



JobWatch
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Contact: [Michael Shields](#)
330.906.2062

Solid job growth in March New job seekers bump unemployment rate to 3.8%

The takeaway: The state may be moving from recovery to a new normal. The mix of jobs has shifted away from low-paying industries and Ohio added jobs in strong preliminary findings for March. The unemployment rate rose slightly, mainly due to an influx of new job hopefuls.

The jobs survey: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show that Ohio gained 11,500 jobs in March, for a total of 5,644,300 jobs. Following a rapid recovery from the COVID recession, Ohio jobs have appeared to stabilize in recent months at roughly their year-2000 peak, gaining jobs in some months and losing them in others over the past year. Though monthly data are subject to revision as we learn more to improve their accuracy, this initial report for March is a strong positive report for job growth.

“Ohio got a needed job boost from all the pandemic relief dollars sent to our state by federal policymakers,” said Policy Matters Ohio economist Michael Shields. “That drove a rapid recovery from the deepest recession we’ve experienced in generations. Now we seem to be entering a new normal, with a different mix of jobs. Looking ahead, federal climate and infrastructure funds could ensure high-quality jobs are a part of that mix, and that workers have the training to get them. And as the demand for workers normalizes, policymakers should be focused on ensuring that all Ohio jobs are good jobs that pay livable wages.”

The details: Private service providers led gains in March with 10,600 new jobs. Government added 2,300 jobs, while goods producers cut 1,400. The service sector is up 47,600 jobs since February 2020 before the pandemic recession, while goods producers are down 3,700, and government jobs remain at a 13,400 job shortfall. Ohio has undergone a major industry shift within the service sector; the Transportation Warehousing and Utilities industry has added 31,100 jobs in the recovery (+12.8%), Professional Scientific and Technical Services has added 20,700 jobs (+7.6%), and Health Care and Social Assistance is up 18,900 (+2.3%). Industries that remain in major shortfall are those where low-paying jobs tend to concentrate: Accommodation and Food Services is down 13,200 jobs (-2.7%) and Retail Trade is down 13,000 jobs (-2.4%).

“For a long time, we saw big pools of workers stuck in low-paying jobs because of limited opportunity,” said Shields. “This shift is creating exciting opportunities in new fields, and for employers that have relied on a low-margin low-pay business model, they’re going to have to reevaluate their strategy to get workers back in the door.”

The household survey: The separate household survey showed the number of unemployed Ohioans up 6,000 as 4,000 Ohioans joined the workforce to take or seek a job, and the number of Ohioans who *had* a job fell by 1,000 in March. (For those summing the 4,000 new job seekers and the 1,000 who lost jobs, the change is 6,000 instead of 5,000 due to rounding.) Ohio’s unemployment rate rose 0.1 points to 3.8%, the same as the nation’s. A rise in the unemployment rate due to new job seekers is a positive indicator; it happens when more people see opportunities to find a job and come into the market to look for one.

“We’ve seen several months in the past year when the surveys don’t match up,” said Shields. “Taken with the mix of job gains and losses in different months over the same window, I think this is another sign that we’ve moved from recovery to a new status quo. We got a strong jobs recovery after COVID-19, and a wage bump for those at the bottom. Now with the recovery complete or nearly so, it’s up to policymakers to continue wage growth through policy change so that all Ohio working people are paid a wage that covers the basics.”