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Ohio added strong 21k jobs in May

Rising unemployment rate could signal more job-seeker confidence

The takeaway: Ohio posted the largest job gains this year in May, up 21,200 over April's total and nearly double the number of jobs added in the four prior months combined. The unemployment rate ticked up 0.2 to 4.2%. A closer look at the unemployment data shows that the rate increase is largely driven by people entering or returning to the job market, rather than an increase in people losing employment. While today's data is preliminary, this is a positive signal of job market health. The inflation rate also improved, dropping 0.1 points to 3.3% in May.

"Slight increases in unemployment mixed with more jobs is a sign Ohioans are confident about finding a job opportunity," said Policy Matters Ohio researcher, Michael Shields. "With the growth suggested by the May jobs report, it is not surprising to see more Ohioans being pulled into the labor market."

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) showed that Ohio gained 21,200 jobs last month, from 5,641,400 jobs in April to 5,662,600 jobs by May, exceeding the combined total job gains in every prior month this year (11,300). The revision to April's numbers showed that the state also gained a small number of jobs (1,300), rather than losing jobs as initially reported.

"Though it's only one month of data, May job numbers are the strongest sign we've seen from a job market that has looked pretty healthy but not been adding big numbers of jobs so far this year," said Shields.

The details: Goods producers added 6,200 jobs last month, with all the gains coming from construction (+7,000) offsetting losses in manufacturing (-800). Reported construction jobs are a likely correction from anomalous construction losses in April; the revision still showed losses for that month, so construction hiring may have started later than usual this spring. Service providers added 16,700 jobs, with gains across multiple industries. Educational and Health Services led with 6,300 new jobs; Health Care and Social Assistance added 5,100. Gains across multiple industries are a strong indicator for the month. Only the public sector lost jobs, down 1,700, all in local government (-2,400). State government jobs were up by 700.

"Slow construction hiring this season could be a sign of struggle in the industry due to the Federal Reserve's persistently high interest rates," said Shields. "As inflation approaches normal levels, the Fed should turn its attention to promoting and preserving a strong job market."

The household survey: The separate household survey showed that the number of Ohioans unemployed rose by 13,000 to 243,000 people as 3,000 Ohioans lost their jobs and 10,000 people entered the workforce to seek a job. The unemployment rate rose 0.2 points to 4.2%. The nation's unemployment rate was 4.0%.

"When the unemployment rate rises due to people coming into the workforce, as many did last month, it can be a positive sign that they feel more confident about finding a job," said Shields. "Although the small rise in the number of Ohioans who lost their jobs gives the household survey a mixed signal, when taken with the large job gains from the employer survey, May was a very strong month for Ohio job seekers. With strong job growth under way, Ohioans next need to turn their attention to [making sure all Ohio workers are paid a livable wage of at least \\$15 per hour.](#)"