



JobWatch  
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## Record number of Ohioans laid off amid pandemic April jobless numbers catch up with new normal

**The numbers:** Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show Ohio employers shed 823,700 jobs in April as Ohioans sheltered at home to slow the spread of the coronavirus. Total nonfarm jobs fell to 4,715,400, from a revised number of 5,539,100 in March, and 5,599,100 in February, before COVID-19 began to impact Ohio's job market.

April's numbers better capture the full extent of job losses since late March, which did not appear in March figures since they were gathered in the week of March 8-14.

April's numbers show:

- Ohio's unemployment rate for April was 16.8%, up from a revised 5.8% in March, and 4.1% in February. Ohio's April unemployment rate exceeded that of the nation by 2.1% points.
- Over the last nine weeks, 1,215,756 Ohioans filed initial jobless claims, exceeding the combined total for the previous three years, and comprising more than a fifth of working Ohioans.
- An additional 161,000 Ohio workers ineligible for regular unemployment compensation have filed for emergency Pandemic Unemployment Assistance under expanded federal rules.
- Goods producing firms cut 135,900 jobs. Manufacturers cut 96,300 jobs, construction firms shed 39,400, and mining and logging firms shed 200.
- Private service sector employers shed 645,800 jobs – especially in the leisure and hospitality sector which slashed 263,500 jobs, up 48.4% from a month earlier. Trade, transportation, and utilities cut 115,900, educational and health services cut 99,900, professional and business services cut 101,000, other services cut 47,400, financial activities cut 12,500 and information cut 5,600.
- Government agencies shed 42,000 jobs, with most cuts in local government jobs (36,400). State government cut 5,600 jobs, and there was no change in federal government jobs based in Ohio.

As high as the reported unemployment rate was, it likely understates the total. Some 5% of workers nationally were not counted as unemployed, but as “absent from work.” Comparable data are not immediately available for Ohio. Even before accounting for this, April's rate [topped Ohio's previous record](#) of 14.0% in December of 1982 and January 1983. State data go back to 1976.

## What it means:

“More than a fifth of Ohio’s working people lost their jobs in the coronavirus shut-down,” said Policy Matters Ohio researcher Michael Shields. “Policymakers must tap state resources to sustain those out of work, and strengthen consumer confidence as businesses reopen.”

## Two solutions:

### **Work sharing can save jobs and help businesses retain skilled workers.**

Besides those who lost jobs outright, many had their hours reduced. In April 2019, 18.1% of the nation’s part-time workers wanted to work full time. That share rose to 47.3% last month – an increase of about 6 million people who [involuntarily worked part-time](#) hours. Some workers who were part time by choice were also laid off. [Ohio’s work sharing program](#) may be especially effective in this crisis for reducing job losses and enabling businesses to gradually resume full operations. Shared work enables employers to distribute hours reductions across many workers instead of laying off some workers completely. Thus, if a business with 50 employees must cut a fifth of its hours, it could do so by laying off 10 staff members, or by reducing all staff to a four-day work week. Workers can then get unemployment compensation for their lost hours.

Work sharing is [a strategic way to retain skilled workers](#) when a business needs time to return to full capacity. It keeps valuable employees while work is slow, and enables smooth business growth by avoiding costly recruitment and training. Some 511 Ohio employers were participating as of May 7, covering 24,247 employees. ODJFS had approved 827 plans and had 95 pending, up from just 67 on March 15. An employer can have more than one plan covering different staff. Under the CARES Act, the federal government is picking up the full cost of unemployment benefits paid under Ohio’s work sharing plans for most employers.

Unfortunately, many employers who could take advantage of work sharing miss the chance because they simply don’t know about it. Ohio will receive \$2.3 million in federal support to promote the program. The state should devise a plan to promote work sharing and enroll as many businesses as possible.

### **Prioritize stimulus over cuts, urge federal lawmakers to support state and local government.**

Ohio policymakers should call on Congress to deepen fiscal stimulus and tap available state resources to limit spending cuts. The Economic Policy Institute has said that without substantial fiscal stimulus to state and local governments, [a prolonged depression](#) is *guaranteed*. Current federal stimulus rules under the CARES Act restrict governments from using funds to replace revenues that have plunged with residents out of work and spending down. The HEROES Act passed by the U.S. House of Representatives would allocate \$500 billion to states and \$375 billion to local governments to [shore up budget shortfalls](#) through 2021. Ohio policymakers should urge the Senate to pass and the president to sign the HEROES Act.

While federal help will be critical, Ohio should tap all available state resources, starting with the \$2.7 billion “rainy day fund.” Ohio lawmakers have [weakened Ohio’s resilience](#) over the last 15 years by giving away \$6 billion a year in [tax cuts](#), much of it to corporations and the wealthiest residents. Already strained local governments have now begun to make significant cuts to the services they provide ordinary Ohioans. As Ohio begins to recover, the General Assembly should roll back tax giveaways to the wealthiest so the state can deepen vital investments in education, healthcare, and infrastructure for all Ohioans.