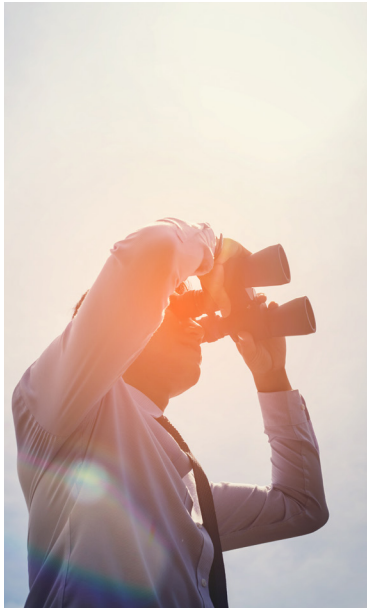


# 2022

## ECONOMIC OUTLOOK

**DAYTON** Area  
Chamber of  
Commerce



## INTRODUCTION

The **Dayton Area Chamber of Commerce** knows our members rely on trustworthy data and predictions from industry analysts, economics and investors to plan for their year ahead. The Research Advisory Council meets annually to help our business members navigate the uncertainty throughout the year. Their insight, plus government data and research from industry organizations will help the private business, non-profit and civic leaders navigate their future.

The economy – after absorbing a body blow in 2020 – has shown itself to be remarkably resilient, aided by federal stimulus packages. The nation’s Gross Domestic Product (GDP) grew an estimated 5.1 percent in the last quarter of 2021, according to the Federal Reserve Bank of Atlanta and continued growth is expected. Projections from members of the Federal Open Market Committee predicted a median 4 percent GDP growth in 2022.

## ▶ NATIONAL OUTLOOK

A year ago, federal monetary policy focused on job growth, this year, inflation is center stage.

We have now seen two years of federal stimulus, impacting businesses, citizens, and almost every facet of our economy.

As we have witnessed throughout history, it’s extremely difficult to get it just right. We have started to see some of the highest inflation in decades, there are fears that the federal stimulus went too far. The Federal Reserve has already announced they are going to try and slow economic growth, through a series of staggered interest rate hikes.

The federal stimulus has left excess cash in consumer pockets, fueling the demand for goods. The supply chain has hit capacity, and coupled with the volatile labor market, has caused many of the inflationary challenges we are experiencing. The ports are handling 20% more goods than they were 2.5 years ago and it unfortunately still is not enough. Without Federal intervention, inflation will likely continue.

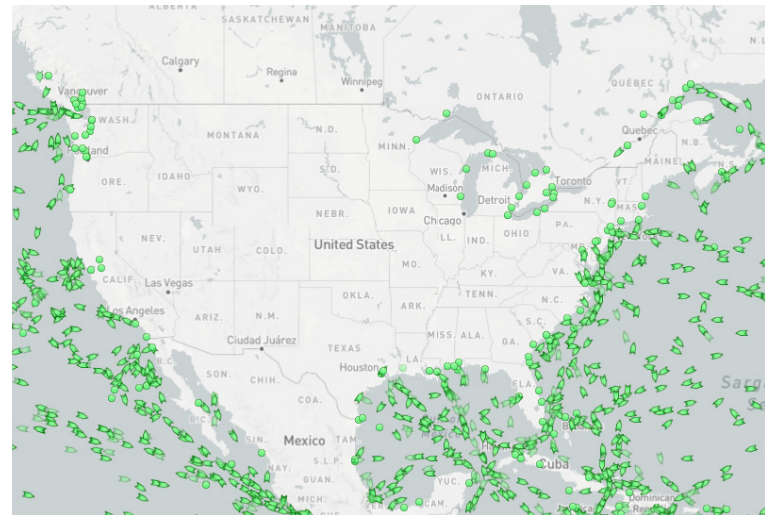


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The Federal Reserve is predicted to increase interest rates steadily through 2023, however they need get the number just right to slow inflation. Targeting inflation around 2-2.5%, anything 5% or higher can put significant economic strains on the labor market. Companies will feel pressure to increase salaries to compensate for the increase in goods and services and with the current tight labor market, companies will have no choice but to pass along those increases to the consumer.

A tight labor market continues to haunt employers, nationally and locally. Pandemic shutdowns in the spring of 2020 knocked nearly 22 million jobs out of the economy and many people used the disruption to take stock of their working lives. A record 4.5 million people left a job in late 2021 – topping the previous records set. Overall, government statistics show, the economy has added back 18.8 million jobs since April 2020, and the labor participation rate, while still low, grew during 2021 to 61.9 percent. Employers are continuing to hire. The Research Advisory Council economists expect the increased wages and benefits that come with a tight labor market will lure people back into the workforce, particularly once the COVID-19 threat subsides. But they note, institutional barriers to employment – notably the lack of affordable, quality childcare – remain an issue.

## ▶ REGIONAL OUTLOOK

Typically the regional economy is being driven by the national economy besides specific activities such as new projects and new builds. In the Dayton region, we mirror national trends tamped down a bit. The U.S. employment growth before the COVID-19 recession was 2-3% per year. The Dayton region economic job growth is a little less than 1%, and our recovery has been slower than the national recovery. Local employment is 2% below pre-COVID-19 levels. Inflation is not as bad as the national average, mainly due to the affordability of the local housing market. One key unknown remains: the waves of COVID-19. How severe and how frequent they are, will drive the economy. We anticipate each wave to be less and less impactful; however, each time we see an uptick in COVID-19 cases, we will still see economic growth slow.

COUNTY	LABOR FORCE	UNEMPLOYMENT RATE
Butler	194,700	2.9
Clark	62,200	3.3
Darke	25,400	2.8
Greene	82,300	2.7
Miami	53,700	2.9
Montgomery	248,400	3.5
Preble	21,400	2.8
Shelby	23,400	2.8
Warren	120,000	2.6

Data Provided By [www.ohiolmi.com](http://www.ohiolmi.com)

### INDUSTRIES EXPECTED TO GROW IN 2022



**MILITARY:** (WPAFB) the base is a steady industry in the area due to the funding being driven by the federal government.



**CONSTRUCTION:** looks to continue growing due to the housing demand, as well as the infrastructure bill passed by Congress.



**GOODS PRODUCTION:** expected to continue to do well because people seem to be spending less money on entertainment services & experiences and more on goods.

### INDUSTRIES EXPECTED TO FACE CONTINUED CHALLENGES IN 2022



**LEISURE AND HOSPITALITY:** restaurants, hotels, movie theatres. They experience the waves of COVID-19 on a strong level.



**MEDIA:** declining due to the ever changing platforms and pressures from non-traditional platforms.



**HIGHER EDUCATION:** having its ups and downs (enrollments have remained flat). Term by term impacts will be felt.

# DAYTON

Area Chamber of Commerce

**Dr. Fall Ainina**  
**Ms. Amanda Byers**  
**Mr. Erik Collins**  
**Mr. Dan Davis**  
**Mr. Barry James**  
**Ms. Stephanie Keinath**  
**Mr. Keith Klein**  
**Mr. Scott Murphy**  
**Mr. Lucious Plant**  
**Dr. Richard Stock**  
**Dr. Tom Traynor**

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