



## Ohio job market shows modest gains Congress must act to protect fragile state recovery

Hannah Halbert

Ohio's job market continued to improve modestly in November according to two surveys released today by the Ohio Department of Job and Family Services (ODJFS). However, gridlock at the federal level puts unemployment benefits and the state's workforce development dollars at risk, among other key programs. ODJFS's survey of households shows another drop in Ohio's unemployment rate, which fell 0.1 percentage points, to 6.8 percent. The survey also showed that the Ohio labor force also grew, but only by 1,000.

Separately, the establishment survey, which provides the job count by surveying firms and generally carries more statistical weight, showed that Ohio added 1,600 jobs in November, with much of the growth occurring in trade, transportation, and utilities, retail, and manufacturing.

Both surveys are telling a unified and moderately positive story about Ohio jobs. However, monthly numbers are always preliminary and subject to revision. The month-to-month reports are very volatile, so it is ill-advised to make too much of these changes. The monthly data must be read in the context of longer-term trends.

### Job growth trends

Over the last twelve months, the state job total has grown by 100,000 jobs, or 2 percent. While this is a major improvement, Ohio has 222,900 fewer jobs than when the recession started in December 2007.

Figure 1 highlights changes in the Ohio job market from key points in time, including the recessions that began in 2001 and 2007, and the 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 co-operation with the U.S. Bureau of Labor Statistics.

### Key findings

- The Ohio unemployment rate fell again in November, to 6.8%.
- A separate survey reporting the job count showed a gain of 1,600 jobs in November for a total count of 5,197,500.
- Long-term unemployment continues to be a challenge. During the week ended Dec. 46,375, Ohioans filed continued claims for extended federal benefits. This lifeline will end Dec. 29 if Congress does not act.
- If federal budget talks fail, Ohio stands to lose \$22.8 million workforce dollars in 2013, resulting in 64,555 fewer job seekers served.

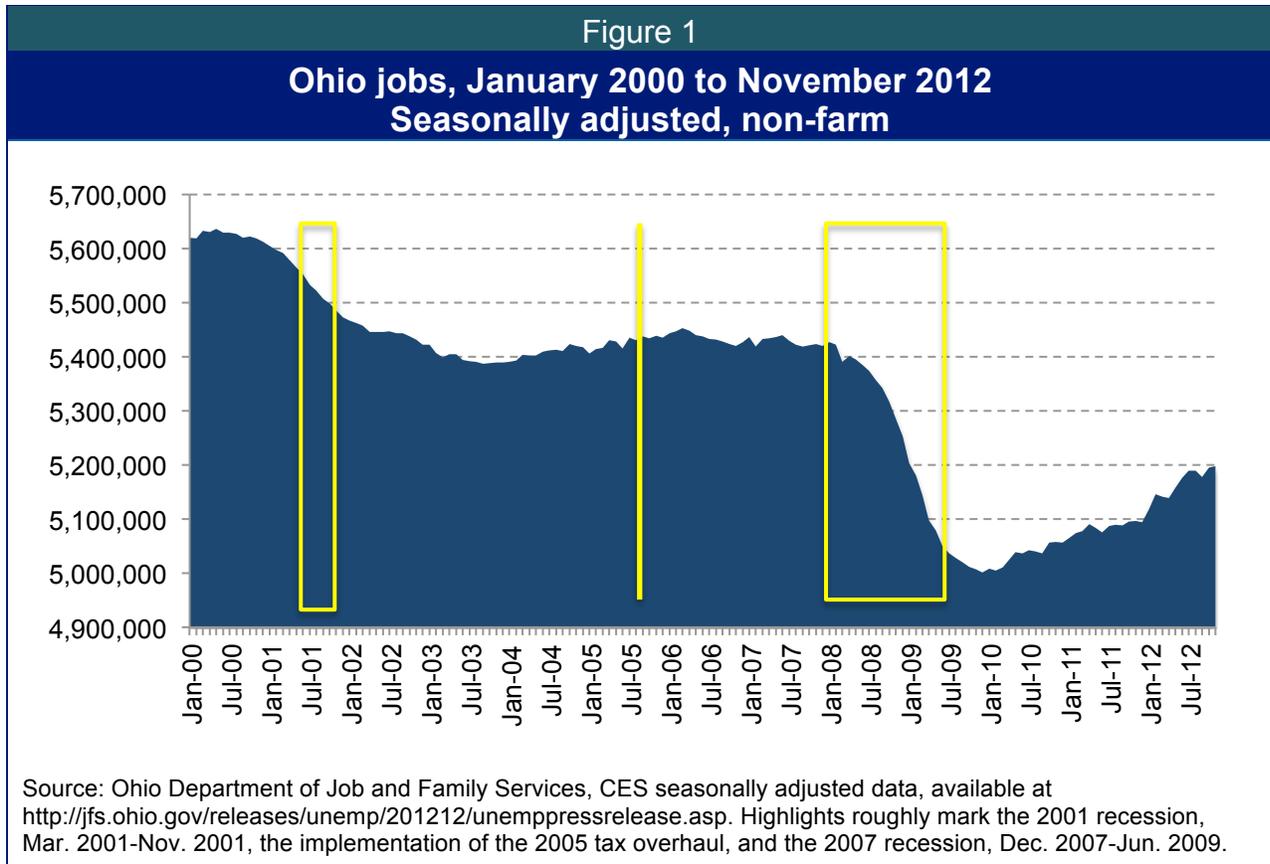


Table 1 details these changes. Not only is the state struggling to recover from the 2007 recession, Ohio never recovered from the 2001 recession, having lost more than 394,000 jobs since that recession began. Since the start of the 2007 recession, the state has lost 222,900 jobs. The state job count is also down more than 4 percent since the approval of the 2005 tax overhaul.

**Table 1**  
**Change in Ohio jobs by sector (in thousands)**

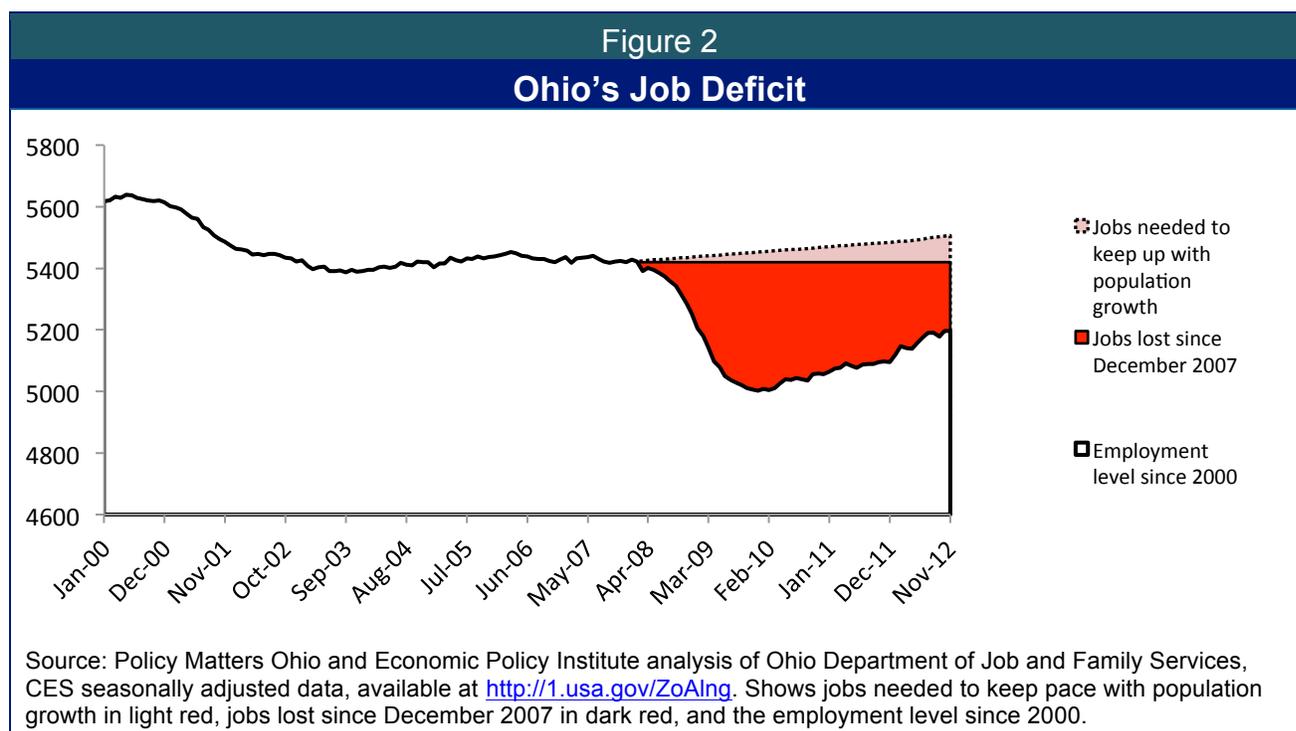
	November 2012	Job change since 2001 recession start	% change since 2001 recession start	Job change since 2005 tax overhaul	% change since 2005 tax overhaul	Job change since 2007 recession start	% change since 2007 recession
<b>Total jobs</b>	5,197.5	-394.4	-7.1	-217.4	-4.0	-222.9	-4.1
<b>Manufacturing</b>	660.1	-324.7	-33.0	-150.5	-18.6	-100.6	-13.2
<b>Public sector</b>	762.2	-29.8	-3.8	-34.6	-4.3	-31.1	-3.9

Source: Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201212/unempresrelease.asp>.

### Ohio's job deficit

Ohio is recovering, but the state's job deficit, or the difference between the number of jobs Ohio has and the number of jobs needed to regain pre-recession levels of employment, is a staggering 345,100. That number includes the 222,900 jobs lost since the start of the 2007-09 recession plus the 122,200 jobs needed to keep up with the 2.3 percent population growth the state has experienced in the 59

months since the recession began. To close this gap in three years, Ohio would need to create at least 10,000 jobs per month. Figure 2 shows this gap is narrowing but still sizeable.



## Federal gridlock threatens key work security programs

Ohio's job market is improving. The number of jobs and the unemployment rate are moving in the right direction, but the state has a very long way to go and inaction at the federal level could put our recovery in jeopardy.

Long-term unemployment continues to be a major problem in Ohio, just as in the nation as a whole. Since 2008, jobless workers in Ohio and across the country have been able to receive additional benefits after the end of their state unemployment compensation (UC) benefits, which last up to 26 weeks in Ohio and most states. In Ohio, qualified workers are currently eligible for up to 37 additional weeks of these federal UC benefits. In the year ended in September, the average jobless Ohioan was unemployed for 33.5 weeks. During the week ended Dec. 15, 46,375 Ohioans filed continued claims for these federal benefits, according to ODJFS. Extended UC benefits are clearly still needed in Ohio.

The federal program will end Dec. 29 if Congress does not act. Extended benefits have been a lifeline to many Ohio families trying to get back to work, providing modest financial support to families and encouraging Ohioans to stay connected to the labor force through work search requirements. Extended benefits have also bolstered our state economy; in the first nine months of 2012, the U.S. program paid more than \$788 million to unemployed Ohioans. Congress should continue federal support for UC benefits to avoid the loss of income for tens of thousands of Ohioans and the negative effects that would have on their families and communities.

Unemployment compensation is not the only workforce program in jeopardy. According to estimates

by the National Skills Coalition, Ohio's job training programs will lose \$22.8 million in 2013 if planned across-the-board cuts (sequesters) are allowed to take effect on January 2, 2013. These cuts will significantly impact the state's Workforce Investment Act programming, Adult Basic Education programs, Vocational Rehabilitation programs and employment services. These programs help low-skilled Ohioans prepare for work and help displaced workers fund new careers. If these cuts occur, an estimated 64,555 job seekers could not be served. Other key programs supporting families and the economy also are at risk if Congress does not act.

## WARN

The Worker Adjustment and Retraining Notification Act (WARN) 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. As Table 2 shows, five WARN Act notices were filed with ODJFS in November, impacting 503 workers, 114 of whom are in a union.

Employer	Location	Type of work	Impacted workers
<b>Rhino-Sands Hill Mining</b>	Wellston (Jackson), Hamden (Vinton), and Gallipolis (Gallia)	Surface mining, prepping, and hauling	115
<b>Center City International Trucking</b>	Columbus (Franklin), Pataskala (Licking)	Truck and truck parts dealership and service	114*
<b>Systemax Manufacturing</b>	Fletcher (Miami)	Computer manufacturing	86
<b>The Andersons</b>	Northwood (Wood)	Retail	121
<b>H.C. Starck</b>	Euclid (Cuyahoga)	Production of tech metals and chemicals	67

Source: Ohio Department of Jobs and Family Services, WARN Act Notices, available at <http://jfs.ohio.gov/warn/current.stm>, last accessed December 20, 2012. \* Unionized workplace.

## Conclusion

Ohio has made progress but we are a long way from a full recovery. Elected officials at the state and federal level should avoid decisions that threaten to throw this tentative recovery into reverse. The December 29 deadline for Congressional action on unemployment benefits is fast approaching. Congress should continue federal support for UC benefits to avoid the loss of income for tens of thousands of Ohioans and the negative effects that would have on their families and communities. Without federal action, automatic, across-the-board cuts to the federal budget will take effect on January 2, cutting funding to many programs, including programs that get help Ohioans back to work. Preserving workforce security programs, and other programs that help stabilize our economy should be a priority for policymakers.

*JobWatch* is an ongoing project of the [Economic Policy Institute](#) and [Policy Matters Ohio](#). Both are nonprofit policy research institutes.