than the U.S. In the current period, the Ohio Index is 2.2 points weaker (99.4 vs. 101.6). Adding to the disappointment of the current reading, the Ohio Index is now just slightly worse than the historical national average of 100.0.

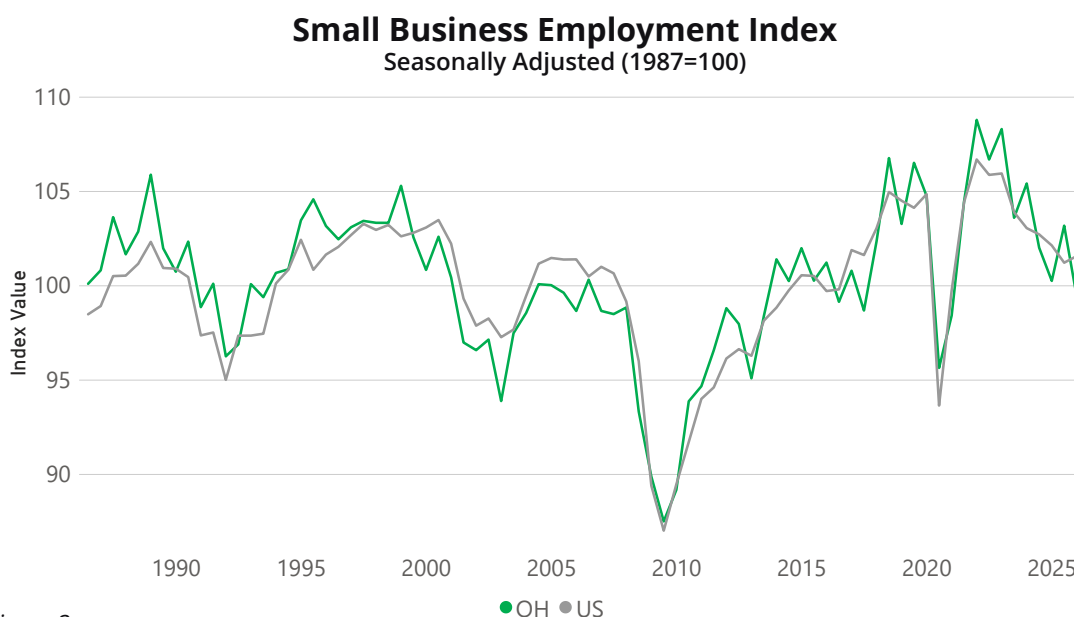


Figure 3

Looking at the underlying components, the decline in Ohio's Employment Index comes from how actuals compare to expectations. In other words, the data shows that Ohio businesses expected to hire more and give out more raises but ended up doing less than planned. Between hiring and compensation changes, the compensation components were slightly more negative than the hiring components.

Going forward, the Employment Index will be one to watch closely. Will it fluctuate back above the national average as it has so often over the past decade? Or is the negative print here the start of a more negative era? Given the recent data and the positive movements in the Ohio unemployment rate, the "fluctuate" scenario seems more likely—but only time will tell.

? Uncertainty Index

Uncertainty has been a major problem for small business over the past 18 months, with a spike that has comfortably exceeded past records. Here, we see a touch of good news, as the Ohio Uncertainty Index closely paralleled the U.S. data and declined over the previous two periods (Fig. 4). Despite the improvement, both Indexes remain at historically high levels. For the U.S., the current level would have set a record prior to the recent surge. For Ohio, the current level would have been the second highest reading of all time.

The one slight detraction from the improvement in the Ohio Uncertainty Index is that it was accompanied by a decline in the

Optimism Index. The unique nature of NFIB's uncertainty metric is that it is a true midpoint between good and bad. That means movement out of 'uncertainty' can be either good (if respondents become positive) or bad (if they become negative). The drop in the Optimism Index suggests respondents shifted from the neutral ground of "I don't know" toward negative responses. So, the Uncertainty decline observed in this period is not completely good news, even if, all else equal, lower uncertainty is absolutely for the best so that small business owners can be more confident about their business decisions.

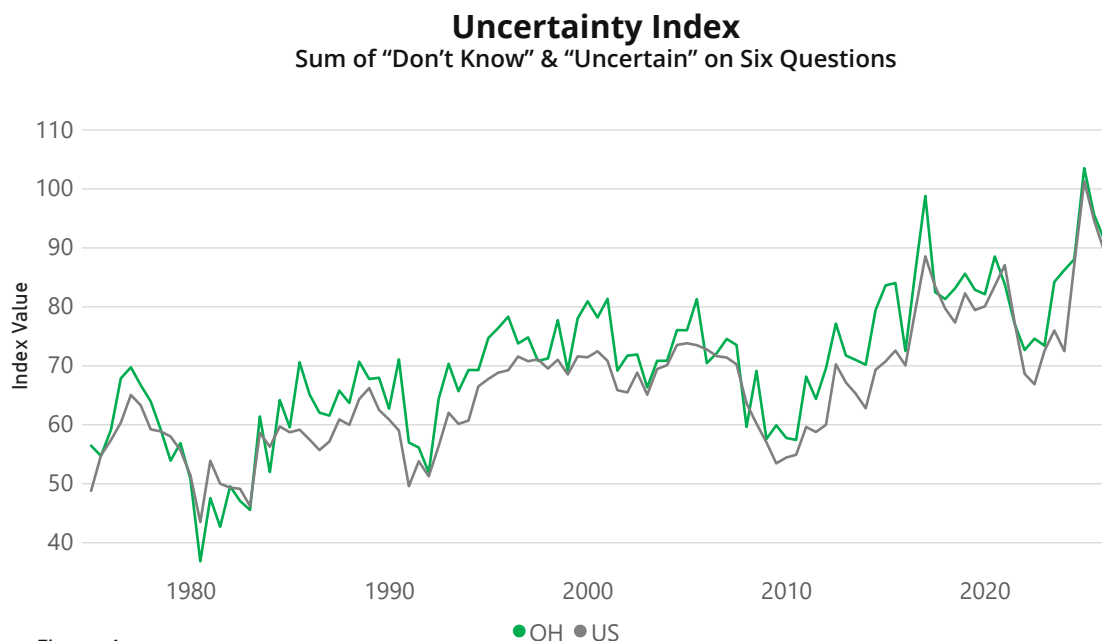


Figure 4



Top Issues

To add color to metrics on general business conditions, NFIB also asks small business owners to identify their single most important problem in operating their business. The detail on what issues are keeping them up at night provides valuable insight into their current landscape and where policymakers might make the environment more conducive to economic success.

Interestingly, the data on the top issues shows remarkable similarity between Ohio and the U.S. In fact, only one issue has a

gap big enough to highlight: Labor quality, which is 5 points worse in Ohio than in the U.S. overall (Table 2). While it is the top issue in both geographies, it is much more pronounced in Ohio than in the rest of the country. When considering the contextual data on unemployment, this is not too surprising. Ohio's unemployment rate has been improving, while U.S. unemployment has been generally flat. So, given those positive shifts in hiring in Ohio, it is no surprise that the fight to get the right workers is just a little fiercer and more challenging in the state.

Single Most Important Problem	Current (OH)	Current (U.S.)	Difference (Rounded)
Competition from Big Business	5.4	5.7	0
Labor Cost	8.0	8.5	-1
Financing & Interest Rates	3.2	2.9	0
Government Regulation	8.0	8.2	0
Inflation	13.2	12.6	1
Labor Quality	24.6	19.9	5
Taxes	15.8	17.3	-2
Poor Sales	8.6	9.8	-1
Cost or Availability of Insurance	8.3	9.9	-2

Table 2

Conclusion

After comparing favorably to the U.S. in the previous period, Ohio looks more in line with the national data in the current one. That said, it is too early to tell if this is a disappointing trend or just a negative read on stable underlying conditions where Ohio is still slightly better than the U.S. overall but by a smaller margin than it seemed. Employment is an area of complex data. Government data on the Ohio unemployment rate showed improvement. The new Small Business Employment Index

showed underperformance in Ohio, but also a great deal of fluctuation above and below the national level in recent years. And the top issue for a quarter of small business owners was labor quality, the lone issue where Ohio was meaningfully different from the country overall. In total, the data are complex and show an Ohio small business community that is faring reasonably well—though perhaps not quite as well as the last update suggested.



Methodology:

The data for this report is sourced from our Small Business Economic Trends Survey, which polls a random sample of NFIB members. The survey ran quarterly from 1973 to 1985 and monthly from 1986 through the present. As this is a national survey, the number of responses from an individual state are not necessarily statistically meaningful in a given month. To create this new state-specific report, we pooled data from multiple surveys into a weighted average for a given season (Apr-Sep for summer and Oct-Mar for winter). For Winter 2026, Ohio had 349 total responses.