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# POLICY MATTERS OHIO

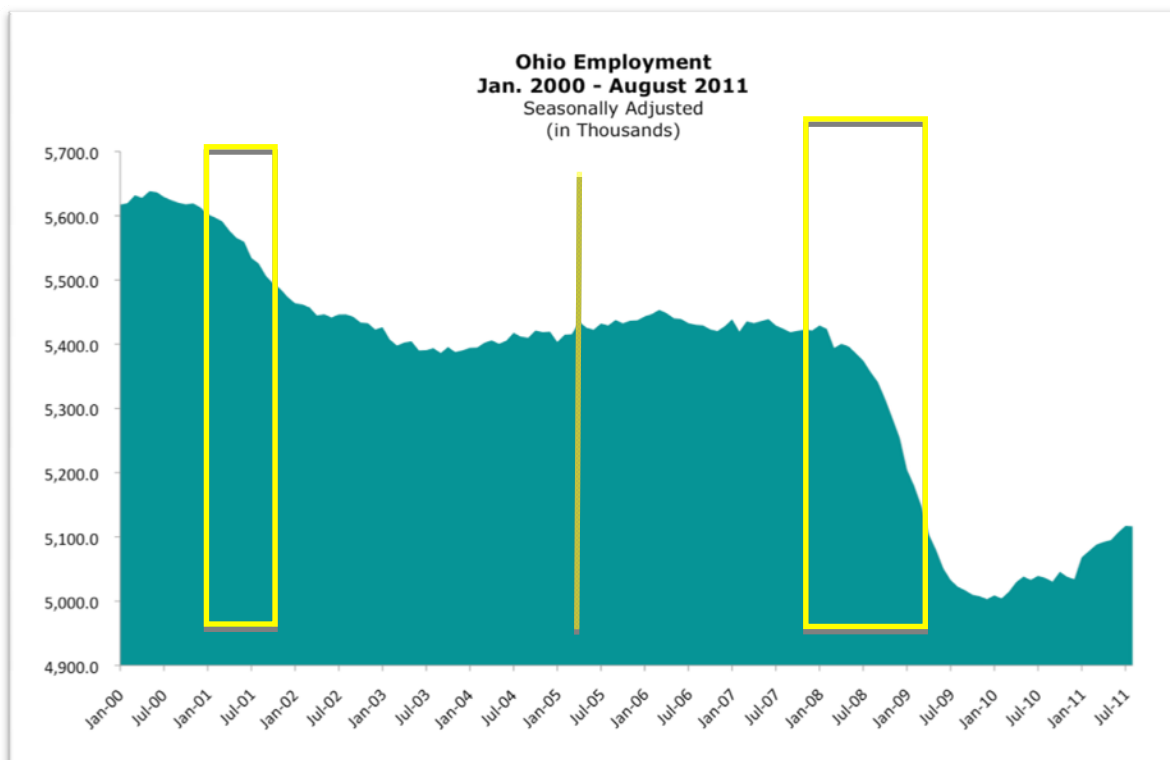
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## Job Watch - September 2011

### Ohio Reverses Course in August

Data released today by the Ohio Department of Job and Family Services (ODJFS) from its survey of employers for August 2011 show that the state lost jobs in August. The new jobs numbers are in line with a separate survey of households that indicated unemployment continues to grow, albeit slowly. This represents a course reversal from the trend of miniscule month-to-month gains that we had been seeing for much of 2011. Both the earlier trend of slight gains and this month's slight job loss are indicative of a very weak labor market in Ohio.



Source: Ohio Department of Job and Family Services, BLS Current Employment Statistics seasonally adjusted data, <http://jfs.ohio.gov/releases/unemp/201109/unempmpressrelease.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 figures 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 speedy 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. Because month-to-month data is highly subject to revision, and because the BLS now provides quarterly rather than annual benchmarking, it is ill advised to make month-to-month comparisons.

<b>Change in Ohio Jobs (in Thousands) by Sector</b>							
	<b>August 2011</b>	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
<b>Total Jobs</b>	<b>5,116.5</b>	-474.7	<b>-8.49%</b>	-315.7	<b>-5.81%</b>	-304.9	<b>-5.62%</b>
<b>Manufacturing Jobs</b>	<b>635.7</b>	-349.1	<b>-35.45%</b>	-179.5	<b>-22.02%</b>	-125.1	<b>-16.44%</b>
<b>Public Jobs</b>	<b>769.5</b>	-22.5	<b>-2.84%</b>	-30.5	<b>-3.81%</b>	-25.9	<b>-3.26%</b>

Source: Economic Policy Institute and Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201109/unempresrelease.asp>.

When the Great Recession began in December 2007, Ohio had 5,421,400 nonfarm jobs. Then 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 65,600 jobs since the recession officially ended in June 2009.

Since the start of the 2001 recession Ohio has lost nearly 475,000 jobs but the most recent CES data suggests that Ohio may be reversing course on what has been a very slow recovery.

### **Eye on Unemployment**

Ohio's unemployment rate crept up 0.1 points in August to land at 9.1 percent.

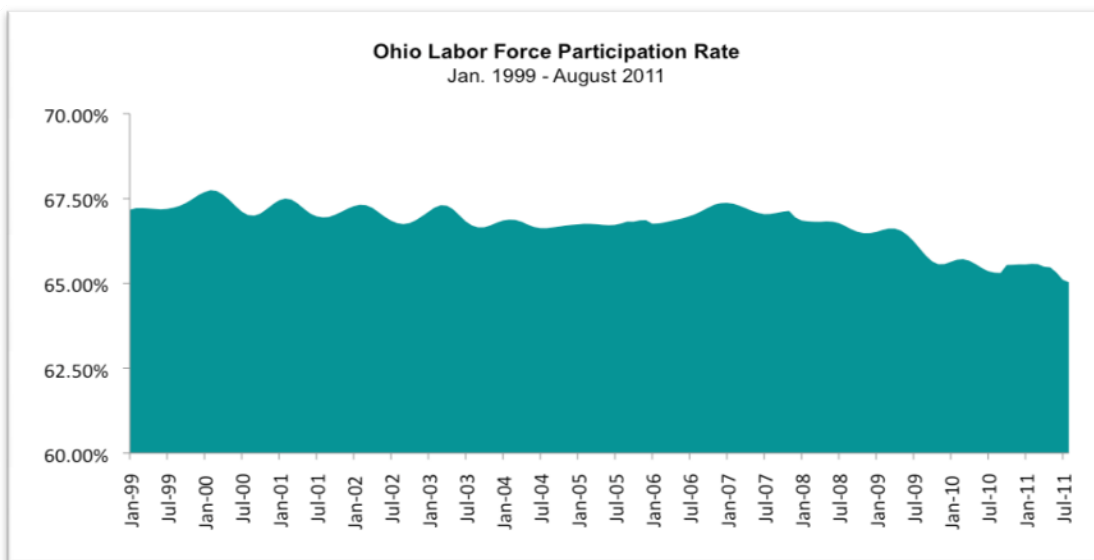
Ohio's unemployment rate has improved 1.3 points since the end of the great recession in June 2009, and is still up more than 5 points from the pre-recessionary, March 2001, level of 3.9 percent.

### **What's Missing in the Unemployment Rate?**

The unemployment rate gives us an estimate of the percent of Ohioans who are unemployed in the labor force. To be counted as a member of the labor force, an individual must be actively seeking work. Many people, particularly during prolonged periods of high unemployment, stop seeking work and 'drop out' of the labor force. People may choose to care for children rather than continue to look for work, avoiding childcare costs. Some individuals may return to school or retrain for a different career. Others may be forced into early retirement after losing a job and being unable to replace it. Some are simply too discouraged to continue searching, applying, and receiving rejections. These individuals are not counted in the unemployment rate. A look at the

state's labor force participation rate provides some indication of the number of people falling out of the job market.

In 2010, Ohio's labor force participation rate stood at 65.2 percent, the lowest rate since the 1980s. The other 34.8 percent of the population were not in the labor force and were not included in unemployment statistics. Ohio's average unemployment rate for 2010 was 10.1 percent. The figures released today put the labor force participation rate at 65.03 percent. The other 34.97 have fallen out of the workforce and out of the unemployment count. As the figure below shows, Ohio's labor force continues to slowly erode.



Source: Economic Policy Institute and Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201109/unemprelease.asp>.

The employment-to-population ratio is the number of people employed compared to the number of working age adults in the state. Ohio's employment-to-population ratio for 2010 was 58.6 percent, the lowest rate since 1986. The numbers released today put Ohio's employment-to-population ratio at 59.09 percent, an improvement since 2010, but far too few Ohioans are working.

These ratios indicate an overall weakening of Ohio's economy, and there has been very little improvement in either indicator in 2011. People are leaving the labor force, and we have not made up for significant drops in the number working people relative to our population after the great recession.

### **WARN**

The Worker Adjustment Retraining Notification (WARN) Act protects workers 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 August 2011, six WARN Act notices were filed with ODJFS, impacting 1,125 workers,

971 of whom are unionized. The following table lists each notice.

<b>Employer</b>	<b>Location</b>	<b>Type of Work</b>	<b>Impacted Workers</b>
Jim Beam Brands Co.	Cincinnati (Hamilton)	Bottling, distributing	159*
ConAgra Foods, Inc.	Marion (Marion)	Printing	37
OACAA & OPAE**	Statewide	Home weatherization workers	700*
Sodexo, Inc.	Columbus (Franklin)	Nationwide food service	62
Ansell Protective Products, Inc.	Coshocton (Coshocton)	Manufacturing	55
DPH Holdings (Delphi Corp)	Moraine & Kettering (Montgomery)	Brake hose manufacturing	112*

Source: Ohio Department of Jobs and Family Services, WARN Act Notices, available at <http://jfs.ohio.gov/warn/current.stm>, September 15, 2011. (\*) denotes a unionized workplace, (\*\*) OACAA & OPAE are not required WARN filers, the organizations filed a "Notice of Industry-wide Mass Layoff" to notify affected communities and to be pro-active in securing services for workers).

### **Summary**

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 level are slowing our recovery and adding to the unemployment rolls.

Now is the time to invest in our workers and their families. The American Jobs Act would bring much needed investment to the state: creating jobs and modernizing our state's infrastructures. Key investments in Ohio would include more than \$1 billion to improve our highway and transit infrastructure, creating an estimated 13,700 jobs; more than \$1 billion to keep teachers and first responders on the job, retaining an estimated 14,000 jobs; \$9.85 million to modernize schools, creating an estimated 12,000 jobs; and \$577.2 million for rehabilitating foreclosed properties.<sup>1</sup> Economic security is eroding for many Ohioans. Now is the time for investment, not austerity.

**Job Watch** 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.

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<sup>1</sup> The American Jobs Act: Impact for Ohio, available at [http://www.whitehouse.gov/sites/default/files/THE\\_AMERICAN\\_JOBS\\_ACT\\_Impact\\_OH.pdf](http://www.whitehouse.gov/sites/default/files/THE_AMERICAN_JOBS_ACT_Impact_OH.pdf), September 13, 2011.