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CLEVELAND: 3631 PERKINS AVENUE SUITE 4C - EAST • CLEVELAND, OHIO, 44114 • TEL: 216/361-9801 • FAX: 216/361-9810
COLUMBUS: 300 EAST BROAD STREET, SUITE 490 • COLUMBUS, OHIO, 43215 • TEL: 614/ 221-4505 • FAX: 614/ 224-8132
HTTP://WWW.POLICYMATTERSOHIO.ORG

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Contact: Wendy Patton 614-221-4505 or 614-582-0048

Read the report: <http://www.policymattersohio.org/DirectIndirectInducedJobLoss.htm>

47,291 public and private jobs to be lost from cuts to education sectors in Ohio

The \$2 billion in cuts to Ohio's primary, secondary and higher education proposed in House Bill 153, the biennial budget bill for fiscal years 2012-13, may be expected to eliminate 47,291 jobs across the public and private sector as the economic impact sweeps through suppliers and local businesses.

Policy Matters Ohio commissioned a study of the direct, indirect and induced impact of the cuts to education that are proposed in Ohio's biennial budget for fiscal years 2012 and 2013. Public schools are labor intensive, so spending cuts go directly to payroll. The proposed cut of \$1.821 billion to primary and secondary education (as compared to funding levels of 2011) will result in the loss of 29,133 direct jobs. As schools cut purchases from suppliers, another 1,835 jobs will be lost. As laid-off workers spend less on household purchases, 12,387 more jobs will vanish from grocery stores, day care centers and restaurants. In total, the economic impact of the proposed spending cuts to K-12 education will destroy 43,355 jobs. This is in addition to drastic quality reductions to one of the most critical services society provides for the next generation.

Higher education is not as labor intensive as K-12, but there will be significant impacts in college towns as a result of cuts to colleges and universities in the next biennium. A total of 3,936 direct, indirect and induced jobs may be expected to vanish as a result of the cuts: 2,413 within colleges and universities, 398 in suppliers and 1,124 in local businesses.

"Ohio became a great state because we invested in services, especially education, increasing the skills and smarts of our citizens and workers" said Wendy Patton, the report's author. "A balanced approach that includes revenue would help the economy as well."

Studies have found that raising revenues is less harmful to the economy than spending cuts because the impact is generalized across the economy. Private sector activities are not nearly as labor-intensive as schools and private entities spend some of their tax reductions outside of Ohio and save some of their reductions. A balanced approach to the budget, which would address the fiscal crisis on both sides of the ledger, would cost fewer jobs and leave the economy in better shape.

"The job loss from proposed cuts to the education sector alone is dangerous, especially considering how weak the economy is," Patton said. "No one wants to see the proposed budget turn out to be a 'Job Loss' budget. A public job is a good job; we need to protect good jobs whenever and wherever we can."