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Job growth remains slow, data revisions suggest weakening economy

Ohio's unemployment rate ticked up slightly in January, from 6.7 percent to 7.0 percent, according to the survey of households released today by the Ohio Department of Job and Family Services. This is the first increase in the unemployment rate since June 2011, and the largest month-to-month increase since May 2009.

Separately, the establishment survey, which provides the job count by surveying firms and generally carries more statistical weight, showed that Ohio added a modest 3,800 jobs in January. In addition, revised numbers issued today by the department show that job growth was weaker than was earlier reported in 2012, and that there has been little growth in last six months.

Today's numbers included revisions based on the department's annual benchmarking using unemployment tax records. Benchmarking helps to improve accuracy and frequently leads to changes in previously released data. This year's revisions are significant, with every month since the start of the 2007 recession being revised and with revisions extending to January 2000.

Based on preliminary examination of the revised numbers, Ohio's overall recovery is about the same as previously reported. Ohio has added 135,600 jobs since the official end of the recession in June 2009. The state is still a long way from recovery, and is still down more than 239,000 jobs since that recession began.

"It appears that job growth slowed in 2012," said Hannah Halbert, policy liaison with Policy Matters Ohio. "We have to be concerned about the weakness of the recovery."

Earlier years appear to be stronger than previously reported, and 2012 had weaker growth than previously reported. December 2010 through December 2011 was revised up from 0.7 percent job growth to 1.5 percent while December 2011 through December 2012 was revised downward from 1.8 percent job growth to 0.8 percent.

The revised data suggests that the slowing trend is continuing, with only 5,600 jobs added since July. The same time period in 2011 showed an increase of 49,300 jobs.

"Ohio needs investment to move forward, to grow jobs, educate kids, and build strong communities," Halbert said. "The current rate of job growth will leave our state behind."

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*