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Wrong Direction: April marks second month of job loss this year

Big gains since April 2020, but hiring could be stalling

The numbers: April marks one year since COVID-19 wreaked the largest job displacements in Ohio's history. Many Ohioans are finding work, but there are still fewer jobs in Ohio than there were before COVID. New data released today by the Ohio Department of Job and Family Services (ODJFS) show that the state is trending in the wrong direction and our recovery may be slowing at a critical time. Seasonally adjusted data show Ohio employers cut 3,700 jobs over the month, from a downwardly revised 5,312,000 in March to an initial 5,308,300 in April. This marks the second month of overall job losses since the recovery began, following February's loss of 8,400 jobs. Ohio needs to restore 290,800 jobs to return to the number the state had in February 2020, just before COVID-19 disrupted lives and the economy.

From the employer survey:

- **Last month Ohio lost 3,700 jobs** across all sectors. Employers in private sector goods producing industries cut 400 jobs. Private service sector employers cut 3,000 jobs. Government shed 300 jobs.
- **In the last 12 months, Ohio regained 586,900 jobs.** Employers in private sector goods producing industries restored 104,800 jobs. Private service sector employers restored 489,700 jobs. Government cut 7,600 jobs.
- **Ohio has 290,800 fewer jobs than in February 2020.** COVID-19 has destroyed - and Ohio has yet to regain - 47,700 jobs in private sector goods producing industries: 204,900 private service sector jobs, and 38,200 government jobs.

From the separate household survey, Ohio's unemployment rate held steady at 4.7% in April. The U.S. unemployment rose slightly to 6.1%. The unemployment rate undercounts the true extent of joblessness, because it only counts those actively seeking work. With 5,767,000 people working or seeking work, Ohio's labor force is about 62,000 short of its pre-COVID size. 16,000 Ohioans reentered the labor force in April.

Policy Matters researcher Michael Shields gave this statement:

What it means: "The dramatic job recovery since last April reflects both that some sectors were poised to quickly resume operations after briefly sheltering from the pandemic; and the success of federal stimulus in boosting the economy. Federal policymakers learned from the slow recovery from the last recession that government must respond to economic crises by quickly

directing resources to the people who need them most. The quick partial recovery thus far is a mark of their success.

“Monthly job numbers are subject to revision, but April’s job numbers mark the second month of losses since the recovery began, raising concerns that the rapid early recovery has begun to flag.”

“Ohio policymakers seem not to have learned that, to heal our economy, government must step up on the side of people harmed by the COVID recession, not corporations. Gov. DeWine this month announced that Ohio will prematurely end \$300-per-week enhanced unemployment benefits, foregoing millions in economy-boosting federal dollars directed to those who need it most. This announcement follows reductions in the number of Ohioans working in both February and April: job losses for Ohioans who were already working.

“The \$300 in unemployment compensation prevented crisis for the families of displaced workers and enabled the unemployment system to work as it designed to work: by enabling Ohioans to search for a job that matches their skills and pays enough to support themselves, instead of desperately scrambling to take any job on offer.

“Ohioans are among the least likely in the nation to use up all their unemployment benefits before returning to work – 20.7% do – showing that Ohioans return to work when a suitable job becomes available. The decision to end enhanced benefits is a giveaway to corporations that want the government to force more Ohioans into the labor force so that they can recruit workers without raising wages, which employers have successfully flattened with policymakers’ help for four decades.”

Solutions:

Allow the unemployment compensation system to work: “Federal policymakers responded to COVID-19 job displacements by dramatically increasing payments to people who had been laid off and expanding eligibility. Ohio took more than seven years just to regain the jobs lost in the 2008 recession. Cutting off supports like unemployment compensation and the \$300 supplement too early will suppress wage growth and take money out of local economies in the form spending at local businesses. Gov. DeWine’s decision to forego enhanced unemployment benefits puts corporate interests ahead of people. He should reverse the decision and retain enhanced unemployment benefits for Ohioans as long as they are available.”

Create jobs through sustainable infrastructure investment “A strong recovery means creating the jobs that power an economy where everyone can thrive. A forthcoming report by Reimagine Appalachia finds that \$23.6 billion in annual federal funds for sustainable infrastructure over 10 years would create over half a million jobs in Ohio, Pennsylvania, Kentucky and West Virginia.

Last word: “Smart policy drove the economic bounce back we have seen thus far. As the recovery slows, we cannot afford for certain politicians to pull the rug out from under people. Ohio policymakers must support Ohioans seeking to return to safe jobs that pay wages that enable them to support their families.”