



EXECUTIVE SUMMARY

State of Working Ohio 2022: A Better Bargain

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Two years after the COVID-19 pandemic reshaped work in our state, Ohioans are rebuilding and establishing new norms. Federal stimulus scaled to the size of the crisis helped make this the fastest recovery in recent state history. The economy as measured by Gross Domestic Product (GDP) rebounded quickly, but, with most working age Ohioans reliant on their job as their primary or sole source of income, the job market is even more important. Ohio employers have restored 85% of the jobs destroyed during COVID. Facing new risks, working Ohioans also demanded and won significant wage increases for the first time in decades. High inflation caused by COVID disruptions and Russia's war on Ukraine now is undercutting gains. Long term wage suppression is still Ohio's key labor market challenge. The tools policymakers use to curb inflation will determine how quickly all Ohioans can recover, including Black and brown people, and women, who are often paid lower wages, are most harmed by rising prices, and are more likely to be pushed out of the workforce in tough times.

State of Working Ohio 2022: A Better Bargain, finds that:

- Ohio has struggled to restore jobs in slow recoveries from recent recessions and the number of jobs in the state remains below the year 2000 level.
- Even with the jobs destroyed during the pandemic, the number and share of Ohioans working or seeking work has approached pre-COVID levels.
- Employers have cut wages for Black men by nearly \$5 per hour since 1979. Black men were paid 91 cents on the dollar compared with their white male counterparts in 1979, a shortfall of \$2.25 per hour. By 2021 that fell to 74 cents on the dollar, broadening the wage gap between Black men and white men to \$6.08. The gap would have been larger had wages for white men held steady, but they also lost over this time too, with hourly wages falling by \$1.13.
- Women are paid 81 cents to men's \$1 and often take on more unpaid care work.
- Women stopped closing the gap with men in paid workforce participation during the Great Recession and about 10% fewer women than men are in the workforce.
- After tracking with GDP growth for decades, beginning in the 1970s, wage growth fell behind as corporations hoarded more profit. The trend shows that productivity is not enough to enable workers to share in prosperity. Bargaining power matters.

The challenges of the past two years have made it unclear what normalization will look like or when it will come. What is clear is that we must not return to a jobs landscape where corporations had wrested power from working people largely by crushing their unions and hoarding the wealth they create. Many Ohioans are paid lower wages and have lower living standards than their parents or grandparents had, which has stoked anger and resentment and opened the door for politicians who want to pit working people against each other based on our race, gender or where we come from.

Our public officials must use their power to make Ohio a place where everyone can thrive, no matter where they're born or what they look like. Ohio can be a place that delivers on the now quaint promise of the American dream, in which everyone who works hard can afford a good living. Winning that must start with workers reclaiming their power. Here's how:



Recommendations

Help workers form and join unions. To claim their share of the wealth they make possible, workers must be able to join in unions. Employers use many strategies to undermine workers' efforts to organize. Federal lawmakers should pass the PRO Act to protect and encourage those efforts. Ohio and local governments can use federal funds to bar contractors and tax-abated businesses from interfering with union activity.

Raise the minimum wage to \$15 an hour. Policymakers must set a minimum wage that meets the cost of living and honors the value of work. Federal policymakers for decades allowed inflation to erode the value of the minimum wage, worth more than \$13 per hour at its peak in 1968. A \$15 minimum wage would recover years of lost value from employers refusing to pay wages that keep up with inflation. It would also help Ohio's lowest-paid working people capture some of their share of the wealth from growth they have made possible.

Stop employers from stealing wages. Each year in our state, unscrupulous employers steal from some 213,000 Ohioans by paying them less than the minimum wage, just one form of wage theft. State and local policymakers must enhance enforcement and leverage all available tools to ensure that working Ohioans are paid for all the hours they work.

Make higher education affordable. Policymakers must increase funding for public universities, community colleges and training programs like union apprenticeships. All Ohioans should be able to pursue their career goals, regardless of family wealth.

Preserve unemployment benefits and extend them to Ohio's lowest-paid workers. COVID forced a record number of Ohioans out of work. Supports for low-paid and other workers excluded from unemployment compensation benefits ended long before the job market recovered. Ohio lawmakers must lower the pay threshold above which Ohioans qualify.

Remove barriers that keep people with past convictions from well-paying work. Ohio's criminal legal system has pushed wages down for affected Ohioans, especially the Black men most likely to be targets. To reverse this trend, lawmakers must reverse criminal convictions for minor and drug offenses and uncouple past criminal convictions from the ability to work.

Fund commitments to Black, brown and Indigenous people's health. Low pay and unsafe working conditions make people unhealthy. Black, brown and Indigenous people are more likely to be paid low wages and treated unfairly at work. Policymakers should fund commitments to better health, including the Minority Health Strike Force's recommendations for safer working conditions.

Use targeted policy tools to curb inflation. The working Ohioans who have already borne the cost of inflation should not also bear the cost of its mitigation. The Federal Reserve should slow interest rate growth to sustain job market recovery in all states; and lawmakers should use targeted tools including strategic taxes on excess profits and spending on child care so parents can return to work. The Inflation Reduction Act will bring down health care costs and help inflation-proof us in the future.

Use federal stimulus to build a recovery that includes all Ohioans, no exceptions. Ohio and local governments should use their second bucket of nearly \$11 billion (\$5.4 billion to the state and \$5.3 billion to local governments) to help drive an equitable recovery that includes Ohioans of all races, backgrounds and living in all parts of the state.