Big job gains in May:
Ohio still trails, but gets closer to national growth average

Ohio added 22,600 jobs in May, according to new data from a survey of employers released today by the Ohio Department of Job and Family Services (ODJFS). This is the largest monthly change in jobs for the state since May 2015. Since this time last year, Ohio’s seasonally adjusted employment has grown by 1.4 percent. That still trails the national 12-month growth rate of 1.6 percent, but is a major improvement.

“This is good news for the state. April’s data revived concerns about a return to sluggishness, but today’s data suggests Ohio is on track for a more positive year. Relative to the last two years, which were two of the poorest performers since the end of the 2007 recession, 2018 looks brighter,” said Hannah Halbert, project director with Policy Matters Ohio.

The gains are spread across most sectors of the Ohio economy, with only a few sectors showing losses compared to this time last year. On the whole, the service sector (50,200) and production (18,400) added jobs in the last 12 months. The biggest job gains have been in accommodation and food service (9,800), durable goods manufacturing (8,600), retail (7,500), and health care and social assistance (7,400)

“The sectors adding the most jobs are also sectors where many workers need additional state policy support to thrive. Raising the minimum wage and requiring sensible scheduling practices would help keep hospitality, restaurant, and retail workers, some of the lowest paid in the economy, out of poverty. Investing in Manufacturing Extension Programs would help small and mid-sized manufacturers compete. Preserving Medicaid expansion by stopping the state’s proposed work requirements would keep workers healthy and support the health care workforce,” said Halbert.

The unemployment rate, which is derived from a separate survey of households also released today by ODJFS, remained unchanged. Other indicators from this survey suggest the stall is positive, as more Ohioans were pulled off the bench and into the labor market. The number of people employed or looking for work increased by 10,000 in May, with most (9,000) entering employment.

“Today’s data is positive for a state that has been exceedingly slow to recover,” said Halbert. “Separate data released yesterday by the U.S. Department of Labor reminds us that all job growth is not the same. Nationally, production and nonsupervisory workers who make up about 80 percent of the labor force saw their real hourly earnings fall slightly over the year, despite a tightening labor market. Policy to support workers and wages can make the difference between growth and growth that meaningfully improves living standards.”

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