



Ohio sheds jobs in April as unemployment rate ticks up to 4.0% With inflation sticky, Fed response could slow job openings, cost workers

The takeaway: Ohio lost jobs for the second time this year and saw a rise in unemployment last month. As Consumer Price Inflation remained at a stubborn 3.4% (and rose 0.2 points to 2.7% using the Federal Reserve's preferred measure), the Fed backed away from its commitment to reduce interest rates this year, [leaving rates at a 23-year high](#). Without targeted tools, the Fed's response puts the cost of inflation control on working people, even as it struggles to gain further traction against inflation.

"While 3.4% inflation isn't so high on its own, it's coming on top of already high prices from COVID inflation," said Policy Matters Ohio economist, Michael Shields. "Lower inflation doesn't mean prices go back down; it just means price increases *slow down*. And for low-paid Ohioans, the inflation they face is higher than the overall rate, because so much of their spending is on food and housing, where prices grew faster than other goods."

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) showed that Ohio shed 2,500 jobs last month, from a downwardly revised 5,640,100 jobs in March to 5,637,600 jobs by April. Monthly numbers are preliminary and subject to revision. April marked four years from the "trough" of the COVID pandemic when Ohio lost some 830,500 jobs, the most ever recorded in a single month, as Ohioans sheltered from the pandemic (Ohio also lost jobs that March). Since then, Ohio has added 905,400 jobs and now exceeds its recent pre-COVID level by 23,800.

"Most of those gains came rapidly after the stay-at-home order lifted and buoyed by historic levels of government spending to drive the recovery," said Shields. "By 2023, it looks like [the recovery wrapped up and gave way to a new normal](#). Ohio is now near our peak jobs level, but the state lost jobs in four of the 12 months last year, and twice so far this year. It's a pretty healthy job market, but not a booming one: the Fed should be thoughtful about preserving job levels. We should also bolster wages, including by [passing a \\$15 minimum wage](#), which citizens will get the chance to vote on this November if the petition gets enough signatures to make the ballot.

The details: Goods producers shed 3,300 jobs last month as large construction losses (-7,600) exceeded smaller manufacturing gains (+4,300). Outright *losses* in construction are unusual for the springtime, and these numbers could reflect a glitch in the seasonal adjustment: it may be that Ohio did not shed construction jobs, or *so many* construction jobs, but rather that it had a weaker season than this time in a typical year. Service providers added 3,800 jobs. The public sector lost 3,000 jobs, all in local government.

The household survey: The separate household survey showed that the number of Ohioans unemployed rose by 10,000, as 2,000 Ohioans lost their jobs and 8,000 people entered the workforce to seek a job. The unemployment rate rose 0.2 points to 4.0%. The nation's unemployment rate was 3.9%.

"Working Ohioans are stuck between inflation and the Fed's efforts to bring it down," said Shields. "[The untold driver of inflation in this economy has been corporate price gouging](#). But the Fed's only tool to fight inflation – holding interest rates high to slow the economy – puts the cost on workers, by making housing less affordable, reducing jobs, and sapping workers' bargaining power to win wage increases. Congress needs to intervene with targeted tools such as taxing excess profits; state policymakers can help by [making childcare more accessible](#) and [bringing down surging housing prices](#); and [Ohio needs a livable minimum wage](#)."