Policymakers end jobless benefits to 240,000 as Ohio loses jobs in August

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show that Ohio employers cut 2,400 jobs over the month, from an upwardly revised 5,348,300 in July to 5,345,900 in August. Preliminary numbers are subject to revision, but August’s estimate shows sorely-needed progress made in June and July may be reversing. So far, Ohio employers have added 68,100 jobs this year. Ohio’s monthly growth rate averaged over the last six months is 0.14%, compared with 0.45% for the U.S. Ohio remains 264,000 jobs below our pre-COVID number in February 2020.

The household survey: According to the separate household survey, 33,000 Ohioans entered the workforce last month. Most — 29,000 — were hired, while 5,000 were not. Ohio’s unemployment rate held steady at 5.4%, slightly above the national rate of 5.2%.

August job losses could reflect the surge in COVID-19 cases driven by infections of unvaccinated Ohioans and breakthrough cases of the delta variant. Ohio’s seven-day moving average of new COVID-19 cases surged eightfold to 2,237 the week ending August 12 — the reference week when people are surveyed for the unemployment rate — compared with the week ending July 12, when new cases averaged 285. As of yesterday, the moving average was 7,268, a level not seen since January 2021, before vaccines were available.

“Uncontrolled COVID and the expiration of lifelines like Pandemic Unemployment Compensation are continued threats to the safety and security of Ohio’s families and working people,” said Policy Matters Ohio researcher, Michael Shields. “Policymakers must continue to support working people and those displaced from work to drive a robust recovery that reaches everyone.”

Congress allowed Pandemic Unemployment Assistance (PUA) benefits to expire this month. This pushed out 240,273 Ohioans who were covered by PUA during the program’s final week, just as COVID surged and hiring faltered. They include gig workers, independent contractors, those misclassified as contractors, and workers who were not paid enough to meet Ohio’s high earnings threshold. The abrupt end of PUA and other federal supports will cost Ohioans $3.9 billion and reduce their consumer spending by $2.1 billion. Gov. DeWine had previously blocked Ohioans from receiving $300 per week in additional federal benefits, costing Ohio around $1 billion and prompting a lawsuit now before the state supreme court. A much smaller group of 133,267 Ohioans filed for regular UC benefits the week ending September 11.

“Policymakers’ decision to arbitrarily end federal UC coverage last week cost most Ohioans their benefits,” said Shields. “Congress should immediately reinstate Pandemic Unemployment Assistance, extended benefits and the $300 federal supplement. State policymakers should overhaul Ohio’s unemployment system so that going forward, huge numbers of workers will not be left out of state coverage in the first place.”