August jobs report shows continued weakness

Job numbers released today by the Ohio Department of Job and Families services are again mixed and underwhelming. The state added 5,200 jobs in August. Over the last 12 months Ohio’s job base has grown by just 1 percent, compared to 1.4 percent for the nation. Growth this month in the private sector provided welcome news. Production work added 3,500 jobs, thanks to small increases in construction and manufacturing. Arts, entertainment and recreation added the most jobs in August (6,600). That sector includes museums, sports and gambling. Losses in the always important public sector (-5,900) weakened growth.

“Ohio’s 12-month growth rate puts us roughly on par with where we were this time last year. While that is not nothing, it is pretty close. Last year was the worst year for job growth in Ohio since the end of the recession,” said Hannah Halbert, researcher with Policy Matters Ohio. “Policy makers passed tax cuts that overwhelmingly benefited the wealthiest on the promise of robust job growth and better lives for all Ohioans. The new Census data and the jobs data released today demonstrate how ineffective tax cuts are at accomplishing these goals.”

The Census data released this week shows how little the recovery has done to reduce barriers to family-sustaining jobs for many Ohioans. The poverty rate for black Ohioans has returned to its pre-recession level. This seems like positive news, but the rate is astonishingly high. Nearly a third (31 percent) of African Americans in Ohio were in poverty last year. White poverty never exceeded 12.9 percent during the recession and recovery.

“Policies that lock out some communities from quality education, training, and jobs must be changed. They are holding Ohio back. When so many are unable to make ends meet, the whole state stuffers. It is a drag on our economy, our labor market and our quality of life,” Halbert said. “Tax cuts for the wealthy are part of the problem. They reduce revenue so the state has fewer resources for comprehensive addiction services, childcare, transportation, quality public education, and affordable higher education and training, the very things we need to address our most pressing problems.”

The unemployment numbers, also released today from a separate survey, were moving in the wrong direction. The unemployment rate inched up to 5.4 percent, driven by a decline in the number of people employed (-28,000), an increase in unemployment (+11,000), and a big drop in the number of Ohioans working or looking for work (-17,000). The two surveys that make up the monthly jobs report count “jobs” and “employment” differently. The share of the population that is now employed (59.3 percent) has not improved over the last 12 months. The state’s labor force is still down 223,000 people since the start of the last recession.

###

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