



JobWatch
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Contact: Hannah Halbert
hhalbert@policymattersohio.org
614.397.6080

A solid jobs report closes out 2019, but the year may be the state's slowest in a decade

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show Ohio employers added 9,800 jobs in December. Today's report also shows that Ohio employers added 27,300 jobs in 2019, a growth rate of 0.5%. The rate for the nation was 1.4%.

- Employers in manufacturing, construction, and mining and logging all cut jobs in 2019. Construction firms cut the most (-9,000). Manufacturers cut 1,700. Mining and logging firms cut 100 jobs. At the end of 2019, there were 10,800 fewer production workers in Ohio than there were in 2018. Ohio's 2019 job growth was almost entirely due to service sector employers adding workers (35,400). Leisure and hospitality jobs grew the most (+17,000), and nearly all of that growth was in accommodation and food service jobs (+15,200).
- The unemployment rate, which is determined by a separate survey of households also released today by ODJFS, remained at a very low 4.2%. The number of Ohioans working or actively seeking work also improved slightly, increasing by 5,000. Overall, there are 147,000 fewer Ohioans working or looking for work now than there were before the 2007 recession.

What it means: Policy Matters Ohio Project Director Hannah Halbert said today's ODJFS jobs report is a solid improvement over prior months, which have shown losses or only very weak gains, but it is not enough to course correct.

"We can't close the books on 2019 until the revisions are released, but the preliminary data show it was a weak year for job gains. Growth continues to slow and is now slower than any year since the state was deep in the great recession. The blue-collar renaissance that was promised by the Trump administration isn't happening, and according to the available data those sectors all lost jobs in 2019. The service sector is the primary source of Ohio's job growth last year, much of which was in leisure and hospitality jobs. A typical food service worker earns \$9.31 an hour in Ohio. That's \$1,420 below the poverty line for a family of three. Ohioans are working, but too many jobs don't pay enough to make ends meet."

Why it's happening: "Bad policy choices make it harder for working people to get by. Trump's trade war and GM's decision to close the Lordstown assembly plant harmed Ohio manufacturers and the people they employ. Much of Ohio's job growth is in low-wage sectors

such as food service. Policymakers should do much more to make the jobs we have pay enough for people get by,” Halbert said.

Two solutions: Halbert said tax cuts and deregulation are not building an economy that works for all Ohioans. “We need to stop cutting taxes for corporations and the wealthy so we can make investments in education and training. We also need to raise the minimum wage. The sectors adding jobs are sectors that pay low wages and have little unionization. Ohio policymakers need to stop catering to big business and instead grow the economy by growing the middle class. One way to get there is to raise the minimum wage. Six of the 10 most common job types in the state pay so little a full-time worker with a family of three needs help affording food. Ohio voters increased the minimum wage in 2006 and indexed it to inflation. It’s clear that the increase was not enough. A bill heard in the Ohio House of Representatives would raise the wage to \$15 by 2023. A ballot initiative filed last week would increase Ohio’s minimum wage to \$13 by 2025. One way or another, Ohio needs a raise.”

Looking ahead: In March, the U.S. Department of Labor will produce its annual revision of the jobs data. Sometimes this revision results in big changes to the job numbers. If the Ohio rate holds, 2019 will be the slowest year for job growth in a decade.