



# EXECUTIVE SUMMARY

## SEPTEMBER 2021

### WORK AND WAGES

#### **State of working Ohio 2021**

Meeting the moment

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The COVID-19 pandemic has reshaped Ohio's economy, forcing hundreds of thousands of Ohioans out of the workforce and exacerbating racial, gender and income inequality. Unprecedented federal stimulus helped to make this recession the shortest in history, as measured by Gross Domestic Product, but Ohioans who rely on their jobs for their sole source of income have yet to recover.

This year has also shown how, by coming together, we can overcome great challenge and use the lessons learned from it to craft a better world. This year's State of working Ohio 2021: Meeting the moment, finds that:

- Long-term trends show that Ohio's wealthiest and highest-paid hoarded pre-COVID prosperity. Unprecedented fiscal stimulus provides policymakers with the opportunity to reshape the economy so more people prosper.
- More than a year after COVID-19 displaced over 1 million Ohioans from their jobs, as of July of 2021, Ohio still had 269,000 fewer jobs than pre-pandemic.
- COVID-19 disproportionately forced low-paid Ohioans out of their jobs – skewing the wage data which shows a higher median wage last year. For example, there were nearly 25% fewer waitresses and waiters in Ohio than there were in 2019. The leisure and hospitality industry account for 28% of all the state's jobs destroyed during COVID.
- People who hold "essential jobs" are at higher risk for COVID exposure; are more likely to be Black or brown; and are also paid nearly 13% less than those with nonessential jobs.
- COVID-19 exacerbated long-standing structural barriers that hold down wages for Black, brown and immigrant workers and exclude them from job opportunities. Last year, at the median, white Ohioans were paid \$21 an hour compared to \$16 for Black Ohioans. At 15%, the unemployment rate for Black Ohioans was more than double the rate for white Ohioans, 6.8%.
- Ohio women were more likely than men to be laid off or forced to leave their jobs, reversing years of progress. Their employment-to-population rate fell from 55.6% in 2019 to 52.7% in 2020. At the median, women were paid \$18 an hour compared to \$21.50 for men.
- Many Ohioans couldn't count on their wages or traditional sources of income to make ends meet last year. They tapped credit cards, took out loans, sold assets and borrowed from family and friends. For many – both working and not – government stimulus payments were critical.

- Higher education and union membership improve working people's wages. The typical Ohio union worker was paid \$23.47 an hour compared \$18.46 for the typical nonunion worker. At the median, people with a bachelor's degree were paid \$30.17 an hour compared to \$16.95 for those with a high school diploma. Over time, a college degree has insulated some workers from pay decreases experienced by less educated workers. Yet a college degree doesn't make up for years of policies and practices that have excluded and exploited people of color. Black high-school grads and college grads are both paid 79-cents on the dollar compared with their white counterparts.

**Policy recommendations:**

- Lawmakers must protect working people's right to join in union - and can start by passing the federal Protecting the Right to Organize (PRO) Act. The Act will make it harder for corporations to use union-busting strategies they have used in recent years to resist unions by intimidating workers.
- Raising the minimum wage to \$15 an hour and including tipped workers by 2026 would increase wages for more than 1.56 million Ohioans and circulate an additional \$6 billion in the state's economy.
- Ohio should make college affordable to all Ohioans by substantially deepening investment in the need-based aid program, the Ohio College Opportunity Grant and implementing an equitable free college program through public universities and community colleges.
- State and local policymakers can use American Rescue Plan dollars to center working people with hazard pay for essential workers; enforcing wage and hour law; and ensuring the entire community benefits from public projects, not just the corporations that win the contracts.
- Federal policymakers should continue and make permanent stimulus programs that provided Americans with more financial stability like the expanded Child Tax Credit and pandemic unemployment assistance.