Still struggling: State of Working Ohio 2016

By Amy Hanauer and Diana Granados

Ohio is finally emerging from the deep recession into a slow and halting recovery. This State of Working Ohio uses the best and most recent data available to understand the Ohio labor market and propose ways to make sure that Ohio workers can find quality jobs and Ohio employers can find skilled workers. Key findings include:

- Inflation-adjusted compensation has grown slowly in the nation and has actually fallen in Ohio, despite long-term solid growth in productivity and education. Workers are more educated and productive than ever but they are not getting their share of economic growth. Nationally, hourly productivity grew by 142 percent between 1973 and 2014, but compensation only edged up by less than 18 percent. In Ohio, between 1979 and 2013, productivity rose by 61.5 percent but hourly average compensation actually fell by 1.1 percent. Despite the long-term growth, we've had three consecutive quarters of productivity decline nationally, raising concerns that compensation will fall further.
- Labor force participation is at an all-time low in Ohio over the time period examined, with just 62.3 percent of Ohio adults in the labor market. The trend is particularly troubling for working-age men, only 81.7 percent of whom are in the labor force.
- Ohio still has fewer jobs – 5.5 million – than it had prior to the early 2000s recession, when there were 5.625 million jobs in Ohio. Our growth trails that of the nation over almost any recent time period analyzed – since 2000, since 2005 when we slashed taxes, since 2007 when the recession started, or over the last year. We do especially poorly in public jobs: we've shed more than 17,000 state and local government jobs since the recession started in December 2007, leaving our communities with fewer teachers, safety workers and social workers.
- Wages climbed to $16.61 in 2015 for the median Ohio worker, a nice boost after several years of decline. But our Ohio wages remain far behind what they were a full three dozen years ago in 1979 at the median, when adjusted for inflation.
- Wages are behind in large part because our fastest growing sectors and our most common jobs are low wage. Of our thirteen most common occupations, only two pay more than 200 percent of the official poverty line for a family of three. Nine of these most common jobs pay less than $30,000 a year with full-time, year-round work. It's no wonder families are struggling – the available jobs ensure that.
- Official unemployment is quite good in Ohio, 5 percent in June and 4.8 percent in the not-yet-adjusted July numbers. But some counties and communities have much worse unemployment – at the end of 2015, unemployment was 10 percent in Monroe County and 11 percent for black workers.
- Income is extremely unequal in Ohio with the top 1 percent earning more than $752,000 a year while the bottom 99 percent combined early less than 43,000 a year on average. Incomes are also extremely unequal within and between Ohio counties – three counties have top one

percenters who earn more than $1.25 million a year, while many counties have average incomes for the bottom 99 percent combined that are below $30,000.

- Disparities endure in Ohio. African American and female workers still earn much less than their white male counterparts. Black workers earn just 76 cents for every dollar a white worker earns at the median, a gap that has worsened substantially. Over a full year, the gap equates to more than an $8,700 disparity with full-time work. Women earn just 81 cents for each dollar a man earns, a nearly $7,000 difference with a full year of full-time work.

We know how to improve Ohio's labor market so that it works better for Ohio's working families. These include **creating jobs** by keeping interest rates low and investing in infrastructure and people; **improving job quality** by encouraging unions and enacting labor standards; **ensuring the best possible workforce** by investing in education and improving anti-discrimination efforts; **protecting struggling families** by improving our state and federal Earned Income Tax Credit, providing childcare, and defending our unemployment compensation system; and **paying for it all** by restoring top tax brackets.