



JobWatch
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JobWatch: Ohio jobless numbers fell in July Recovery losing momentum

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show Ohio employers added 62,700 jobs in July, adding to gains in June, but leaving the state 495,100 short of July 2019.

Gains in private service-providing jobs (+59,800) and government (+4,900) exceeded losses in goods producing industries (-2,000). Unfortunately, the figure for public sector jobs – many of which are teachers who were on summer recess – could be an artificial uptick caused by the seasonal adjustment, which normally smooths the end of the school year but has been recently distorted by record unemployment numbers. Jobs remain significantly lower year-over-year in all sectors except for federal government (+1,100).

The Ohio unemployment rate stood at 8.9%, compared with 10.2% for the nation.

What it means: “This reduction shows that even when more substantial federal unemployment compensation benefits were in place, Ohioans went back to work if they could. But the initial job rebound from Ohio’s reopening is starting to slow. Inaction on the part of federal lawmakers and continued uncertainty from the state is keeping families in crisis and setting the stage for a deeper, longer recession,” said Policy Matters Ohio researcher Michael Shields. “Reopening alone won’t fix the problems in Ohio’s economy. Effectively managing the virus and the resulting public health crisis is a precondition for economic recovery. Until then policymakers must do all they can to help Ohioans survive this crisis.”

Solutions:

Congress should restore federal support to unemployed workers and support state and local governments: “Ohio’s Congressional delegation needs to support the immediate reinstatement of the \$600-per-week federal unemployment compensation benefit,” Shields said. “That payment directed billions in relief just where it was needed most, and enabled displaced Ohioans to maintain their spending in ways that supported business. Anything less will destroy tens of thousands of Ohio jobs on top of already devastating job losses. President Trump’s replacement for it is inadequate.”

State and local government workers are on the front lines of the dual health and economic crises, providing public health services, administering critical economic lifelines like unemployment insurance, and adapting to teaching online. Ohio can’t afford to lose these services or these jobs. Congress must inject substantial new fiscal stimulus into state and local

governments to avoid the kind of prolonged hardship we experienced during the Great Recession due to spending cuts.

Ohio should expand who is eligible for regular unemployment compensation (UC): “Ohio policy excludes many workers from UC because they are paid too little to meet the state’s stringent earnings threshold, are misclassified as independent contractors, or work for a company that classifies them as contractors when they would normally meet the definition of an employee,” Shields said. “Those workers are temporarily covered by expanded federal Pandemic Unemployment Assistance, but Ohio policymakers need to bring them under the protection of regular and easy-to-verify UC by [lowering the earnings threshold](#), enforcing penalties against [employers who misclassify workers](#) and reversing [policy favors](#) that rubber stamp businesses sidestepping employment protections by declaring their workers independent,” Shields said.

Last word: “July’s jobless numbers show that there is no quick fix,” Shields said. “Congress is on recess instead of working to address this crisis. They should return and immediately pass a stimulus bill that provides real support for Ohioans. One that restores robust UC to prevent crippling income disruptions to Americans who have lost their jobs, sends money to state and local governments, to schools, and to families desperately in need of a lifeline.”