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Jobs cut in February as recovery stalls in Ohio

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show Ohio employers shed 8,400 jobs last month, from a revised 5,304,300 total jobs in January to 5,295,900 in February 2021. After the December revision erased losses initially estimated that month, February marks the first month Ohio lost jobs overall since the recovery began.

The numbers from the employer survey:

- Employers in goods producing industries cut 600 jobs across all industries, in manufacturing (-300), mining and logging (-200), and construction (-100).
- Private service sector employers shed 8,000 jobs. Employers made cuts in educational and health services (-12,700), and professional and business services (-1,400). Employers added jobs in leisure and hospitality (+4,300), trade, transportation and utilities (+900), financial activities (+400), and other services (+400).
- Public sector employers added 200 jobs with all gains in state government jobs (+400). The federal government cut 200 jobs in Ohio and local government jobs were unchanged.

From the separate household survey, Ohio's unemployment rate reached 5.0%, in February; 289,000 Ohioans remained officially unemployed. The U.S. unemployment rate was 6.2%. The unemployment rate understates the true extent of joblessness, because it only counts those actively seeking work.

Policy Matters researcher Michael Shields gave this statement about what it means:

“Ohio's unemployment rate hides what's truly happening in our labor market. Year-over-year, the state has 153,000 fewer jobs, plus employers aren't hiring enough to keep pace with population growth. The only reason those losses don't come through in a much higher unemployment rate is that 143,000 Ohioans have left the labor force in the past year. This compounds an already reduced labor force; following the job losses of the Great Recession, many Ohioans left the labor force and [never returned](#).”

“This means that we are far from recovered from the coronavirus recession. Working Ohioans remain displaced, and the hardest hit are those in sectors that paid low wages and left workers least equipped to survive a long disruption from work.”

Solutions:

State lawmakers must support all displaced Ohio workers, as long as needed: “The American Rescue Plan [sends a lifeline](#) to Ohioans who have been displaced since the coronavirus recession destroyed their jobs. With Ohio’s recovery stalling and initial estimates of losses for February, it has come at a critical time. Ohio unemployment benefits normally run out after 26 weeks. Federal intervention has twice before extended them during the pandemic, and the ARP now extends benefits until September. Federal Pandemic Unemployment Assistance also covers Ohioans normally excluded from benefits, some because they are paid too little. Anything below \$280-per-week in pay leaves Ohioans out under our normal system.

“The disconnect between vast joblessness and the current unemployment rate figure shows that these policies are critically needed. Ohio policymakers must understand that a low rate does not equal a healed or healthy labor market. Ohio’s state unemployment system needs investment and sound policy protections so that all people who worked at least 20-hours-per-week qualify and receive benefits for a long enough timeframe to find new work.”

Improve delivery through Ohio’s modernization plan: “In December, Ohio was not among [eight states that met the Department of Labor’s standard](#) that 87% of first payments be made within 21 days. Administrators should seek guidance from those that did.” Shields said. “As Ohio’s Unemployment Compensation and Modernization Council meets to address the shortfalls, it should take the opportunity to improve the state’s UC system.

“The council’s priorities must include making UC notices understandable. It should [review access](#) for Ohioans with low incomes and people of color, and seek public feedback from stakeholders. It should also involve experts from the U.S. Department of Labor and other states; and carefully review the use of private contractors – particularly those with no experience implementing unemployment benefits systems – and provide transparency regarding their involvement,” Shields said.

Summing up: “Ohioans continue to struggle because of immense job loss caused by the coronavirus recession,” Shields said. “Extended federal benefits will help displaced Ohioans to get by until they can regain a foothold at work. Ohio policymakers must improve the delivery system and ensure that all Ohioans displaced from work have access to critical supports as we recover.”

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Missing fellow Job Watcher George Zeller. We at Policy Matters aren’t the only ones who’ve been following Ohio jobs each month. Last Saturday, Ohio lost a fellow job watcher with the passing of economist [George Zeller](#). George was a founding board member and a tireless advocate for poor Ohioans. We’ll miss you, George.