



Q4 2021

Quarterly Research Update

GAC
GREATER AKRON CHAMBER

In Pursuit of a Larger Labor Force

It's no secret that our employers are facing a widespread worker shortage. Seemingly across every industry, across the entire country, employers are struggling to fill in-demand positions, even as wages continue to rise.

Comparing our current vs pre-pandemic labor force helps quantify the worker shortage. The labor force for a region measures the number of residents that are employed or else are actively seeking employment.

Currently, the Greater Akron labor force stands about 13,000 lower than it did towards the end of 2019. This gap roughly represents the scale of our workforce problem – there are 13,000 fewer people working or seeking employment, and currently over 19,000 active job postings.

And it's not like thousands of individuals have either lost their jobs or decided to quit, and then went back to school. This would be a dynamic that would result in a temporary hiring challenge for employers, but would benefit the region longer-term with a higher-educated, more skilled workforce. We saw this happen during the Great Recession, when employment fell nearly 6% from 2007 to 2010 while college and university enrollment increased 16%. I was one of them – I left my job and spent two years earning my MBA at the University of Akron.

Today, though, we don't see this employment-to-enrollment shift nationally. Employment is down 2-3% from pre-pandemic levels, and undergraduate enrollment has dropped by over 6%. So, not only have Americans left the workforce, but there are fewer people in the higher-ed pipeline developing the skills and education needed to meet employers' needs. There's a strong need to understand why individuals have left the workforce and are forgoing education, so that we may address the underlying issues and re-engage and up-skill our residents, to meet our employers needs to fuel economic growth that benefits the entire region.

Increasing wages may be accelerating the process of automating lower-skill jobs. But, in order to meet the current and future labor demand of our employers, the need is increasingly clear to grow the size of our labor force.



And there are two mechanisms by which a region can grow its labor force: by increasing its population, and by increasing its labor force participation rate.

Our region has not experienced population growth in over 20 years. Because the COVID-19 pandemic has accelerated the adoption of remote-working opportunities, and given the colossal difference in cost of living between mid-sized metropolitan areas (e.g., Akron) and large population and job centers (e.g., Chicago or New York), it is possible that Greater Akron will see its talent attraction tick up, adding to its population. But with current population trends essentially flat, increases to the labor force over the very short term are expected to come not from population increase, but from labor market participation rate increase.

There are a multitude of reasons that employees have left the labor force. The complexity of this problem makes designing and implementing solutions difficult, even with new federal, state, and local resources available. Fear of contracting the COVID-19 virus, transportation constraints and limited childcare options are three often-discussed barriers for individuals fully participating in today's economy. Additionally, there is a somewhat-common perception that enhanced unemployment benefits have made unemployment too attractive for potential workers, though national data does not strongly support this assertion.

A collaborative of partner organizations focused on economic and workforce development are undertaking research to develop a better understanding of these factors, so that we can help drive effective solutions.

Brian Anderson
Senior Director of Research



In This Issue

Every quarter, your Greater Akron Chamber analyzes key economic indicators important to understanding the regional economy and our standing relative to metropolitan peers. This report covers data collected in Q3 2021.

In this issue, we look at economic output and productivity across our regional peer group, insights from our Q3 2021 Pulse Survey, and valuable resources to help individuals and organizations achieve their goals in professional development and DE&I.

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Regional Economic Indicators

Analyzing recent employment trends and gaps, and what some potential solutions are.



Business Sentiment

Perceptions of economic recovery and outlook for revenue and employment growth.



Return-to-Work Insights

Measuring employers' response and plans for worker location during the pandemic.



Economic Opportunity & Inclusion

Programs and resources to help meet individual development and DE&I goals.

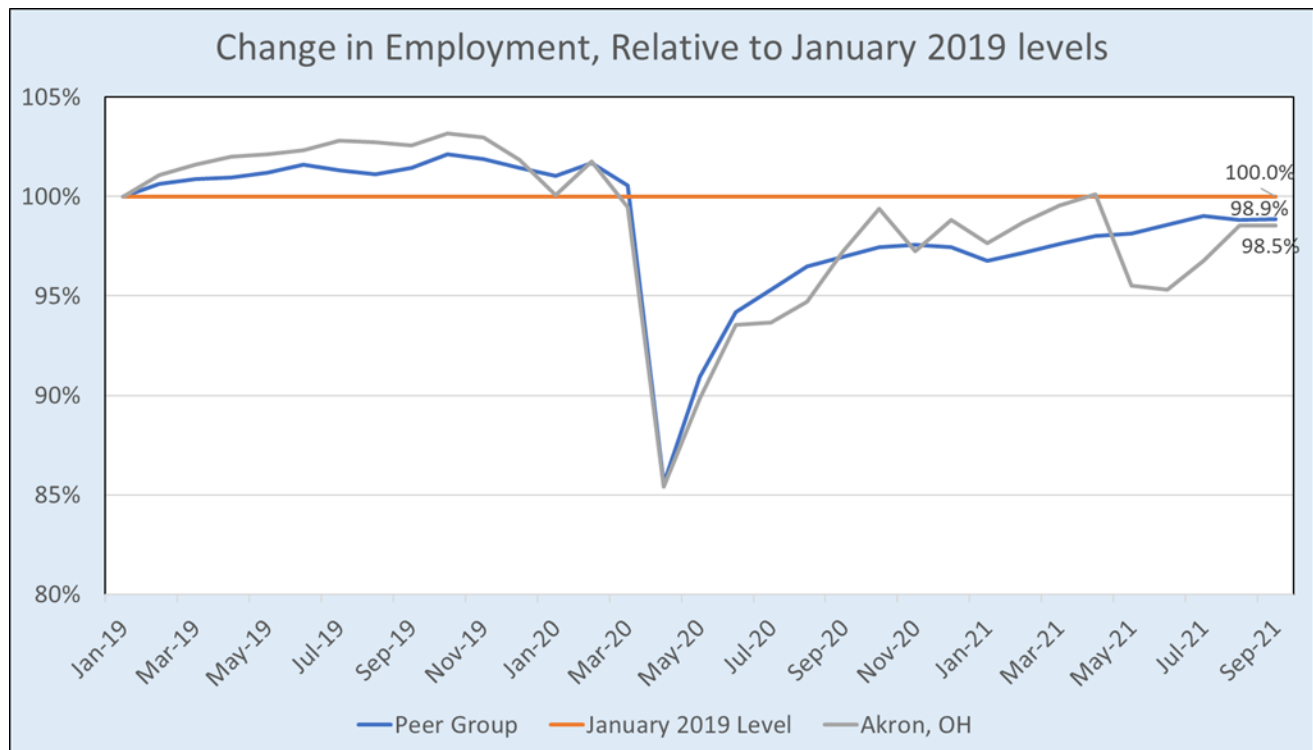


Akron MSA Regional Employment Gaps & Solutions

Employment Gaps

Employment Recovery. Like its regional peers, Akron MSA's employment declined sharply with the onset of the COVID-19 pandemic, and has subsequently recovered along a gradual and jerky path. While most of the region's jobs lost in March-April 2020 have since been recovered, there are still over 10,000 fewer individuals employed in Akron MSA today than there were before COVID. Worker shortages are effecting most – if not all – industries, complicating the process of designing and implementing solutions to the problem.

By narrowing the focus of regional workforce development efforts to particular areas of needs, regional leaders are able to concentrate resources into fewer outreach campaigns, training programs, and employer engagements, and thus expect to make more significant progress in a shorter period of time, in the that narrower area of focus.



Source: GAC Q3 2021 Pulse Survey

Sector-Specific Employment Needs. Three sectors that warrant particular attention in workforce development are Production, Healthcare, and IT. The table below contains summary statistics for an approximate subset of these occupations that are attainable without a bachelor's degree.

These three warrant particular attention due to the high current employment throughout Akron MSA, forecasted demand over the

Sector	Employment	5yr Demand	Avg Wage	Online Ads
Production	25,434	11,964	\$40,000	1,095
Healthcare	14,998	10,693	\$29,800	1,069
I.T.	8,598	3,327	\$79,100	655

Source: Emsi Q4 2021 Data Set

next 5 years, anticipated wage, and current openings. Production and IT jobs are traded-sector economic activities, and therefore build wealth for the region. Production and Healthcare are particularly in demand, with over 1,000 online job ads posted in October 2021 and over 10,000 forecasted demand over the next 5 years. And Healthcare and IT have relatively high forecasted growth rates predict strong and sustain future demand.

Employment Focus

Mid-Tech Research. The Greater Akron Chamber, as part of the Elevate Greater Akron (EGA) economic development collaborative, is conducting research into the viability of a workforce development effort focused on developing middle-level IT skills for the Greater Akron area. Current levels of credentialing will not meet forecasted demand in middle-level IT; our economic development leaders are considering whether to prioritize a big push to help our labor supply meet that demand. This research, set to conclude by the end of 2021, will help determine the feasibility of such an approach. If our leaders walk away from the effort convinced that our region can supply a consistent supply of residents interested and able to complete targeted IT training, and our region's employers are engaged in the process and can commit to hiring residents that complete these training programs, and this work can be executed in an equitable way so that a truly inclusive economic opportunity is being created, then they may decide to invest in this work and prioritize IT training above other workforce development strategic focuses. If not, then it may be determined that a different specific focus, or else a broader workforce focus is more appropriate for our region.

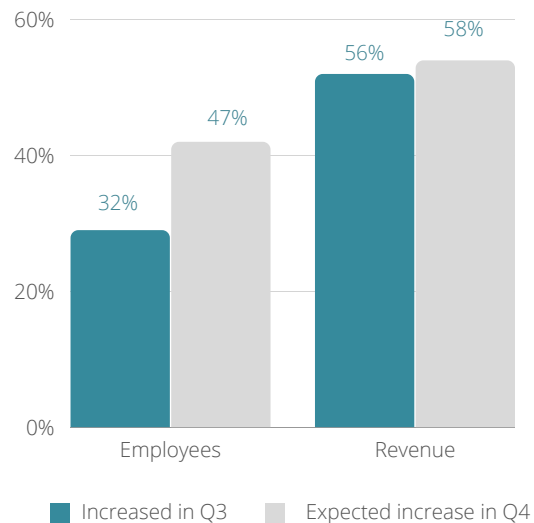
Greater Akron Business Pulse

Business Sentiment

While 42% of Q2 Pulse respondents expected to increase employment in the upcoming 3 months, only 29% of Q3 Pulse respondents report to have done so over that same period. This underperformance can be at least partially attributed to the unexpected surge of the delta variant of the coronavirus.

Employers continue to appear optimistic they will both increase revenue and expand employment in the coming quarter relative to the prior quarter, with +13% expecting to add jobs and +2% expecting revenue gains.

78% of respondents think that Greater Akron is a somewhat good or extremely good place to do business in, with results holding across organization size and with organizations identifying as a minority-owned, woman-owned, or disadvantaged business entity (65% favorable) responding somewhat less favorably than all others (83% favorable).



Source: GAC Q3 2021 Pulse Survey

For most businesses, regardless of size or other category, the top pain point is finding, hiring, and retaining employees; and the top-stated long-term driver of our regional economy is the growth and recovery of existing small businesses.

COVID-19 Sentiment

Note: This Q3 2021 Business Pulse Survey was conducted at the end of September 2021, and subsequent fluctuations in delta and omicron variant transmission may change sentiment among our business community from what is reported here.

Overall concern about the COVID-19 pandemic has increased from a quarter earlier, with respondents nearly as concerned about its health impacts as they were in Q1. 76% of respondents reported to be concerned “a great deal” or “a lot” about the economic impacts of the pandemic, up from 67% in Q2.

29% of respondents say that their top pandemic-related concern is their ability to return to a pre-pandemic level of business revenue, down slightly from Q2. 12% indicated they have no COVID-related concerns, down from 21% in Q2. Meanwhile, 22% of MBE respondents say their biggest challenge is access to capital, compared to just 1% of non-DBEs.

Respondents indicated a relatively positive view of the economic recovery of their organization compared to the NEO economy as a whole, and similarly a positive view of the NEO economy compared to the broader U.S. economy.

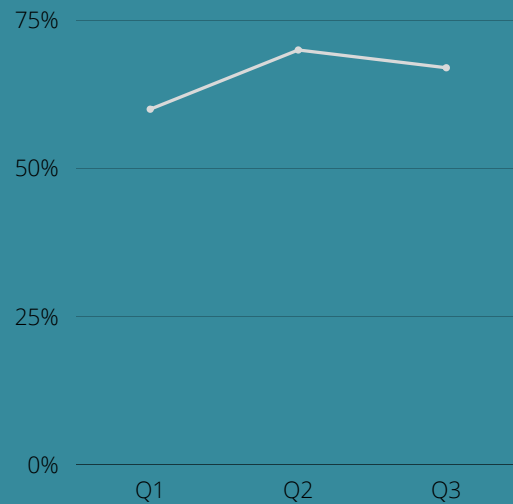
Return to Work

More workers have returned to the office in Q2, with 67% now working 100% on-site.

Of those that have yet to return all employees to on-site work, 47% indicated that it would not be until 2022 or later when they decide to do so. Meanwhile, 40% of those not fully working on-site indicated that they do not plan to have their employees fully work on-site (up from 37% in Q2). This suggests that some employers are considering maintaining a mixed or remote-work structure beyond the effects of the pandemic.

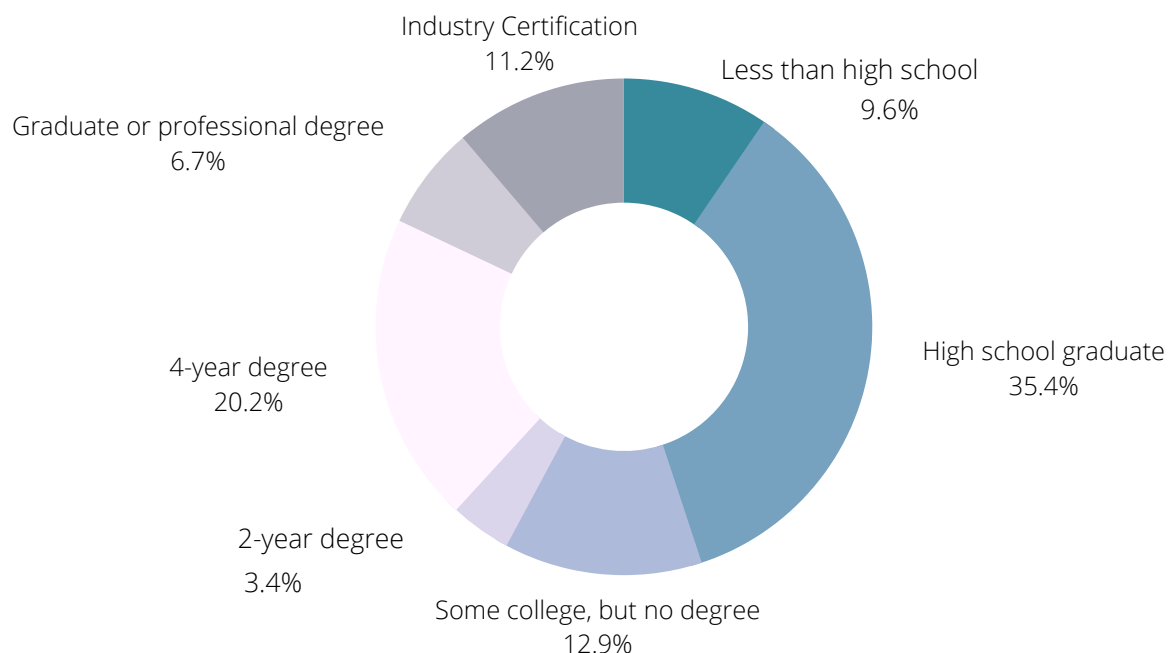
Respondents' Staff

100% on-site



Employment Challenges

Employers struggle with hiring at several levels of education and training, in particular in positions requiring just a high school diploma or equivalent (36%).



Economic Opportunity and Inclusion

Diversity, Equity, and Inclusion Toolkit

The Greater Akron Chamber has developed tools, resources, and support that you can leverage in those efforts. Whether you're just starting out or you have been working in this space for a while, we can help advance your work. Utilizing an assessment tool, an action plan development tool, conversation cohorts, and a DEI resource tool, we have created accessible and specific tools for you and your organization.

And, no matter where you are in your DEI journey – from early exploration to fine-tuning specific processes—we can help!

For more information, visit our [website](#).

2022 ANNUAL MEETING

03/23/2022

4:30 PM - 7:30 PM

John S. Knight Center

- Sponsorship Opportunities
- Networking Reception
- Dinner
- H. Peter Burg Award

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We thank you for your continued support in our research efforts.



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