



EXECUTIVE SUMMARY SEPTEMBER 2020

Work and Wages

State of Working Ohio 2020: Reset and unrig

Michael Shields, April Hopcroft and Siyang Liu

People make the economy, and the economy is only as strong as the people who make it run, by buying, selling, and — most of all — working. None could have predicted at this time last year the challenges Ohioans face to their health and economic wellbeing today, but decades of policies that favored the wealthiest and corporations over ordinary Ohioans meant that the longest expansion in U.S. history failed to produce comparable wage growth, leaving many Ohioans with little cushion to face the worst recession of our time and the worst pandemic in a century.

COVID-19 has remade work in Ohio in three key ways. For some, reporting to work in the midst of the pandemic is a frightening new reality. Others have been laid off due to lost business revenues or — for public sector workers — budgets reduced by lagging tax revenues. Some Ohioans have the relative safety of working from home, but as the months drag on and the pandemic continues to sweep the state and nation, the demands of juggling work with added burdens of child care and virtual in-home schooling are making work less tenable.

Amid these challenges, the nation is reckoning with systemic racial injustice as old as America itself. The Black Lives Matter movement formed to demand justice for Black victims of police and vigilante violence and an end to structural racism that forecloses Black Americans' life prospects. Black Ohioans today struggle with jobs that pay less than their white counterparts and are more likely to expose them to COVID-19.

The State of Working Ohio 2020 gives the latest data on the state of the workforce before the crisis, the job losses it has caused, and what is known about workers on the frontlines. It offers solutions to rebuild the Ohio economy stronger than ever and enable all Ohioans to thrive.

Ohioans are struggling: Nearly a quarter of Ohioans reported using credit cards to cover the basics in June or July, a fifth drew down savings or sold assets, and some — especially those not working — borrowed from friends or family. The Ohio



Supreme Court projected “an unprecedented surge” in the number of new eviction cases being filed over the coming weeks and months. The governor deployed 600 Ohio National Guard and Military Reservists to help Ohio food banks distribute food.

Out of work: The pandemic and necessary public health response forced more than 1 million Ohioans out of work this spring. New jobless filings totaled 541,000 in April and 455,000 in May. In April, Ohio had 4.7 million jobs: fewer than at any time in the previous thirty years. Ohio’s unemployment rate spiked to a staggering 17.3% that month. The state added 334,400 jobs by June, bringing the total to 5 million — still fewer than since the Great Recession. The unemployment rate tapered to a preliminary 9.1% by July (8.9% with the seasonal adjustment), but job gains have begun to slow as the Ohioans easiest to reemploy return to work, leaving behind those whose employers face cutbacks.

Racial disparities laid bare: Black Ohioans were more likely to need Unemployment Compensation in all but one of the past 13 months. By June 2020, they filed 1.6 times more claims. Even before COVID-19 struck, Black workers’ wages fell by \$1.71 per hour from 1979 to 2019 (in 2019 dollars), and Black workers went from being paid 92 cents on the dollar compared with white workers, to just 76 cents.

Women hit especially hard: Typically men file more unemployment claims than women, because they hold more construction jobs where seasonal layoffs are part of the business cycle. But women worked in many of the 171,000 Leisure and Hospitality jobs displaced in June: three times the rate of other industries. Despite gains, women’s wages still trail men’s by \$2.91 at the median. And women do more of the new childcare and home schooling work that could disrupt their careers.

Workers need a reset: Whether they are out of work, on the frontlines, or working from home, working people in Ohio need a change to get through the pandemic recession and thrive. Congress must renew the \$600-per-week UC supplement, and support state and local governments to avoid cuts that will deepen job losses and slow recovery. Ohio policymakers must tap all available revenue sources now, and restructure the tax code to be fair and raise enough revenue. They must protect frontline workers and restore balance to labor markets where employers hold more power, with a \$15 minimum wage and by supporting workers’ efforts to form unions.

Many Ohioans never recovered from the last recession. This cannot happen again.

Ohio leaders can unrig our economy and build the kind of state that recognizes the dignity of work and affirms the value of all Ohioans. To get through the crisis and thrive, Ohioans need policymakers that put them, not corporations, first. With that commitment, Ohioans can build a new and stronger future.