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Sluggish growth for Ohio jobs

Unemployment falls in May, but not because of employment gains

Ohio added 2,900 jobs in May, according to employer survey data released today by the Ohio Department of Job and Family Services (ODJFS). The jobs report was accompanied by data from a separate ODJFS survey that showed the unemployment rate dropping to the lowest level since April 2007, 5.5 percent. However, this decline reflects a shrinking labor force rather than a real boost in employment.

May's modest job gain followed a much stronger performance in April, but it is unwise to make too much of monthly fluctuations. Monthly numbers are always preliminary and subject to revision. The longer view shows that, despite three months of gains, Ohio still struggles with below-average job growth. Over the last 12 months, the seasonally adjusted number of nonfarm jobs has increased by 0.9 percent, underperforming national growth of 1.7 percent.

"Ohio's recovery remains slow," said Hannah Halbert, workforce researcher with Policy Matters Ohio. "We are nearly five years into recovery and we continue to underperform the nation in job growth. In fact, we have fallen short since the end of the recession, over the last 12 months, and since our tax overhaul in 2005."

Ohio's unemployment rate fell in May to 5.5 percent, a rate not seen since April 2007. May's unemployment rate is very different than the 5.5 percent rate of April 2007. Since that time, Ohio's labor force has shrunk by 220,000 (3.7 percent) and employment, according to the household survey, is down by 209,000 (3.7 percent).

May's improvement over April is due to another drop in the labor force, not increased employment. The household survey, which has different measures for employment and a different sample than the survey that produces the jobs report, showed that unemployment fell by 11,000 in May. However, the survey showed an even greater number – 14,000 – left the labor force. The household survey showed a decline in employment last month, so while the rate appears to be moving in a positive direction, May's report does not reflect an improvement for Ohio workers.

"Ohio's economy has improved since the end of the recession, but too many unemployed Ohioans aren't finding jobs," said Halbert. "We have a long way to go to recovery."

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