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Workers still struggle in Ohio's economy: The State of Working Ohio 2016

Labor force participation, at 62.3 percent, was at a 36-year low in 2015 with a particularly alarming plunge to 81.7 percent for working-age men according to *Still Struggling: The State of Working Ohio 2016*, a report from Policy Matters Ohio.

“Ohio is finally emerging from the deep recession into a slow and halting recovery,” said Amy Hanauer, lead author and executive director of Policy Matters. The report finds that several indicators have improved markedly, with caveats. These positive points include:

- Official Ohio unemployment is low – 5 percent in June and 4.8 percent in the not-yet-adjusted July numbers. However, the historically low labor force participation indicates that low unemployment numbers don't tell the whole story.
- Wages climbed to \$16.61 in 2015 for the median Ohio worker after several years of decline. But Ohio wages remain far behind what they were three dozen years ago in 1979 at the median, when adjusted for inflation.
- Ohio finally recovered the jobs lost in the recent recession, but still has fewer jobs – 5.5 million – than prior to the early 2000s recession, when there were 5.625 million jobs.

There are also many reasons to remain concerned about the state of working Ohio.

- Ohio job growth trails the U.S. over every recent time period analyzed – since 2000, since 2005 when the legislature slashed taxes, since the 2007 recession started, and over the last year. Ohio shed more than 17,000 state and local government jobs since the recession started, depriving communities of teachers, firefighters and social workers.
- Ohio's fastest-growing sectors and most common jobs are low wage. Of the thirteen most common occupations, only two pay more than 200 percent of the official poverty line for a family of three. Nine of these most common jobs pay less than \$30,000 a year with full-time, year-round work.
- Some counties and communities have much worse unemployment – at the end of 2015, unemployment was 10 percent in Monroe County and 11 percent for black workers.
- Income is extremely unequal in Ohio, with the top 1 percent earning more than \$752,000 while the bottom 99 percent combined early less than \$43,000 a year on average. Incomes are also

extremely unequal within and between Ohio counties – three counties have top one percenters who earn more than \$1.25 million a year, while many have average incomes below \$30,000 for the bottom 99 percent combined.

- Disparities endure. Black workers earn just 76 cents for every dollar a white worker earns at the median, a gap that has worsened substantially and equates to more than an \$8,700 disparity over a full-time year. Women earn just 81 cents for each dollar a man earns, a nearly \$7,000 difference with a year of full-time work.

“We know how to improve Ohio’s labor market so that it works for working families,” Hanauer said. The report recommends:

- **Creating jobs** by keeping interest rates low and investing in infrastructure and people;
- **Improving job quality** by encouraging unions and enacting labor standards;
- **Ensuring the best possible workforce** by investing in education and improving anti-discrimination efforts;
- **Protecting struggling families** by improving state and federal Earned Income Tax Credits, providing childcare, and defending unemployment compensation; and
- **Paying for it all** by restoring top tax brackets.

“A bold policy agenda that focuses on Ohio’s people and their needs could restore prosperity here and make sure that it is more broadly shared,” Hanauer said. “When Ohio overcame past policy challenges, we did so by investing in smart solutions that took on problems. We need the same thing today: a forward-thinking, solution-oriented approach that can make Ohio more vibrant, equitable, sustainable and inclusive, today and in the future.”