

Support for Semiconductor Funding Grows Amid Strong Concerns About Chip Shortage's Effect on Gift Prices and Availability for the Holiday Season

Semiconductor Shortage: Impact on Holiday Shopping



Among consumers who intend to buy products that require chips, 83% are concerned that the semiconductor shortage will make these items significantly more expensive.

A new nationwide poll¹ of U.S. consumers shows that U.S. consumers are concerned about the impacts of chip shortages and support federal action to address them. Consumers express strong concern about the impacts of semiconductor shortages on the availability of goods heading into the holiday season. Among respondents who intend to buy products that require chips, the vast majority indicated concern about the pricing and availability of products and said their purchasing behavior may change as a result.

- Two-thirds (66%) of polled consumers plan on purchasing items requiring semiconductors.
- Among these consumers, 83% are concerned that the semiconductor shortage will make these items significantly more expensive; 77% are concerned that items will not be available at all.
- 71% of consumers say that high prices or availability issues may impact their decision to purchase cars, electronics, children's toys or appliances this holiday season.

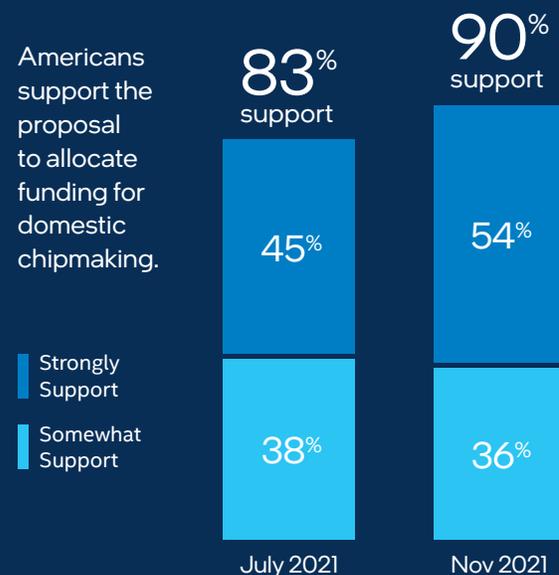
Polling also indicates growing support for legislation that would fund manufacturing and R&D of America's chipmaking industry. Approximately 9 in 10 consumers believe in the importance of the U.S. chipmaking industry and support federal investment, up from support levels identified in July polling.²

- 90% of consumers support funding legislation to invest in the U.S. chip industry (up 7 percentage points since July).

- 86% of polled consumers say that a strong chipmaking industry is important to the U.S. economy (up 12 percentage points since July), and 85% believe that the U.S. should reduce its reliance on Taiwan and East Asia for chips and bring chip manufacturing back to the U.S. (up 8 percentage points since July).

Recent supply chain issues and corresponding consumer concern have been driven by a sustained decline in domestic chipmaking capacity. While the U.S. was once the leader in semiconductor manufacturing and development, the U.S. share of global semiconductor manufacturing has dropped from 37% in 1990 to just 12% in 2020. The downstream effects of this shift combined with other factors including pandemic related disruptions are being felt throughout the economy.

Support for Chip Legislation Grows Among Americans^{1,2}



Consumers show widespread support for federal investment in the semiconductor industry. Though Congressional action on the CHIPS Act will not improve consumers' hopes for this holiday season, investment would fundamentally improve America's ability to reliably provide semiconductors to companies across the economy.

¹ Research was conducted via ENGINE INSIGHTS omnibus survey among a sample of 1,008 U.S. adults 18 years of age and older. This survey was live November 17-19, 2021.

² July polling was conducted via ENGINE INSIGHTS omnibus survey among a sample of 1,003 U.S. adults 18 years of age and older on July 14-16, 2021.