The New Normal?
Job growth in April leaves Ohio with almost no gain over the past year

Ohio added 7,600 jobs in April according to new data released today by the Ohio Department of Job & Family Services. This is welcome news, but it is nowhere near the growth needed to decisively break Ohio’s year of virtually no growth.

In the second half of 2012, Ohio’s slow-but-steady job growth ended, replaced by dramatic month-to-month fluctuations. In February, the state gained more than 16,000 jobs, but lost that and more in March. Since a year ago, Ohio has gained just 4,400 jobs, for a growth rate of 0.1 percent.

“Ohio’s recovery is far too anemic,” said Hannah Halbert, workforce researcher for Policy Matters Ohio. “Austerity has led to job losses in the public sector and an erosion of community investment at a time when the state needs a boost.”

The volatility of the jobs numbers should serve as an important reminder: Monthly numbers are preliminary and will likely be revised, so it is unwise to make too much over the month-to-month changes. Longer-term trends provide a more accurate gauge of the state’s economic health.

The 2007 recession ended nearly four years ago. In that time, Ohio has only regained 140,000 jobs. In the late 1990s, it was not uncommon for Ohio to add 80,000 to 100,000 jobs annually. Public job losses continue to drag down the state’s recovery. Over the last twelve months, the 14,000 public jobs the state lost (7,200 of them at the local level) have nearly erased the gain of 18,400 private-sector jobs.

The separate survey of households ODJFS released today also showed some improvement. Ohio’s unemployment rate returned to 7 percent, and continued besting the national rate of 7.5 percent. Although Ohio’s rate improvement was largely due to the 4,000 people getting jobs, the labor force still declined by 3,000, indicating continued labor market weakness. Ohio did worse than the country as a whole; the national labor force grew by 210,000 while adding 293,000 jobs.

“Ohio needs 235,000 jobs just to make up for losses in the last recession. If the current job growth rate becomes Ohio’s new normal, the state is in deep trouble,” Halbert said. “If we want to build a better future for Ohio, we need to reinvest in our communities.”

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