



JobWatch
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Blip or Boon? Job growth strong in February

Ohio job growth this year is off to one of the strongest starts since the end of the recession. Only 2012 posted better numbers. According to new seasonally adjusted jobs data released today by the Ohio Department of Job and Family Services (ODJFS), in the first two months of 2018, the state added 32,100 jobs. This is nearly as much as the state gained in all of 2017 (32,200), though that was the weakest year for job growth since the recession.

“It is important to remember that the monthly data is subject to revision. Longer term trends are more reliable indicators of the state’s economic health,” said Hannah Halbert, researcher with Policy Matters Ohio. “The past two calendar years have been marked by slow and slowing growth. The first two months of 2018 are a welcome departure from these trends. Even as the unemployment rate falls, it is clear that Ohio still needs many more months of strong growth to bring people back into the labor force.”

Nearly all sectors of the Ohio labor market saw job growth in February. The only large decline occurred in local public jobs (-4,300). Goods production, which includes mining, construction, and manufacturing, grew slightly (4,100). Service work also added jobs (15,500). Healthcare and social assistance alone grew nearly as much as all production work combined (3,700). Retail added 3,700 jobs, not enough to recover all the jobs the sector lost in the past 12 months.

The gains in January and February put Ohio’s 12-month growth rate at just 0.8 percent, half the national average over the same time period (1.6 percent). That gap grows when we go back further and look back to the tax overhaul of 2005, which promised more robust growth. The nation has grown more than 10 percent in that time, while Ohio has added just 2.8 percent.

“Ohio is benefiting from strong national job growth. This helps, but it also highlights how far off the mark Ohio’s has been in comparison to the national average,” said Halbert.

Data from the separate household survey showed that the unemployment rate fell in February to 4.5 percent. This is Ohio’s lowest monthly unemployment rate since August 2001. This is good news, but the rate hides real challenges. In 2001, the unemployment rate was 4.4 percent, but Ohio had 45,000 more workers in the labor force, 51,000 more people employed, and 7,000 fewer unemployed than the state did in February.

“Ohio continues to struggle with bringing people into the labor market. Two years of meager job growth is discouraging,” said Halbert. “Wage growth has been weak and job opportunities have not been broadly shared across the state. Public policy that prioritizes fair taxation, investments in working people, and unrigging the system that has kept gains flowing primarily to the top earners in the state would help turn these growth blips into shared and sustained gains.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
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