

Q1 2022



# Quarterly Research Update

**GAC**  
GREATER AKRON CHAMBER

## A win for Ohio. A win for Greater Akron.

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On January 21st, Intel made public its plans to make our state its hub for semiconductor manufacturing.

With an initial investment of \$20,000,000,000 that could increase to \$100,000,000,000, Intel would drive Ohio to become the largest center for semiconductor manufacturing in the world.

Semiconductor chips are increasingly ubiquitous in our daily lives, as cars, phones, computers, refrigerators, electrical grids, and an endless list of other products add additional functionality that require these chips to operate. A single new car may have over 100 of these fingernail-sized chips alone. Over 1,000,000,000,000 chips are produced each year globally, and demand is increasing.

The COVID-19 pandemic created a nightmare of a global supply chain disruption, and semiconductor chip supply has not kept up with increases in demand. The result is that product manufacturers can't complete their products without these chips, production is stalled, factories partially close, and profits and wages are lost. Adding chip manufacturing capacity in the U.S. will help fuel recovery and growth in manufacturing and other downstream industries that make up a significant portion of our economy. [According to JobsOhio](#), this Intel project is expected to add \$2.8 billion to Ohio's annual gross state product (\$675 billion in 2020).

And beyond economic output, this investment is a big job creator. New direct permanent jobs estimated in this initial phase are 3,000 averaging \$135,000 per year.

In addition to economic recovery and job creation, Intel's investment includes a big prize for our institutions of higher-education – which Intel will rely on to produce top talent. Intel's University Research & Collaboration Office (URC) has issued an RFP for new, multi-institution research and education programming, and intends to fund \$50 million in grants and other investments over the next ten years. Furthermore, Intel will invest an additional \$50 million (to be matched by yet another \$50 million by the National Science Foundation), for a total of \$150 million in grants and other funding opportunities in the space of education and research.



Beyond Intel, this focus on increased production of STEM talent will benefit a broad mix of Ohio employers. This new supply of critical talent will be important for the state. We'll also benefit in Greater Akron, but will need to be mindful of retaining current talent as opportunity for thousands of well-paying jobs just 90 minutes to the south will require us to strengthen connections between employers and students in our region before their graduation. As we compete to retain this talent, we'll need to better leverage our region's attractive low cost of living and quality of life, and add vibrancy to Downtown Akron and the region's other job hubs, neighborhoods, and business districts.

The site for Intel's new semiconductor factory is Licking County, Ohio, about 100 miles southwest of Downtown Akron, and is on about 1,000 acres of land. That's about 1.5 square miles of contiguous space. While we evaluated the options, Greater Akron and NEO did not have an option that qualified for consideration. However, there will be benefit to our region from related attraction, expansion and supplier and end user opportunities.

Suppliers from Engineering Services, Freight Trucking, Machine Shops, Industrial Machinery Wholesalers, Plastic Material and Resin Manufacturing, and more, have a big new customer moving in just 90 minutes away. Buyers in all sorts of different manufacturing and end-product production, distribution, and sales will have better access to chip supplies. According to JobsOhio, "more than 140 existing Ohio businesses across the state are already Intel suppliers," and Intel's investment will catalyze growth to further support the supply chain.

**[For employers interested in becoming a supplier to Intel, read more here.](#)**

Intel's investment is a win for Ohio, and a win for Greater Akron. As we work to develop approaches to best leverage this opportunity for Greater Akron, we'd like to know if your company is heavily connected to the supply or demand of chips or if you have insight and experience that may aid our efforts. If so, reach out – we'd like to talk with you!

Brian Anderson  
Sr. Director of Research



## In This Issue

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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 Q1 2022.

In this issue, we analyze innovation data to understand how Greater Akron is better positioned to capitalize on recent investments, insights from our Q1 2022 Pulse Survey, return to work data from regional employers, and trends in employment challenges.

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### Akron MSA Innovation

How Greater Akron is positioned to capitalize on regional and state investment.



### Business Sentiment

Employment trends compared to perceived revenue trends over the next quarter.



### Return-to-Work Insights

A brief overview of return to work statistics from the region's employers.



### Employment Challenges

Get a deeper analysis around hiring data in the region.

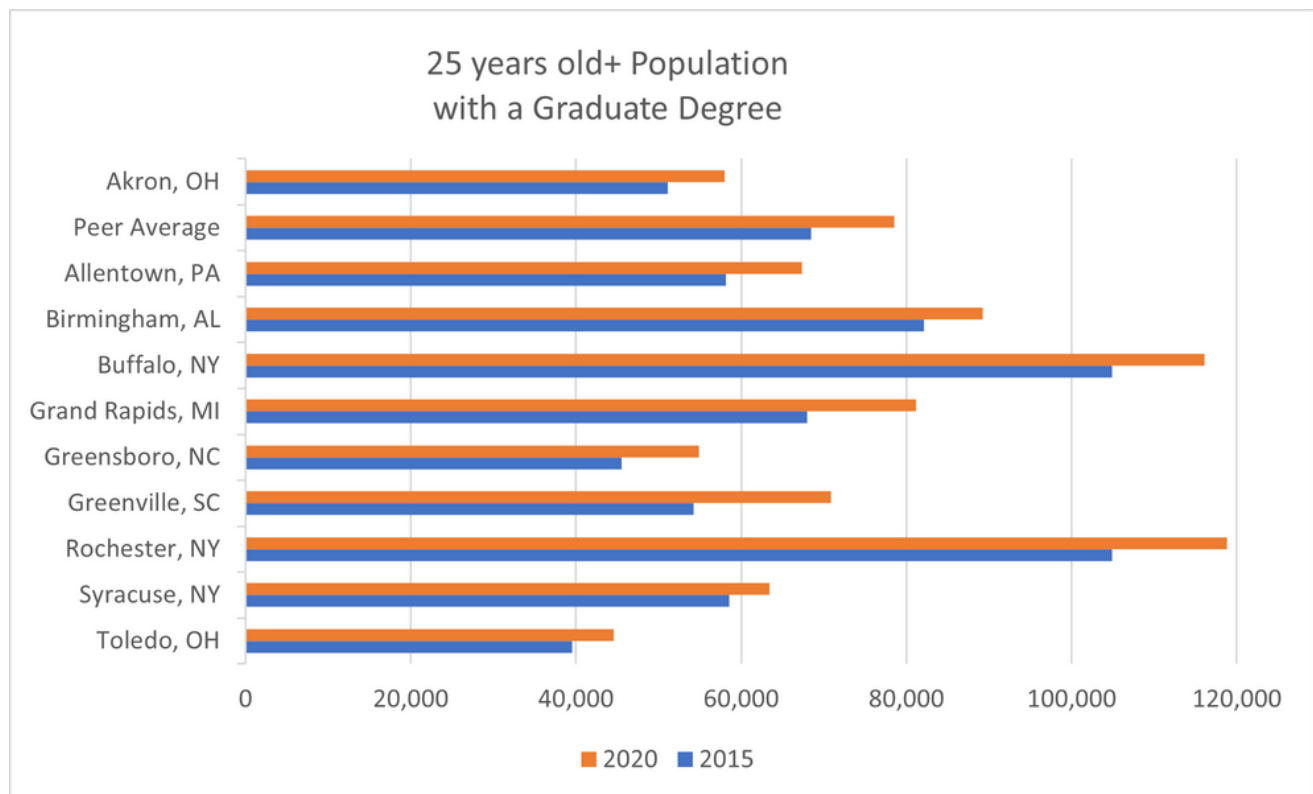


# Akron MSA Innovation

## Population with Advanced Degrees

A region like Greater Akron can better capitalize on investments like Intel's the the more innovative it is. Innovation is fueled by specialized expertise and produced in the form of commercially-relevant new ideas, products, processes, and so on. These can be measured by a highly educated population and the generation of intellectual property (i.e., the production of patents), respectively. Key institutional drivers of innovation in the region are The University of Akron, Kent State University, and Bounce Innovation Hub.

In 2020, 58,016 people over the age of 25 held advanced degrees in the Akron metropolitan statistical area (MSA). This represents a nearly 13.5% increase since 2015 and results in 8.3% of our region's population with advanced degrees -- 4th best in our metropolitan peer group.

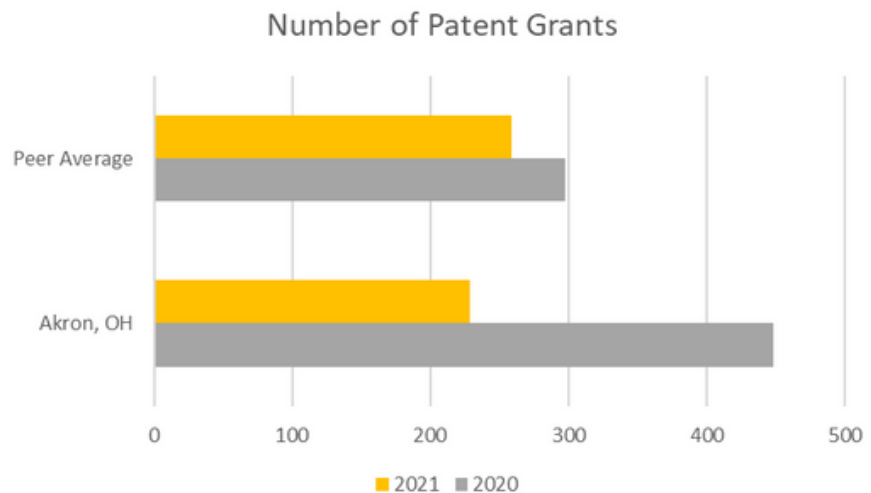


Source: U.S. Census Bureau, American Community Survey, Table S1501

## Patents

Akron MSA has consistently performed in the top half of total patents awarded in its metropolitan peer group. In 2018, 2019, and 2021 it ranked 5th of 10, and in 2020 ranked 3rd of 10 with 448 patents granted. Compared to the relative size of Akron MSA (8th of 10 in population), these results show disproportional success in intellectual property generation.

Not all patents are equally impactful to economic growth, and so the number of patents granted doesn't by itself paint a complete picture of regional innovation, but Greater Akron demonstrates its capabilities through these strong results.



Source: USPTO Patents View

## Innovation District

Our region is leveraging its innovation assets to pursue an exciting opportunity under the State of Ohio's Innovation District initiatives. The Greater Akron Chamber is developing a proposal to fund several projects totaling about \$30 million to establish a Polymer & Advanced Materials Innovation District in Greater Akron. This innovation district would capitalize on the world-class R&D capabilities at The University of Akron (ranked #1 globally in polymer science and plastics engineering) and Kent State University (designated an elite R-1 research institution and home to the Advanced Materials and Liquid Crystal Institute); enhance the place-making of Bounce Innovation Hub in providing a dedicated, destination space for polymer, advanced materials, and other hard-tech startups in Downtown Akron; and bolster workforce development initiatives to ensure that current and future polymer and advanced materials companies can access the talent they need to establish, operate, and thrive in our region.

**For more information on Innovation Districts in Cincinnati, Cleveland, and Columbus, [click here.](#)**



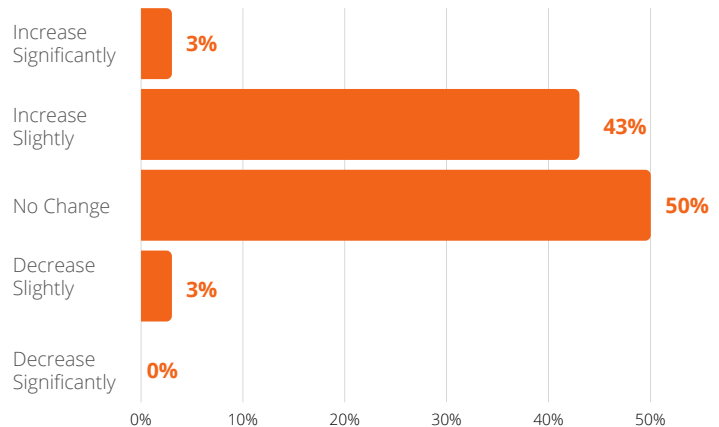
# Q1 2022 Pulse Survey Insights

## Business Sentiment

Employment increase over the past quarter was positive but fell short of the lofty expectations indicated in our previous quarterly survey: 46% of respondents had predicted a slight or significant increase in their number of employees, and 37% subsequently realized that increase. This continued optimism and demand for hiring will continue to drive regional workforce development efforts for the foreseeable future.

For the coming quarter, forecasts remain optimistic. 45% of participants expect increases in their number of employees, while 50% expect their employee count will remain static.

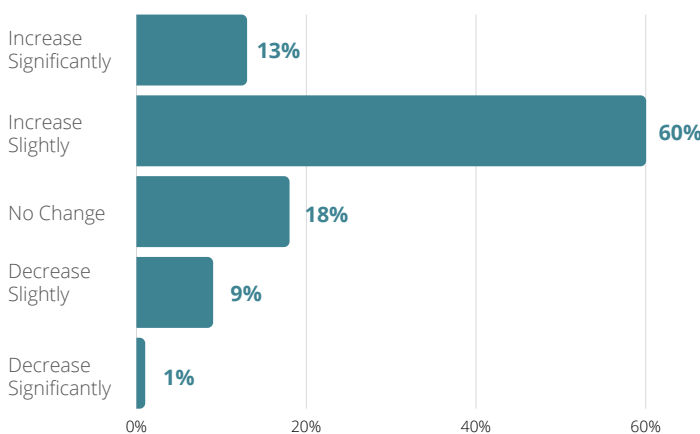
**How do you anticipate your organization's employee count will change over the next quarter?**



Source: GAC Q2 2022 Pulse Survey

Meanwhile, reported revenue change from last quarter was higher than expected, with the largest difference being on the high end of the spectrum: 15% of respondents experienced significant increases in revenue, whereas only 8% forecasted this to occur. 8% of respondents expected to record significant decreases in revenue this quarter, but only 6% did. Predictions for the coming quarter do not include significant decreases; 73% of participants foresee at least some upcoming increase in revenue.

**How do you anticipate your organization's revenue will change over the next quarter?**



Source: GAC Q2 2022 Pulse Survey

As in previous quarters, sentiment towards the Greater Akron region as a place to do business is very positive. 77% of respondents believe that the area is an extremely good or somewhat good place for business, while only 4% have a negative perspective, describing it as somewhat bad. What business owners find attractive in the Greater Akron Region is a sense of being local here and finding community as well as support from the local government and business associations. Participants mention having a personal sense of place and belonging here paired with several economic opportunity factors that help their own business.

Top pain points include finding, hiring and retaining employees, finding new customers or clients, and disruptions in the supply chain. Respondents see the following as critical drivers of the regional economy: growth and recovery of small businesses, workforce & talent development and finally attracting new businesses to the region.

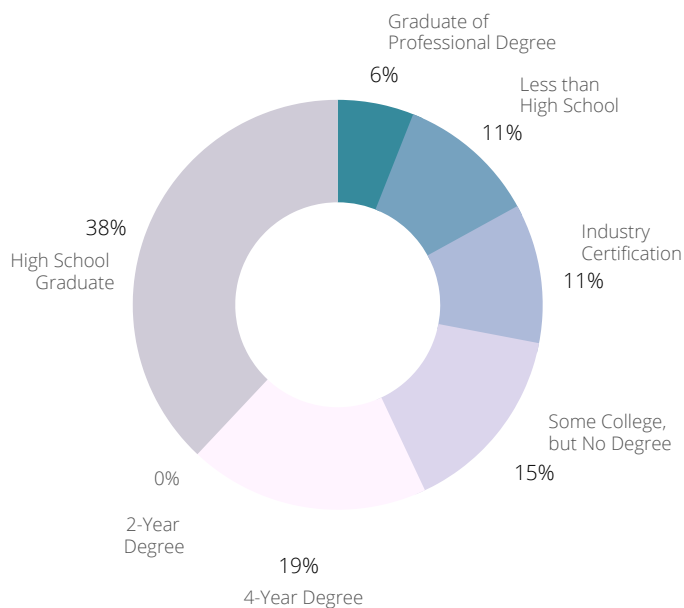
## COVID-19 Sentiment

There has been a clear shift in trending top COVID concerns. Concern about returning to pre-pandemic levels of business have increased, while concern about virus spread among employees and/or customers has decreased. That is, COVID is becoming increasingly an economic rather than health concern.

## Return to Work

Whereas in the past quarter a majority of participants reported having their employees back on site, by this quarter there has been a significant change towards a hybrid work model. Last quarter, 71% of participants indicated that their workers were working fully on site, while 18% had adopted a partial/flexible work model and 9% had a fully remote arrangement. In contrast, only about half of the current participants reported that their employees are working fully remote while another half adopted a flexible arrangement. As a caveat, these statistics are only reflective of the businesses who participated in our survey and of their specific demographic characteristics.

## Employment Challenges



A majority of participants (75%) have struggled with hiring in the past quarter, despite the fact that they are looking to hire for positions requiring little (35%) or no past work experience (35%). Almost half of all participants have tried to fill 1-5 positions in the past quarter, and another 12% have tried to hire into 10 positions or more. In terms of the level of education being sought, a majority of 38% of respondents are trying to employ high school graduates. This is despite the fact that, according to the US Census, 16,523 residents of the Akron MSA are unemployed as of February 2022.



## How does all this tie in?

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One message to take home from the intersection of the survey topics explored above is that, while the negative effects and concerns about the impact of the pandemic seem to be winding down, a new major issue had surfaced in the shape of struggles with hiring and a lack of sufficient workforce. Business leaders appear confident about their current and future revenue growth and employment growth. Yet the question remains: what is sufficient in terms of workforce attraction approaches in order for businesses to reach their employee needs and goals? Furthermore, what is competitive to drawing in the best job candidates as well as retaining current and future employees?

Perhaps potential employees can be attracted into so-amenable jobs by providing more hybrid and remote work opportunities than before. Of course, not all local Akron MSA business leaders can afford to hire according to a hybrid or fully remote work model. But certain major sectors of the Greater Akron Region employer base can provide hybrid to fully remote opportunities and would profit from doing so. The remote job market has taken a new shape during the pandemic and it comes with new opportunities, and some new challenges as well. To be a competitive employer in this domain, one now has to think on a national level and compete with other employers across the United States and beyond.

On the other hand, there is a substantial proportion of Akron MSA employers that require on-site work by the nature of their trade. These business leaders may be able to take a different approach and work towards a more flexible model of return-to-work. Would giving employees various benefits and accommodations draw them in more than the traditional work schedule and work environment? As opposed to a conventional 8-5 work schedule, allowing for early or evening hours and family time might be just the right differentiating factor that leads to success in hiring reliable, dedicated employees.

## Further Resources and Information

[National Small Business Sentiment](#)

[The Next Normal: Emerging Stronger from the Coronavirus Pandemic](#)

[How To Play The New Talent Game and Win Back Workers](#)

[Where are the Workers \(Northeast Ohio\)?](#)

[OhioMeansJobs – Toolbox for Recruiters & Employers](#)

[Adding Flexibility in Non-Remote Industries or Occupations](#)

# Greater Akron Chamber 115th Annual Meeting

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One of the largest gatherings of business leaders in Greater Akron

The GAC Annual Meeting represents an evening of celebration, connection and recognition as the Chamber reflects on its accomplishments and shares its priorities outlined in the newly developed 2022-2024 strategic plan. This event kicks off with a networking reception, followed by dinner, the presentation of the H. Peter Burg Award to County Executive Ilene Shapiro, and updates on key initiatives for both the Chamber and the region.

05/10/2022  
4:30 PM - 7:30 PM  
John S. Knight Center

[REGISTER HERE!](#)

## GAC Activity & Impact Overview

See how the Greater Akron Chamber has worked on behalf of the business community to deliver direct support to businesses of all sizes and catalyze investment, economic growth, and employment for Greater Akron.

[Learn More](#)

## WNL Leadership Dialogue Featuring Bernett Williams

05/18/2022  
8:00 AM - 9:30 AM  
Knight Stage at the Akron Civic Theatre

[Register Here](#)

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



## Contact

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