



JobWatch
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New data show Ohio's decades-long recovery continues

Revised January jobs total indicates fewer jobs than thought

The takeaway: Now firmly recovered from the latest recession, Ohio continues to take two steps forward, one step back in the state's march to regain the jobs lost to the 2000 recession. This month's revision adds to the story as first-reported January jobs numbers come in lower and still shy of the 2000 total target by 3,000 jobs. Ohio will need a few more months of growth to be securely above this threshold, but with the state now losing jobs nearly as often as it gains them, we may have reached the rough peak of the recovery.

Jobs data are revised each month, then benchmarked after the end of the year, to improve their accuracy. Initial reports had previously stated that Ohio reached record job totals in July, August, and January, only to be later revised downward when more information was known. January's revision is a stark reminder of the caution with which monthly numbers should be treated. A revision of this magnitude is on the larger end of what's typical, but Ohio has had revisions of 10,000 jobs or more on seven occasions since January 2021. They are always large in December with the benchmark, and January revisions tend to often be large too.

The jobs numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show that Ohio employers added 2,900 jobs over the month for a total of 5,632,700 jobs. That growth was overshadowed by the revision to January's job total: down 13,200 from previously reported January jobs, leading to Ohio reporting a *loss of 300 jobs*, rather than gaining jobs, in the first month of this year.

The larger trend even considering the benchmark and revisions is that, while not the strongest in state history, Ohio's job market is the best we have seen in decades. Ohio fully recovered the jobs lost to COVID-19 in May 2023. Ohio's early recovery was even stronger than initially reported, meaning most of the progress was achieved when government support was strongest and most committed to drive recovery. The recovery lost steam by last year, when state and federal lawmakers were pulling out most of those supports. Though Ohio is still reaching for the prior jobs peak of 5,635,700, set in May 2000, it bears noting that government intervention and support ranging from the CARES Act to the Infrastructure Act drove a rapid recovery from the latest recession and set Ohio on a path to a revitalized economy.

"Policymakers should heed this lesson. They should use policy to keep more Ohioans connected to the labor market while the state scrambles out of a generation-long job slump," said Policy Matters Ohio economist, Michael Shields. "This includes protecting and modernizing our unemployment compensation system, increasing transit to connect regions and people to jobs, and prioritizing public supports like childcare and food assistance that help people find enough stability to participate."

The details: Only goods producers added jobs overall in February (+3,700). Private service providers cut 200 jobs, while government cut 600.

Longer term, while the overall job market has recovered from the COVID recession, goods producers (-2,700), and government (-14,200) have not. The service sector added 35,800 jobs, replacing jobs from other sectors and creating overall job growth of 18,900 jobs since before the COVID recession. At the industry level, industries where low-paying jobs predominate continue to have the largest job shortfalls: Retail is down 12,900 jobs, while food service and accommodation is down 11,500. State government jobs, over which policymakers have direct control, remain 11,000 jobs short and unrecovered from the COVID recession.

“While we saw a shift toward service jobs in the latest recovery, low-paying industries were the exception,” said Shields. “The clear message is that, while Ohioans want to work, they want a job that pays a living wage. Persistent low wages in some parts of our job market are a likely factor in Ohioans’ continued frustration with the economy despite relatively high job numbers.”

The household survey: The separate household survey showed that 2,000 Ohioans joined the workforce to take or seek a job, and the number of Ohioans who *had* a job fell by 1,000 in February. The number unemployed rose by 2,000. These numbers usually balance so that the change in people in the workforce looking for or holding a job equals the change in new workers plus newly unemployed people. They don’t offset this time due to rounding ($2,000 \neq 2,000 + 1,000$). Ohio’s February unemployment rate was 3.7%, unchanged from January.

“This month’s job numbers add to the concern raised by the benchmark, when we learned that Ohio’s recovery was already slowing by 2023 and the state had lost jobs in four of the 12 months that year,” said Shields. “Policymakers kicked the legs out from a strong recovery by prematurely ending or reducing government supports. That was a real blow with lasting consequences for Ohioans who work for a living. Policymakers should take note that their actions have dissipated this once-strong recovery and change course.”