



**JobWatch**  
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## Reset button: Data revision turns banner year for growth into one of the worst

We initially reported 2018 as a banner year for Ohio job growth. Now, it is one of the worst since the end of the recession. According to revised seasonally-adjusted data released today by the Ohio Department of Job and Family Services the state added just 44,700 jobs last year. Jobs grew by just 0.8%. The nation gained 1.8 percent.

“The data revision essentially hit the reset button,” said Hannah Halbert, project director with Policy Matters Ohio. The data were so substantially revised that 2018, which had been initially reported as one of the best years for job growth since 1994, is now tied with 2016 as the second worst since the end of the recession. The data revision helps explain why despite the seemingly impressive numbers Ohioans were not being pulled back into the labor force and wage growth remained weak. Job growth has also been weak.”

Similarly, January appears to be a banner month adding 20,300 jobs. That’s incredible growth, nearly half of 2018’s measly total. However, the gain is largely an effect of the revisions. The January total is actually 47,200 jobs less than the pre-revision December total.

“Today’s data underscore the fact that the monthly data are subject to change and longer term trends are much better indicators of our economy and that the annual benchmark process can lead to big changes even in those longer trends. Job growth is important and job quality matters too. Tax cuts passed ostensibly to grow jobs have not worked in Ohio – we lag national job gains every year since the 2005 tax cuts, and we now have \$6 billion less to spend each year on schools, health care, drug treatment and other Ohio challenges. That’s why we’re falling behind as a state.”

The data used to generate the unemployment rate is from a separate survey. Those data were also revised, but less dramatically. Ohio’s unemployment rate in January increased slightly to 4.7 percent, remaining higher than the national rate of 4.0 percent. The state’s job market is still too weak to consistently pull people back into the labor force. Even with an additional 16,000 Ohioans working or looking for work in January, the state still needs 212,000 jobs to break even with our pre-recession labor force.

“2018 now stands as a clear call to action. It’s time to invest in Ohio,” said Halbert. “We need revenue to help this economy work for all. Cutting taxes for the wealthy has not brought the promised job growth, but restoring local government, expanding and improving transit, fixing our roads and bridges, and making training and education affordable can.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.*

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