

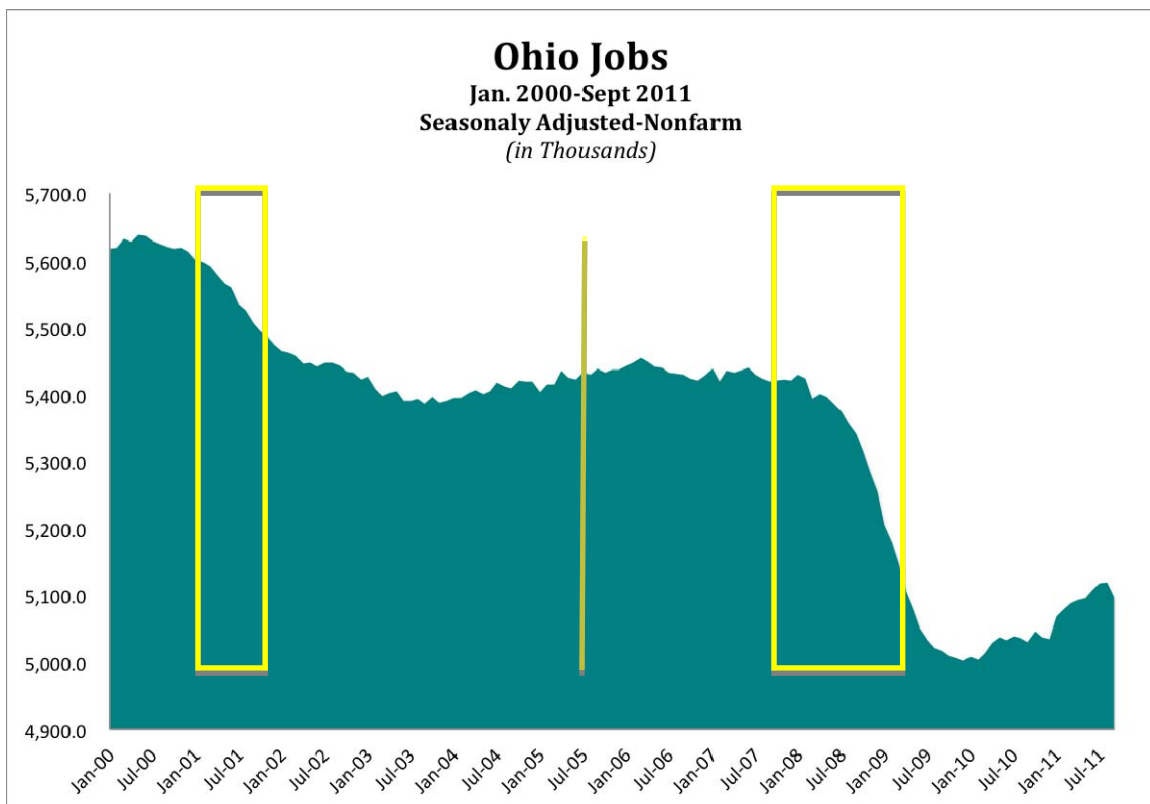
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JobWatch - October 2011

Ohio's Job Outlook Continues to be Weak; Austerity Policies Not Generating Promised Economic Boost

Ohio's job outlook continues to be weak. Data released today by the Ohio Department of Job and Family Services (ODJFS) from its survey of employers for September 2011 suggest that the state, like the nation, is seeing a slowing recovery. Overall, the number of jobs in the state is now lower than it was in June and the unemployment rate remained stalled at 9.1 percent.



Source: Ohio Department of Job and Family Services, BLS Current Employment Statistics seasonally adjusted data, <http://jfs.ohio.gov/releases/unemp/201110/unemppressrelease.asp>. Highlights roughly mark the 2001 recession, March 2001-November 2001, the implementation of the 2005 tax overhaul, and the Great Recession, December 2007-June 2009.

The graph above and the table below highlight changes in the Ohio job market from key points in time. These include the most recent monthly

figures, the start of the 2001 and 2007 recessions, and 2005 approval of a major state tax overhaul, which promised speedier economic growth. These figures include the latest seasonally adjusted data from the monthly survey of employers (Current Employer Survey) done by ODJFS in cooperation with the U.S. Bureau of Labor Statistics. The survey showed that the number of jobs in the state fell by 21,600 in September from the revised August figure. However, because month-to-month data is highly subject to revision, it is ill advised to rely on month-to-month comparisons.

Ohio had 5,421,400 nonfarm jobs when the Great Recession began in December 2007. Ohio experienced 28 months of job loss. Ohio's employment trough occurred in December 2009 when Ohio had 418,200 fewer jobs than it did before the recession started, but recovery has been painfully slow. The state has added only 46,200 jobs since the recession officially ended in June 2009.

Change in Ohio Jobs (in thousands) by Sector							
	September 2011	Job change since start of 2001 recession	Percent change since 2001 recession	Job change since 2005 tax overhaul	Percent change since 2005 tax overhaul	Job change since start of 2007 great recession	Percent change since start of 2007 great recession
Total Jobs	5,097.1	-494.1	-8.84%	-335.1	-6.17%	-324.3	-5.98%
Manufacturing Jobs	630.2	-354.6	-36.01%	-185.0	-22.69%	-130.6	-17.17%
Public Jobs	769.9	-22.1	-2.79%	-30.1	-3.76	-25.5	-3.21%

Source: Economic Policy Institute and Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201110/unemprelease.asp>.

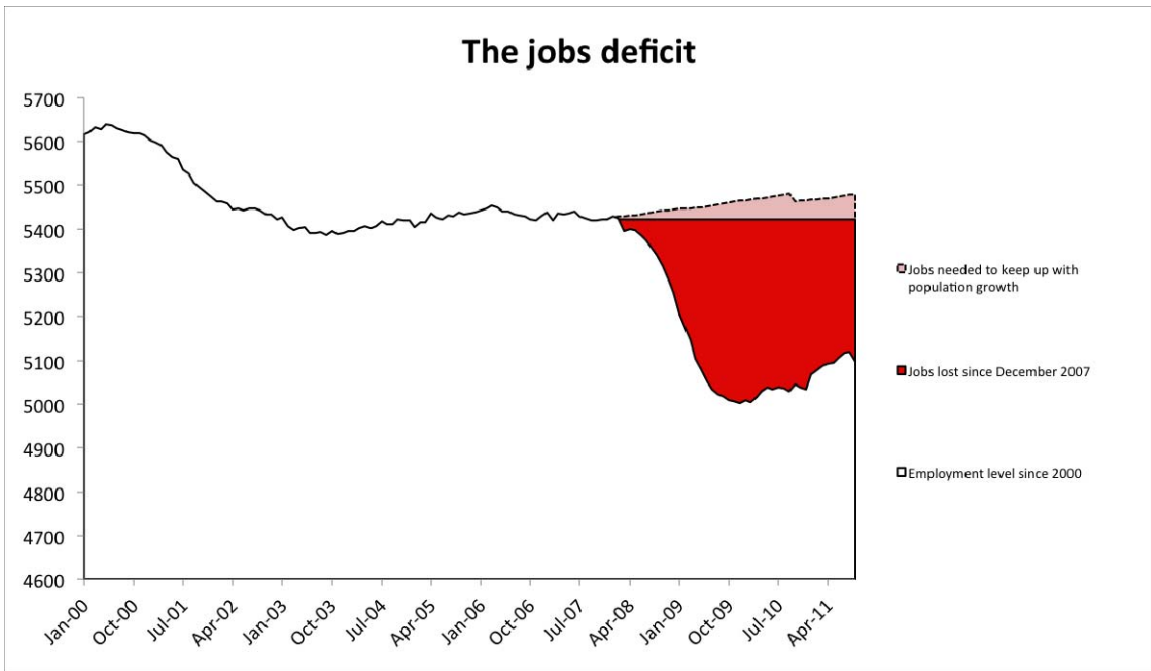
As illustrated in the above table, the manufacturing sector has been hit hard, losing 354,600 jobs since the start of the 2001 recession and 130,600 since the start of the great recession in 2007. The 2005 tax overhaul did little to boost manufacturing; in fact 185,000 jobs have been lost since the overhaul was implemented in 2005.

The public sector has also seen losses over the course of the recessions, with 25,500 jobs lost since the start of the great recession. Even so, public workers and their unions have been under fire in Ohio and elsewhere for allegedly driving up the cost of government and creating state and local budget problems. In fact, the share of state budgets spent on compensation between 1992 and 2009 for the ten most highly unionized states was 19.6

percent and 18.7 percent for the ten least unionized states.¹ Ohio has the 39th lowest number of state and local public employees per capita in the nation.²

Ohio's Jobs Deficit

Ohio's jobs deficit, or the difference between the number of jobs Ohio has and the number it needs to regain its pre-recession employment rate, is 382,300. That number includes the 324,300 jobs Ohio lost plus the 58,000 jobs it needs to keep up with the 1.1% growth in population that Ohio has experienced in the 45 months since the recession began. In order to return to pre-Great Recession levels of unemployment in three years, the state must add 10,000 jobs per month. The figure below shows the number of jobs lost since December 2007 and the number needed to keep pace with population growth.



Source: Economic Policy Institute based on BLS seasonally adjusted CES and Current Population Survey data.

Eye on Unemployment

At 9.1 percent, Ohio's unemployment rate was the same as that of the country as a whole. Among states, Ohio climbed one spot in September to have the 19th highest unemployment rate in the nation.

WARN

The Worker Adjustment Retraining Notification (WARN) Act protects workers

¹ Sylvia A. Allegretto, Ken Jacobs and Laurel Lucia, *The Wrong Target: Public Sector Unions and State Budget Deficits*, p. 6, available at http://www.irl.berkeley.edu/research/state_budget_deficits_oct2011.pdf.

² Based on BLS-CES data for August 2011. Population includes civilian individuals 16 years and older.

and communities by requiring employers with more than 100 employees to provide 60 days advance notice of plant closures or mass layoffs. Federal, state, and local government entities are not covered. WARN triggers rapid response services, which can include layoff aversion, training and dislocated worker assistance.

In September 2011, two WARN Act notices were filed with ODJFS, impacting 211 workers, of whom 142 are unionized. The following table lists each notice.

Employer	Location	Type of Work	Impacted Workers
Tata Business Support Services Limited	Marietta (Washington)	Third party customer service call center	69
SMG Group LLC/Campbell Hill LLC	Statewide	Diesel kiosk workers on the Ohio Turnpike	142*

Source: Ohio Department of Jobs and Family Services, WARN Act Notices, available at <http://jfs.ohio.gov/warn/current.stm>, October 19, 2011. (*) denotes a unionized workplace.

Conclusion

Ohio has not recovered from the recession of 2001. The Great Recession of 2007-9 only deepened Ohio's ills. The austerity measures being taken at the federal and state levels and the related attacks on the public sector are slowing our recovery and adding to the unemployment rolls. Low-road policies like Issue 2, which aims to restrict collective bargaining rights, will not revive our economy. Restricting workers' rights to bargain will not revitalize our manufacturing base. Now is the time for investment, not austerity.

***JobWatch** is an ongoing project of the **Economic Policy Institute** (<http://www.epinet.org>) and **Policy Matters Ohio**, (<http://www.policymattersohio.org>), both nonprofit policy research institutes.*