

Report paints dismal employment picture for Ohio

By JoANNE VIVIANO, The Associated

COLUMBUS, Ohio — One of every 10 Ohioans lost a job over the past decade and workers saw a higher drop in wages than any other state, according to a report being released Sunday by liberal think tank Policy Matters Ohio.

The State of Working Ohio 2011 report says about 42 percent of those unemployed last year had been without a job for more than six months, the highest level in 60 years of record keeping. The number of Ohioans employed or looking for work in 2010 fell to about 65 percent, the fourth consecutive annual decline.

"We are hemorrhaging jobs," said Policy Matters Executive Director Amy Hanauer, who wrote the report. "We need to be actually growing jobs to keep up with people entering the workforce and instead we're losing employment. ... I only see that situation looking worse because we're laying off public sector workers, and so that will just add to the ranks of the unemployed."

The report says 594,000 Ohio jobs were lost from 2000 to 2010. The average annual unemployment rate — 10 percent — is "worse in this slump than in recessions of the early 2000s or the 1990s but not as bad as 12 percent rates in the early 1980s recession," according to the report, which relies largely on crunching of U.S. Census Bureau data by the liberal Economic Policy Institute.

The state's median wage drop of 86 cents from 2000 to 2010 was the highest among the states, the reports shows, topping Tennessee by 13 cents and Michigan by 16 cents. Further, employment numbers for the state's men hit historic lows, the report says, with 70.5 percent employed or seeking a job in 2010.

Matters are worse in Ohio than many other states due to its economic structure, said Scott Shane, Economics Department Chair at the Weatherhead School of Management at Case Western Reserve University.

"States that have a lot of innovation, lots of investment in education and a lesser reliance on manufacturing have had higher per capita income growth for the past 80 years," he said.

"Ohio's inventiveness has been in relative decline versus other states, our education levels have been low compared to other states and our reliance on manufacturing higher than other states for many decades."

Policy Matters recommends that the federal government invest in the weatherization of public buildings to put people to work. It also says the state should employ workers on projects like razing dilapidated housing and in areas such as preventive public health services.

The group also calls on Ohio to restore funding cuts made to local governments and schools and for the federal government to strengthen domestic manufacturing, invest in early childhood education and provide fiscal relief to states.

"The Recovery Act did help, but it was just much too small to deal with the large hit our economy had taken," Hanauer said. "So I think that these levels of unemployment could absolutely be addressed with better policy."

Gov. John Kasich's spokesman Rob Nichols says the governor has been talking about the state's dire economic condition for two years, but has started to turn things around, achieving a net job growth of 45,100 jobs in Ohio since taking office in January.

"We've had good success," he said. "But make no mistake, it is a deep, deep hole. ... We're making progress but we have a long way to go."

Nichols called Policy Matters' recommendations "a reversion back to the same tragically flawed ideas that got us into the ditch."

Instead, he said, the numbers underscore the need for the state to move forward with privatizing the Department of Development, throwing out "needless and silly regulations that stifle businesses" and reducing taxes to draw employers to the state, he said.

Case Western's Shane said it's unclear whether either approach is appropriate because the report does not analyze the causes of the problems or how they would be remedied by suggested solutions. He said answers lie in long-term investments in education and new technology.

"If there are deep, long-term structural problems, you can't just switch policies and solve them. If we want incomes of the average Ohioan to catch back up to other states, it will take an approach that will take more than a decade to implement," he said. "Each passing year

we put off making the real long term changes we need to make in search of the holy grail of the short term solution that's cheap and easy, the further in the future a better Ohio will be."

Online:

<http://www.policymattersohio.org>

<http://governor.ohio.gov>

<http://weatherhead.case.edu>

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