

## Intel investment an opportunity for Dayton



**Chris Kershner**  
President and CEO  
Dayton Area Chamber  
of Commerce

The Intel microchip semiconductor plant announcement in New Albany represents the largest single private sector investment in Ohio's history. Every single one of us has been impacted by the low supply and high demand of semiconductor chip imports, and instead of just accepting it, Ohio said, "We'll solve that problem." If Ohio wasn't on the world's radar as a technology player, it is now.

The Dayton region is located just 87 miles from New Albany, the site of Intel's investment. When you couple our close proximity with the fact that our area boasts 31 higher education organizations and a business community with a solid foundation in advanced manufacturing and high-tech innovation,

we're well-positioned to take advantage of this historic investment.

The numbers attached to this Intel "megaproject" are staggering: a \$20 billion investment, 3,000 direct jobs with average salaries of \$135,000, and 7,000 construction jobs. There will absolutely be a significant economic impact on the Dayton area economy. In fact, Intel's CEO Patrick Gelsinger said during the investment announcement that if there's a concrete company in Ohio that's not working for Intel next year, he wants to know about it.

When you look at this win with a wider lens, you realize the potential for exponential growth sparked by this single decision. When a corporate technology company like Intel makes an investment of this magnitude, other companies take notice. Intel has said it already works with 140 Ohio companies (a number of those are Dayton-based), and it expects to recruit 30-40 new companies to Ohio. What wasn't said is that many times non-related technology companies watch the industry leaders, and follow in their footsteps.

### Residential Home Sales

	November '21	November '20	%Change	YTD '21	YTD '20	%Change
<b>Number of Homes Sold</b>	1476	1405	5.05%	16,125	15,787	2.17%
<b>Total Home Sales</b>	\$331,567,138	\$279,562,150	18.60%	\$3,537,222,288	\$3,104,416,420	13.94%
<b>Average Sale Price (\$)</b>	\$224,639	\$198,977	12.90%	\$219,363	\$196,644	11.55%

Source: Dayton Area Board of Realtors, Dayton Area Home Sales

### Sales Tax Collections

County	Current Rate	November 2021	November 2020	12 Mos Change	YTD 2021	YTD 2020	YTD Change
<b>Butler</b>	0.75	\$ 4,216,129	\$3,880,057	8.66%	\$48,922,209	\$40,857,467	19.74%
<b>Clark</b>	1.50	\$ 2,542,654	\$2,226,233	14.21%	\$28,379,954	\$25,215,771	12.55%
<b>Darke</b>	1.50	\$ 915,834	\$774,889	18.19%	\$10,207,110	\$8,891,488	14.80%
<b>Greene</b>	1.00	\$ 2,816,491	\$2,505,077	12.43%	\$30,743,533	\$26,499,826	16.01%
<b>Miami</b>	1.25	\$ 1,911,787	\$1,745,494	9.53%	\$21,305,542	\$19,055,393	11.81%
<b>Montgomery</b>	1.25	\$ 9,455,160	\$9,555,943	-1.05%	\$105,824,863	\$94,392,131	12.11%
<b>Preble</b>	1.50	\$ 653,725	\$563,162	16.08%	\$6,794,121	\$5,845,609	16.23%
<b>Warren</b>	1.25	\$ 5,361,983	\$4,581,435	17.04%	\$58,535,994	\$50,988,655	14.80%
<b>Region Total</b>		<b>\$27,873,764</b>	<b>\$25,832,291</b>	<b>7.90%</b>	<b>\$310,713,325</b>	<b>\$271,746,339</b>	<b>14.34%</b>

Source: [https://tax.ohio.gov/wps/portal/gov/tax/researcher/tax-analysis/tax-data-series/publications\\_tds\\_sales](https://tax.ohio.gov/wps/portal/gov/tax/researcher/tax-analysis/tax-data-series/publications_tds_sales)

If it has not been said yet, let me be clear: we want these companies in Ohio, and there's no better place than right here in the Dayton region. The business case is simple. If you need a skilled workforce, access to 31 colleges with 100,000 students, a low cost of doing business, a business-friendly environment, and a strategic geographic location at the crossroads of I-70/I-75 - we got you.

Corporate investment follows a skilled workforce, and Intel saw something special in the future workforce of Ohio. Dayton area colleges already have solid footing in producing highly skilled students who specialize in advanced engineering, nanofabrication and advanced manufacturing. Dayton area interns, apprentices, and employees can easily live and work in the region and support the Intel growth

in central Ohio. We're just an hour's drive away, and it just makes sense that Intel would tap in to the resources found here in Dayton.

It does not stop with this announcement. Intel has said this \$20 billion seed could bloom into a potential \$100 billion investment, meaning the economic impact of this announcement could be 5x the impact we are talking about today. We must

come together as statewide business leaders, economic developers and public leaders to support and maximize this opportunity. This is a win for Dayton and for all of Ohio.

Now that Ohio is on the world stage as a global technology leader, let's take it to the next level.

Chris Kershner is the CEO and president of the Dayton Area Chamber of Commerce.

## Chamber accepting applications for Soin Award

Dayton Area Chamber of Commerce

The Dayton Area Chamber of Commerce is once again searching for innovative businesses with a product or service that's disrupting industry. The Soin Award for Innovation, made possible by the generosity of successful Dayton entrepreneur Raj Soin and family, is awarded each year to a business with a promising concept that's ready for market.

"The Dayton area has a long history of innovation and discovery," said Rajesh Soin, chairman and CEO of Soin International. "We must continue to encourage our local entrepreneurs to build on this and create new enterprises, jobs and additional opportunities for this region. On behalf of the Soin Family, I am proud to



Dayton Area Chamber of Commerce and Soin LLC present the 2021 Soin Award for Innovation to ConsumerOptix at the chamber's annual meeting in 2021. CONTRIBUTED

support this annual award that recognizes the accomplishments of these individuals and businesses."

The Dayton Area Chamber of Commerce and the Soin family have partnered to offer the Soin Award for Innovation since 2007. Past win-

ners include ConsumerOptix, Arcani Coil Care, Globalflyte, Battle Sight Technologies, DESIn LLC's Obi, AAA Wastewater and others.

The winning company will receive \$25,000, along with publicity and recognition thanks to the Dayton Area

Chamber and supporting partners CareWorks and Cox Media Group Ohio.

Applications are due by 4 p.m. on Friday, March 4. Businesses interested in applying can find more information and the application at DaytonChamber.org.

### DAYTON AREA CHAMBER OF COMMERCE CALENDAR OF EVENTS

- Executive Women's Council Reception & Government Affairs Breakfast, March 7:30-9 a.m. Speaker — Ohio Supreme Court Justice Sharon Kennedy. Location — Marriott at the University of Dayton, 1414 S. Patterson Blvd., Dayton
- Leadership Dayton Alumni Association's Wine & Art, March 3, 5-7 p.m. Location — We Care Arts, Inc., 3035 Wilmington Pike, Kettering
- Breakfast Briefing, March 11, 8-9:15 a.m. Topic — Economic Growth through Broadband Deployment. Speaker — Leigh Fox, President & CEO, Cincinnati Bell. Location — NCR Country Club, 4435 Dogwood Trail, Kettering

- Safety Breakfast with the Experts, March 17, 8-9 a.m. Topic — Fire Inspections: How to Prepare and Plan for Them. Location — The Mandalay, 2700 E. River Road, Dayton
- Empower Information Session, March 22, 8-9:30 a.m. Topic — Learn more about Empower, a 10-month cohort for women business leaders. Location — NCR Country Club, 4435 Dogwood Trail, Kettering
- 2022 Annual Meeting, April 20, 7:45-9:30 a.m. Speaker — Suzanne Clark, president & CEO, U.S. Chamber of Commerce. Location — Benjamin & Marian Schuster Performing Arts Center, 1 W. Second St., Dayton

## Wages

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seems to have shifted toward employees and away from employers.

For the most part, that is good news for labor. But economists have increasingly warned that the confluence of economic trends shaping up now — high inflation, a sense among consumers that prices might stay high for a while and a strong labor market that has handed workers bargaining power — could set the stage for a situation in which wage growth and prices feed off each other.

"The combination of very high inflation, hot wage growth and high short-term inflation expectations means that concerns about falling into a wage-price spiral deserve to be taken seriously," Goldman Sachs economists wrote in a note last week.

That would be a big shift. America has not experienced a wage-price spiral since the 1970s and early 1980s, when rapid inflation and skyrocketing wages seemed to perpetuate each other. The Fed lifted interest rates to double digits and caused a painful recession to bring prices under control. Both wage growth and inflation have been slow in the decades since — until now.

But even if wages and prices are both rising now, it is not clear that they are

egging each other on yet, which is a crucial distinction. In fact, labor market experts point out three big reasons to doubt that a wage-price spiral will happen today.

Chief among them: Productivity growth looks strong. If each individual worker can churn out more goods and services, companies should be able to pay more without hurting their profit margins and leading them to pass along the higher costs. Nick Bunker, an economist at the Indeed Hiring Lab, said recent productivity data was an encouraging sign but not a definitive one.

"It's really hard to observe in real time," he said of the data, noting that the numbers jump around a lot. "I think it's something to keep an eye on."

It is also unclear just how much wage bargaining power employees have, even with employers eager to hire. Wage growth appears to have been falling behind price increases for many income groups in recent months, suggesting that workers are not managing to persuade their companies to compensate them fully for rising costs. Unionization is much lower than in the 1970s, which could leave workers with fewer tools to bargain up pay.

If that begins to crimp consumers' ability to buy new couches and cars, it could cause demand to moderate, naturally restraining inflation.



A worker at the Farmer's Market in Los Angeles on Feb. 5. A labor shortage is helping to push up pay. MARK ABRAMSON / THE NEW YORK TIMES

And the tie between wages and prices has been tenuous in recent decades. While research has found a link between the two in the 1960s and 1970s, the relationship collapsed after the early 1980s and has remained tame since.

"The relationship between wage growth and services inflation just isn't that tight," said Laura Rosner-Warburton, an economist at MacroPolicy Perspectives. "Yes, you will see more inflation from wages in 2022. The question is how much?"

While a wage-price spiral is on a "large list of risk factors" that the administration is closely watching, the "dominant forecast" is

that the labor market will stay strong and price gains will moderate this year, said Jared Bernstein, a member of the White House Council of Economic Advisers.

Wall Street economists generally think inflation will fade toward 3% this year, based on recent analyst notes and interviews. A recent survey from the Federal Reserve Bank of New York showed that consumers, who had been penciling in higher inflation in the years ahead, have begun to lower their expectations for price increases.

But several forecasters said there was room for humility and wariness, because the pandemic economy

has repeatedly confounded expectations. It has also drastically changed America's economic backdrop.

"The last 20 years have been years of very low inflation, very stable inflation," Blanchard said. Before the coronavirus, inflation had hovered around — and then below — 2.5% for decades. Today, it has jumped to 7.5%.

As prices for products including gas, steaks, bacon and camping equipment climb rapidly, eating into paychecks and dominating headlines, consumers are more likely to take note and ask for better pay.

"Things change completely when inflation is a big number," Blanchard said.

"Salience changes."

There are signs that wages are feeding into price increases, at the margin. Prices have recently begun to rise sharply for core services, a set of purchases outside of health care, rent and transportation for which wages tend to make up a major cost of production.

While wages in lower-qualification fields like leisure and hospitality have been rising rapidly for months, professional pay may also be on the cusp of picking up. Banks have been making big base salary increases, and Amazon will raise its maximum base salary for corporate and technology workers to \$350,000 from \$160,000 as it competes for a limited pool of highly trained employees.

Amazon, which has also increased wages for warehouse employees, has raised prices partly in response.

Other companies are raising pay but have said they are covering the climbing costs by improving efficiency. That is the sort of sweet spot the White House and the Fed are hoping for, because it could leave workers earning more without pressuring prices relentlessly up.

"We do anticipate when we do our annual review process that we will have a nominally higher wage rate increase provided to our associates," Kevin Hourican, president and CEO at the food distributor Sysco, said on a Feb. 8 earnings call.