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Ohio added jobs in October as goods producers recovered COVID losses

Separate survey shows unemployment rose to 4.2%

The takeaway: Good news for working Ohio. The state posted substantial job gains in October, and a large revision to September's data found gains for that month as well. Inflation fell to 7.7% in November, below its 8.0% projection, reaching its lowest level since January. Efforts by the Federal Reserve to stem inflation by rapidly raising interest rates have posed the biggest threat to continued job recovery from the COVID recession: November's inflation number gives the Fed space to slow that policy. Ohio's unemployment rate rose last month. The household survey that tracks that rate suggested the state had a gloomier October than did the larger, more reliable business survey that measures overall job numbers.

The numbers: Seasonally adjusted data released today by the Ohio Department of Job and Family Services (ODJFS) show that Ohio employers added 15,700 jobs over the month, from 5,493,700 in September to 5,509,400 in October. Adding to the positive news, an upward revision to September's preliminary estimate flipped last month's projected job loss to a job gain of 5,600. Preliminary data are always subject to revision, and revisions have been especially noteworthy this year: September is the second month that a revision reversed initially estimated job losses to reflect gains instead.

Ohio has restored 88.2% of jobs lost to COVID-19 and is now just 104,400 jobs short of our pre-COVID number from February 2020.

"Today's job numbers are especially encouraging because inflation is slowing and beating projections," said Policy Matters Ohio researcher, Michael Shields. "Taken together with that, today's jobs data suggest Ohio workers could yet survive the window of high inflation caused by COVID-19 with relatively little harm to our job recovery. To make that a reality, the Federal Reserve will have to slow interest rate hikes. The big drop in inflation this month may give policymakers the confidence to do so."

The details: Jobs at Ohio goods producers exceeded pre-COVID February 2020 levels for the first time in the recovery in September and reached gains of 1,600 by October. It's notable that construction jobs, thanks possibly in part to a very mild fall, were responsible for all the gains (+4,100). Regardless, this benchmark is worth celebrating should it hold through the revisions. Service providers remain 71,700 jobs short (-1.8%), despite the transportation, warehousing and utilities industry posting the largest job gains of the recovery (+35,200 jobs, +14.4%). The state's failure to fill public sector jobs is a continuing drag on Ohio's recovery that also shortchanges Ohioans of needed services. Combined state and local government job losses now comprise a third of our job shortfall compared to February 2020 (-34,300 jobs).

The household survey: According to the separate household survey, employment fell by 26,000; 17,000 Ohioans left the workforce, and unemployment rose by 10,000. Ohio's unemployment rate rose 0.2 points to 4.2% in October. The nation's rose 0.2 points to 3.7%. It is

not uncommon for the household and business surveys to disagree; when they do, the business survey is generally considered more reliable because it covers more respondents.

“Despite mixed signals between the two surveys, the overall jobs picture for Ohio is encouraging this month,” said Shields. “With inflation falling fast, policymakers at the Fed should pump the brakes on raising interest rates. And state and local Ohio policymakers need to do their part to sustain this recovery by restoring public sector jobs.”