For funding and other support that made this project possible, we thank The George Gund Foundation, Economic Policy Institute, The Economic Analysis and Research Network, Sebastian Hickey, Columbus Education Association, Sarah Neal, the Central Ohio Worker Center and Katie Forbes of KRForbesPhotography.
Historic levels of federal spending to families, businesses, and state and local government helped drive a rapid partial jobs recovery from the COVID recession. By July 2022, Ohio had recovered 85% of jobs lost to COVID-19.

Policymakers are now focused on bringing down inflation. Ohioans have a stake in making sure policymakers choose targeted tools that limit job destruction and direct the cost of inflation reduction to the corporations profiting from it. COVID-19 triggered inflation by creating supply chain bottlenecks and new consumer buying patterns. Russia’s war on Ukraine has made it worse. But corporate profiteering is keeping U.S. inflation rates above what they would be if corporations were not taking a historic share of price growth as profits.

Ohio has struggled to restore jobs in slow recoveries from recent recessions and remains below our year 2000 jobs level.

Even with the jobs destroyed during the pandemic, the number and share of Ohioans working or seeking work has approached pre-COVID levels.

During COVID-19, working people won pay increases across the income scale for the first time. High inflation now threatens to wipe out those gains for many.

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, a shortfall of $6.08, below wages that fell by a smaller rate for white men too.

Women continue to face lower wages than men (81 cents on the dollar) and to 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, wages began to fall behind starting in the 1970s. The trend shows that productivity is not enough to enable workers to share in prosperity. Bargaining power matters.
Two years after Gov. DeWine issued his stay-at-home order shuttering nonessential businesses in spring 2020, most Ohioans are back on the job, and many never left. While we must still contend with COVID-19, our knowledge and tools for mitigating its most dangerous impacts have improved, and Ohioans are tenuously reestablishing norms or building new ones. Unprecedented stimulus from the federal government directing resources to families, businesses, and state and local government helped drive a rapid, but partial rebound from the deepest job losses in Ohio and American history. For the first time in decades, working people could successfully bargain for substantial wage increases — though inflation has begun to threaten the gains.

Yet even before COVID-19 upended work and life in our state, Ohio’s working people faced many challenges. Over recent decades, corporations have used their wealth and influence to rig the rules to increase their profits, and broken the link between economic growth and wages, capturing an ever-growing share of the wealth working Ohioans created and keeping it for their top executives, board members and shareholders.

Power plays a role in wage growth or suppression. Higher educational attainment can help individual workers navigate existing power structures to attain comparatively better positions in the labor market. However, when large numbers of people belong to unions, power shifts away from employers and corporations and toward working people across the entire economy. As a result, working people of all races, genders and backgrounds are paid better, and have safer and healthier conditions on the job.

As we rebuild, Ohioans should push our elected leaders to envision and craft an Ohio that is not merely a restoration of life on the eve of COVID-19, but a better one, in which all people — no matter their race, gender or where they live — can thrive.
Inflation chips away at wages

With most of the jobs destroyed during COVID-19 recovered by the spring, inflation emerged as the key concern policymakers sought to address. Yet the approach they take will have profound consequences on Ohioans’ ability to get and keep jobs, and to bargain for wages that reflect the value of their work. Policymakers must navigate this carefully to bring inflation down to normal levels while limiting harm to the labor market and thereby to most Ohioans.

The Federal Reserve raised its target Federal Funds rate 0.75 percentage points in June, following the same increase in May and a 0.5-point hike in April.¹ The decision to rapidly raise rates in the spring may have already contributed to the contraction in the economy as measured by GDP in the second quarter.² Inflation strategy will be a key concern for working Ohioans, as those who struggle the most to afford higher prices also face the greatest risk of job loss if the policy response is mishandled.

Inflation context

By July 2022, 85.3% of jobs destroyed during COVID-19 (751,800 jobs) had been restored or replaced. This rapid partial recovery owes much to the historic response by federal policymakers to direct money to people, communities and businesses. With Ohio and the U.S. well on the way to recovery, policymakers are now reasonably turning their sights to inflation. Driven by supply chain bottlenecks, new consumer habits spurred by COVID-19 — like when people quit their gym memberships and bought a Peloton — and by Russia’s war on Ukraine, inflation reached 9.1% in June 2022, a 40-year high, before dipping to 8.7% by July. Rapid price growth is making it more difficult for the Ohioans who were already struggling to cover the basics. Ohioans face challenges affording childcare,³ healthcare,⁴ housing, energy,⁵ food⁶ and more. The tools policymakers select to stem inflation will determine who bears the cost of slowing price growth. With inflation outpacing wage growth by nearly double, policymakers should make sure working people are protected from the economic harm of any policies used to reduce inflation.

The Federal Reserve’s response to inflation is a key concern for working Ohioans, because the main tool the Fed has to control inflation is to shrink or expand hiring. “Slowing the economy” amounts to reducing the number of available jobs. This is something Ohioans cannot afford at a time when our state remains 129,800 jobs short of our pre-COVID level in February 2020.⁷ An overzealous move to stem inflation could trigger a recession. And while Ohio’s unemployment rate is at a low 3.9%, that figure obscures the fact that Ohio’s workforce is still smaller than it was just before COVID-19 by some 104,000 workers. Moreover, unemployment is not uniform across all groups of working people. By 2021, Ohio’s white unemployment rate fell to 4.1%, while the rate for Black Ohioans remained elevated at 10.3%, consistent with the overall rate in the worst year of the Great Recession. Everyone counted in the unemployment rate is an active job seeker. Unemployment rates for Black workers have remained about double the rate of white unemployment since the 1940s — so long that AFL-CIO chief economist Bill Spriggs has characterized it as an equilibrium of the systemic racism baked into the labor market.⁸

A tight labor market is vital to extend opportunities to those Ohioans routinely
relegated to the sidelines — especially Black working people — and to support wage growth long missing from our state’s labor market. A tightening labor market during the pandemic produced widespread wage gains detailed in this report, but those gains are already being threatened or reversed by inflation. The policy response to inflation could put those jobs at risk, and if the Fed forces more people out of jobs, the harm will be most heavily shouldered by those who have already experienced the greatest harm from the recession. Policymakers must account for the concentrated harm raising unemployment would cause, and devise policy solutions to break this trend as a feature of our labor market.

Figure 1

In good times and bad, Black Ohioans over twice as likely as white workers to be unemployed

Unemployment by race 1979-2021

Unlike past periods of inflation, labor costs are not the main driver of increasing prices in 2022. Instead, wages are declining as a share of inflation growth, and profit share is rising. Based on data from the National Income and Product Account that breaks down where revenue of businesses and corporate entities get spent, it’s clear increased prices are not being passed along to working people in the form of wages. In the four decades ending in 2019, wages comprised 61.8% of inflation, as workers successfully bargained to recapture much of the cost of inflation in their pay. Corporate profits comprised just 11.4%. Since then, corporate-backed attacks on unionization and policymakers’ refusal to support working people with policies such as preserving the value of the minimum wage have reduced working people’s ability to bargain for wage gains that would keep pace with inflation. Over the last two years, corporate profits, not wages, have driven inflation. Since 2020, wages comprised just 7.9% of inflation — a level so low that they dragged on price growth. Corporate profits instead made up 53.9% of the increase. This means corporations are passing on their
increased costs to consumers, and they have taken advantage of the opportunity to boost their own profits.

Policymakers must use a new set of tools to curb inflation. These could include a significant corporate profits tax, which would enable firms to cover their own increased costs but discourage price gouging. This policy would have the added benefit of directing the cost of inflation reduction to the corporate actors now driving it. Another strategy would be to deepen commitments to child care, enabling more parents who want to work to do so. Many Ohio communities’ lack of access to qualified caregivers has limited many parents’ ability to work or take full time hours. The prevalence of child care deserts in Ohio likely played a significant role in women’s lower workforce participation discussed below. Child care is a valuable public asset now, and by helping more Ohio children begin school ready to learn, it will prepare them to succeed in the future. The recently passed Inflation Reduction Act will have some near term benefits, including capping surging healthcare costs for some Ohioans. It also will make infrastructure improvements over the long term, reducing the likelihood of inflation by reducing dependency on scarce fossil fuels and the monopoly corporations that control them. Besides these impacts, the Inflation Reduction Act will improve Ohioans’ health and make deep commitments to sustainable energy that have long been needed.

**Figure 2**

**Corporate profits unprecedentedly responsible for high prices**  
Causes of inflation, 1979-2019 v. 2020-2021

![Bar chart showing causes of inflation](chart.png)

- **Unit labor costs**: 7.90%
- **Nonlabor input costs**: 38.30%
- **Corporate profits**: 53.90%
- **1979-2019 average**
- **2020 Q2-2021 Q4**

*Source: Bivens’ analysis of data from Table 1.15 from the National Income and Product Accounts (NIPA) of the Bureau of Economic Analysis (BEA).*
When Ohio goes through a recession, it causes lasting damage to the job market. For the last two decades, Ohio has only barely or nearly restored job losses by the time the next downturn sets the state back again. Unlike the U.S., Ohio never fully recovered from the early 2000s recession. At its 2006 peak just ahead of the Great Recession that began in 2007, the state was already suffering a shortfall of 190,000 jobs (-3%). Then it took Ohio 117 months to fully recover the number of jobs it had in March 2006, the eve of the Great Recession. Over the same time, the U.S. added nearly 19 million jobs (17.4%). Ohio suffers deeper proportional losses than the nation in economic downturns, and more protracted recovery times that never restore us to the growth path we would have been on without the recession, or in some cases even to our prior level. Ohio jobs maxed more than 20 years ago in year 2000, with 5,625,000 jobs, exceeding the pre-COVID 2019 peak by 30,000 jobs.

Figure 3
Ohio recovered slowly from Great Recession, never from prior recession
Percent change in employment in Ohio and US since 1991

Source: Employment, Hours, and Earnings from the Current Employment Statistics Survey.
Figure 4 shows a different view of what happened to Ohio jobs as compared to the U.S. since Ohio jobs peaked in 2000. Each year marks the cumulative snapshot in time of jobs gained or lost since that year. It shows that, nationally, while employers cut jobs in recession years, they quickly added them back and over time accumulated further gains. By contrast in Ohio, employers only added enough jobs to reduce deficits during recovery years, but did not fully restore jobs. After eight years of positive job numbers, the COVID recession did not reduce the U.S. back to year 2000 job levels. But for Ohio, year 2000 was the high water mark: Recoveries never quite restored the peak from that year, and the Great Recession and COVID recession pushed Ohio further behind. It is this pattern that puts Ohio’s workforce in jeopardy when any policy decision embraces the risk of recession to achieve other policy goals — in today's case, stemming inflation. For Ohio and states like ours, it is not worth the risk.

Ohio’s suppressed jobs market means both long-term unemployment for some Ohioans who were working before downturns, and fewer opportunities for those seeking their first job in a market with comparatively few opportunities. Both cause lasting harm. Compared to those who keep their jobs, workers who return to work after extended unemployment are typically paid less, have worse health outcomes, and have children with lower academic performance. Workers who graduated into a recession were typically paid worse than their counterparts who began their careers in a stronger labor market for at least 10-15 years after starting work.

Public policy choices over the past 20 years have stunted job growth in Ohio and held jobs below the state’s peak number. Those same policies have also shifted the job mix from union-dense manufacturing and public sector jobs to more lower paying service sector jobs. Corporations in the service sector have historically limited worker voice on the job and paid correspondingly low wages. The shift to more of these jobs limited work opportunities for Ohioans to join and remain securely in the middle class. That landscape could be shifting once again: COVID-19 caused a consumer shift from services to goods, increasing logistics and warehousing jobs in Ohio’s economic mix; and the recent wave of union organizing campaigns by service sector and other low-paid workers could increase workers’ bargaining power. It is unclear whether the trend will last, and there is some evidence that buying patterns could be returning to pre-COVID norms.\textsuperscript{17}

Ohio policymakers must stop allowing these economic pressures to hollow out our economy and reduce the quality of life for most Ohioans. They must instead pass policies to both retain existing high-quality jobs, and improve the quality of now low-paid service sector jobs — which make up a growing share of our jobs mix. This means supporting high wages directly with a minimum wage that meets the cost of living, and supporting workers’ ability to form unions that help them counterbalance concentrated corporate power. Policymakers should stand with the Ohio workers at Starbucks, Amazon, and beyond who are organizing now. Besides federal policies such as the PRO Act, detailed below, state and local policymakers can create onramps to union jobs by tying procurement projects and economic development incentives to community benefit agreements that include union apprenticeships.\textsuperscript{18}
No one wants to work for low pay and without respect in an unsafe workplace. And no one should. Rather than address those issues, early in the pandemic many employers — led by business associations — began to complain of hiring challenges. While such complaints are inaccurate, they are not new. University of Calgary researcher Paul Fairie has documented employer claims that “nobody wants to work anymore” dating to 1894. Because such frames often also carry dog whistle tropes about “laziness” and who deserves decent work, they should be scrutinized by policymakers, not catered to.

Ultimately, employers hire when they need to: When it is critical to their bottom line, they make the necessary investments in training, recruitment, pay and benefits to recruit the workforce they need. The latest round of complaints may reflect the fact that employers grew accustomed during the slow recovery after the 2008 recession to an employer market. For a long time in Ohio, employers could hire and retain workers without offering substantial wage increases, or other job quality improvements. COVID-19 exposed workers to new and fearful challenges many had never expected to face in their workplaces and motivated some to demand better.

There is evidence that a large number of older workers were forced into early retirement by the economic downturn, health risks, or both. Among working-age Ohioans, this report finds that a modestly higher share of Ohioans quit their jobs during the pandemic, but that most who did so left for other jobs, not to leave work altogether.

Quit rates during the COVID pandemic were slightly elevated, but were not historic outliers. The number of Ohioans who quit their jobs in a single month hit two record peaks in the period after COVID-19 was declared a public health crisis (170,000 in December 2021, and again at
181,000 in February 2022). Yet for the entire 27-month COVID period from March 2020 through May 2022, quits averaged 131,000 per month, slightly less than the 134,000 average for the prior 27 months. Quits also reached the average COVID-era level more than 10 times before 2016. Figure 5 shows that the number of Ohioans leaving their jobs has risen in general, but with substantial volatility, since it bottomed out at 50,000 in June 2009, early in the Great Recession. It also shows that the times when quits did not approach recent levels were times of extreme hardship for working people, either during recessions or when the labor market was recovering from them.

Figure 5

**Quit rates during COVID were slightly elevated, but were not outliers**

*Average quits since March 2020 (in thousands)*


The data also suggest that most Ohioans leaving their jobs are not leaving the workforce, but trading up for better jobs. The number of Ohioans hired has exceeded the number who quit every month on record. Taken together, these data show that Ohio’s quit rate is a sign of labor market health, not a cause for concern, and certainly not cause to weaken unemployment compensation or strip workers of other important work supports, as some in the corporate lobby have sought.¹⁹
As this report has documented each year, decades of policies more friendly to rich Ohioans and wealthy corporations have suppressed pay for most working people. While working Ohioans made the state wealthier than ever before, the wealthiest and most powerful residents captured an ever-growing share. That was before COVID-19 made frontline workers take on new risks to themselves and their families, while more advantaged workers could shelter at home and corporations captured record profits. In the face of such conditions, workers are increasingly asserting that enough is enough. Some have formed unions — more on that below — while others have left abusive employers for better ones.

About one in five working-age Americans surveyed told Pew Research Center that they quit a job in 2021. A majority cited low pay (63%), no opportunities for advancement (63%) and feeling disrespected at work (57%) as reasons. For those who quit and had a child under age 18 at home, 48% cited child care access issues as a factor. Most found new jobs by February, with 55% working full time and 23% part time. Not all found better jobs. Among college grads with at least a bachelor’s degree, 66% found better pay in their new job, but only 51% of those with less than a college degree did. The Fund For Our Economic Future surveyed 5,000 workers in Northeast Ohio and learned that one in five plans to leave their job in the next year, and two in five will seek a new job. They found mixed confidence in workers’ expectation to be able to land a better job, but 84% were confident they could find a similar job, a good sign for working people.
The share of Ohioans in the workforce — those either working or actively seeking a job — has approached pre-COVID levels, with a 62.0% labor force participation rate in June 2022. Annual workforce participation was 63.2% in 2019, and 62.4% in 2018. June’s figure leaves just 104,000 fewer Ohioans at work or in the job market than in February 2020. By contrast, the Ohio economy was still missing 148,000 jobs destroyed by COVID-19 as of June.23

Yet the share of Ohioans working or seeking work has never again approached its peak of 67.8% reached in 2007 just before the Great Recession. Figure 7 shows the change in the share of working-age Ohioans in the workforce since 1979. A single percentage point change represents about 92,700 Ohioans in 2021.

Figure 7

U.S. and Ohio labor force participation far from 2008 recession levels

One factor is that Ohioans are aging. The share of Ohioans over 65 rose from 14.1% (1,625,778 people) in 2010 to 17.5% in 2019 (2,043,548 people), before falling to 17.0% in 2020 (1,990,621). The 2020 figure is from a different survey, so it is unclear whether it represents a decrease in the number and share of older Ohioans, or is simply a survey difference in the datasets. A disproportionate number of older Ohioans were killed by COVID-19.

Some of those who left work during COVID-19 will not return. As of this writing, more than 39,000 Ohioans have died of COVID-19. More than 9,000 of these were working-age adults aged 18-64. Other Ohio workers were forced into early retirement. Among workers who have survived COVID-19, The Brookings Institute estimated that two- to four million nationally remain out of work due to long COVID, a figure with a midpoint of 1.8% of all workers. That loss alone would be more than enough to explain the number of Ohioans still sideline from work.

**Older workers**

A year after the pandemic began, the number of Americans who retired after experiencing a period of unemployment increased more than tenfold compared to pre-pandemic numbers. In April 2020, 3.8 million working people between 55 and 74 were laid off due to COVID. One year later, 400,000 of those workers were retired involuntarily. By comparison, in a normal year, 180,000 older workers would be laid off in a given month and 30,000 of them would be retired one year later. An estimated 125,000 people in Northeast Ohio retired since the pandemic began, according to survey data from The Fund For Our Economic Future. Among these, 76,000 retired earlier than they planned to. (At 61%, this was roughly in line with the 59% share who retired earlier than planned before COVID-19, but the overall number was far greater.) Lower-paid Ohioans were more likely to be forced out of work. Between 2010 and 2018, layoffs, plant closings, age discrimination, poor health, and family concerns forced 55% of workers 55 and over who were paid below the median wage to leave the workforce, according to the Schwartz Center for Economic Policy Analysis. COVID-induced closures, health risks to workers, and new family caregiving challenges have certainly exacerbated these challenges.

Adults under 30 were far more likely than older adults to voluntarily leave their job last year: 37%, compared with 17% of those ages 30 to 49. Just 9% of those ages 50 to 64 and 5% of those ages 65 and older voluntarily left work, but while a smaller share of older adults left work, those who did are more likely to stay out of the workforce for the rest of their lives.

**More women forced from workforce during COVID-19**

A person’s race and gender play a significant role in whether they are able to remain in the workforce during economic ups and downs. Men’s workforce participation reached its lowest rate on record in 2021 at 66.4%. Women’s was even lower, at 56.6%, a low not seen since 1988. While women had been narrowing the gap with men until 2007, that trend reversed during and after the Great Recession, when women’s workforce participation began to fall along with men’s. Figure 8 shows men’s and women’s long-term workforce participation. By 2021, men’s reached an all-time low, and women’s had fallen to early 1990s levels.
Figure 8
Shrinking gap, but both men and women working less after COVID-19 pandemic

In addition to lower rates of workforce participation overall, women are more likely than men to work part time. This trend has been consistent since data were kept starting in 1994. However, one interesting dimension of the COVID recession is that it is the first time in which a larger share of women than men transitioned to part-time work. In coupled heterosexual families, women have traditionally been the partners less likely to be in the workforce, and have served as a “reserve worker” for their family in economic downturns, meaning that they were available to pick up more work if their partner were laid off. COVID-19 was different. Unlike in past recessions, it primarily hit women’s jobs — and it created new caregiving responsibilities more likely to be shouldered by women. These factors could be at play in the anomalously larger share of women moving to part-time work in the COVID recession.

By closing child care centers and moving schooling online, COVID-19 forced many Ohio parents, especially women, to juggle paid work with child care. A Groundwork Ohio poll found that 47% of parents with children under five faced serious problems accessing child care, which strained their ability to meet work and family responsibilities, in late 2021. Parents coped by cutting back on work hours (43%), with some unable to work at all. Among mothers who were unemployed or working part-time outside the home who had children under five, 60% said they would return to work or increase their hours if they could find affordable quality child care. Child care “deserts” are especially prevalent in Appalachian Ohio. There, 88% of employers surveyed in March 2021 say child care access problems have hurt their business, with 62% of those saying they struggled to hire workers, and 38% saying they had a worker leave.
to care for children.\textsuperscript{33} Even prior to COVID-19, 29 of Ohio’s 31 Appalachian counties were child care deserts, with just one child care slot for every three children needing one.\textsuperscript{34,35} Then Ohio’s Appalachian counties lost 16\% of their Type B in-home family child care programs during the pandemic. Likewise in Central Ohio, 202 programs (16\%) have closed since February 2020.\textsuperscript{36}

The U.S. Supreme Court’s July decision in Dobbs v. Jackson Women’s Health adds new uncertainly to many women’s precarious place in the workforce. The ruling overturned the half century old precedent of Roe v. Wade, which guaranteed limited access to abortion in every state. With the overturn of Roe, abortion became illegal in Ohio after six weeks of pregnancy.\textsuperscript{37} Being blocked from abortion care will cause numerous financial hardships and health risks for many working people. In fact, 19\% of Americans without children decided not to have them for medical reasons, and 17\% cited financial reasons.\textsuperscript{38} Today, people are still routinely fired for being pregnant,\textsuperscript{39} and nearly nine in 10 workers lacked paid leave in 2020.\textsuperscript{40}

Abortion care is a matter of economic security, but it is also an urgent health care need. In addition to protecting access to abortion care for those who need it, Ohio must improve health outcomes for mothers and babies. Infant mortality among Black mothers in 2019 was 13 per thousand live births for those with Medicaid and 19 per thousand for those without, a rate higher than in Sri Lanka, Albania and the Gaza Strip.\textsuperscript{41} Between 2008 and 2016 in Ohio, there were 11.5 per 100,000 among white mothers, and three times that rate — 29.5 maternal deaths per 100,000 — among Black mothers.
Black Ohioans’ workforce participation more dependent on strong labor market

During economic downturns, Black workers are more likely than any others to be laid off. Their labor force participation also tracks with this trend in employment. Figure 9 shows that both Black men and women were more likely to be pushed out of the workforce in the Great Recession than their white counterparts, likely following a job loss and struggle to secure new employment. When workers stop actively seeking jobs, they are no longer counted as part of the workforce, even if they want work and would accept a job if one became available. The trendlines for Black workers also fluctuate more steeply than for white workers due to the smaller sample size of Black Ohioans in the survey.

Figure 9

Workforce participation declining for white men, volatile for others

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<td>64.7%</td>
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<td>64.7%</td>
</tr>
<tr>
<td>2016</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
</tr>
<tr>
<td>2017</td>
<td>65.8%</td>
<td>64.7%</td>
<td>65.8%</td>
<td>64.7%</td>
</tr>
<tr>
<td>2018</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
</tr>
<tr>
<td>2019</td>
<td>65.8%</td>
<td>64.7%</td>
<td>65.8%</td>
<td>64.7%</td>
</tr>
<tr>
<td>2020</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
<td>64.7%</td>
</tr>
<tr>
<td>2021</td>
<td>65.8%</td>
<td>64.7%</td>
<td>65.8%</td>
<td>64.7%</td>
</tr>
</tbody>
</table>


Nina Banks wrote for the Economic Policy Institute about how, nationally, Black women’s workforce participation exceeded that of their white female counterparts as long as data have been kept.42 Black women’s lower pay, despite being more connected to their jobs, is one illustration of how employers often value workers differently based on who they are, including undervaluing Black women based on their race and gender. In Ohio, Black women’s workforce participation exceeded white women’s in 18 of the past 33 years and was slightly higher on average across the timeframe (59.5% versus 58.9%). Black men’s workforce participation fluctuated the most, ranging from a high of 71.0% in 2006 to a low of 56.8% in 2013. Black men averaged 64.9% workforce participation that varied in response to good and bad economic times. White men’s workforce participation averaged 72.6% and fell steadily from 76.1% to 65.8%.
Figure 9 also shows workforce participation levels that were similar during COVID-19 to the trends they were on before. Black men’s workforce participation has grown intermittently since 2013. White men’s had been trending down over the long term, grew slowly since 2013, then resumed its downward trend beginning in 2019. White women’s has remained roughly flat since 2015. Though fluctuation complicates the reading for Black women, their workforce attachment seems fairly consistent with or modestly higher than rates during recovery from the Great Recession. No cohort showed a marked change in their attachment to the workforce during COVID-19.

Taken together, these figures show that Ohioans regardless of race or gender remain committed to work. Though a significant number of Ohioans have quit their jobs during the COVID era, they have generally traded them for new jobs. Ohio’s overall workforce has approached pre-COVID numbers. The long-term trend shows that a shrinking share of Ohioans was working or seeking work even prior to the pandemic and recession. To reverse these long-term trends, Ohio must become the kind of place that draws in and retains younger people and families with commitments to affordable, high-quality child care; equitable, well-resourced schools; and commitments to the health of all residents.
Ohio is well on the way to a return to pre-COVID employment. Yet even a return to the recent pre-COVID status quo is insufficient to enable all Ohioans to thrive, because for decades before COVID, corporations with policymakers’ help successfully held down wage growth — and for some Ohioans, actually pushed their wages down. For several decades in the mid-20th century, wages in Ohio and the U.S. grew at the rate of overall economic growth. Figure 10 shows real productivity and wage data for the nation. Starting in the early 1970s, while workers continued to drive productivity growth that made the nation wealthier than ever, workers were unable to successfully bargain for their share. A storm of policy choices worked to dramatically weaken working people’s ability to collectively bargain or exert policy pressures to raise wages. These included tax and trade policies that encouraged firms to seek the cheapest and least protected labor they could find on the globe; monetary policies that decimated Midwest manufacturing jobs; and corporate hostility to union organizing often supported by policymakers.
For decades in the middle of the 20th century, pay growth tracked with overall GDP growth. Figure 11 shows how corporations managed in recent decades to divorce Ohioans’ wages from the wealth creation workers made possible, and keep a larger share for themselves. This trend was already under way by 1997.

Figure 11

Ohio wages have not grown at the same rate as production
Percent change in Ohio’s GDP and median wages


While Ohioans once secured higher median wages than the nation’s, employers cut wages for Ohioans in the 1980s to around the level of the U.S. Then, beginning in 2001, U.S. wages surpassed Ohio’s. Ohio wages have never caught up. The wage peak in the trendline in 2020 for the U.S. and Ohio likely reflects the fact that early COVID job losses were so concentrated among low-paid workers. Figure 12 shows median wages in Ohio and the U.S. since 1979.
One of the most positive developments for Ohio workers in recent years is that wages across the pay spectrum exceeded 1979 levels for the first time ever in 2019, and have continued to do so the last three years. Early in the pandemic, pay growth looked even stronger than it was, because massive job losses concentrated among Ohio’s lowest-paid workers, leaving their better-paid counterparts on the job to be counted in wage data. With the job market beginning to normalize, the pay gains in Figure 13 are encouraging because they represent true pay growth. Figure 14, which looks back more than four decades, shows that while the highest-paid workers captured the largest share of wage growth over the long term, low-paid workers have successfully won pay growth in recent months. One concern is that this wage growth could be reversed by high inflation, which reached 9.1% in June, about twice the rate of recent pay growth for middle income Ohioans.
For many Ohioans, pay growth in the past two years has accounted for much or nearly all the increase in their pay over the last four decades. Figure 14 shows pay growth from 1979-2019 in blue, and growth from 2019-2021 in green. For the tenth percentile worker, the last two years alone accounted for nearly all the pay growth over that whole timeframe. The 10th-percentile worker is the one paid more than 10% of all workers and less than 90%; in 2021 that worker made $10.99 per hour. For the 20th-percentile worker ($13.68 per hour), the last two years made up nearly half of the pay growth. While 90th-percentile workers ($44.95) captured by far the largest share of long-term pay growth, they were the only group to see large overall pay losses over the past two years. The median worker ($20.17) saw losses too, though much smaller. Losses are shown where the green bar is below the axis at $0.

Figure 14

Wages grew for most Ohioans during the pandemic

Change in wages during COVID-19 pandemic

COVID-19 may have temporarily opened new opportunities for workers among Ohio’s lowest-paid to leverage their work for higher wages. It temporarily shrunk the labor pool before the share of Ohioans working or seeking work nearly recovered to pre-COVID levels by June.\(^{51}\) By exacerbating already difficult work environments with new health and safety risks, COVID-19 served as a motivating force driving some low-paid Ohioans to organize and demand better wages and working conditions. As discussed below, workers in the frontline service sector who faced new workplace risks during the crisis have organized at Starbucks locations across the U.S., including several here in Ohio. Meanwhile, Amazon, the giant of the transportation and warehousing industry that benefited from new COVID-induced online consumer buying, is facing a union drive which has so far won a bargaining unit at its Staten Island warehouse and built momentum at several more.
While Ohioans secured notable wage growth over the past two years, most workers’ long-term gains were small. Among pay groups, only the 90th-percentile worker — the one paid more than 90% of Ohio workers — captured substantial long-term growth of 28.9%, an increase of about $10.00 per hour. Meanwhile, middle and low-paid Ohioans’ pay grew just 6.3% and 3.7%, an annual change of 65 cents for the lowest paid and 72 cents for the middle, over 42 years. See Figure 15.

**Figure 15**

The wealthiest are being paid more while employers hold down wages for lowest-paid workers

<table>
<thead>
<tr>
<th>Median wages since 1979 by income percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.34 ($10.99)</td>
</tr>
</tbody>
</table>


Even pay for these higher-paid workers fell short of economic growth measured in net productivity or GDP (shown in Figures 10 and 11). Over the same timeframe, pay exploded for executives, who leveraged their power to set their own pay to capture an outsized share of the wealth produced by Ohio working people. By 2020, the typical CEO at one of Ohio’s 54 largest publicly traded employers pocketed $322 for every dollar paid to the median worker at the same company.52
Gender pay gap
The pay gap between men and women narrowed steadily between 2009 and 2020. The shrinking gap trend reflects both pay growth for women — one of the most positive long-term trends in Ohio’s labor market — and falling pay for men. There are also important distinctions in pay based on the cross-section of workers’ gender with their race, as discussed below. Ohio women’s pay stopped climbing relative to men’s in the early 2000s, and both men and women lost pay during the Great Recession. Since the wage recovery began around 2015, women’s pay compared to men’s has remained consistently around 80 cents on the dollar. That changed from 2020 to 2021 when men’s pay flatlined but women’s was pushed down. While a single year of data does not make a trend, one factor that could be pulling down typical pay for women is the reentry of many low-paid women back into work after their jobs were shut down by COVID-19. By 2021, Ohio women were paid just 81 cents on the dollar compared with men.

Figure 16
The gender wage gap was shrinking until 2020
Median wages for men and women: 1979 to 2021


Some experts call the COVID recession a “she-cession” due to its disparate impact on women. This distinguishes the latest recession from past downturns, during which men typically sustained the largest job losses and the employment and pay gaps by gender tended to narrow. The most recent significant downturn — the Great Recession of 2008 — hit housing and construction early. Driven by the mortgage and finance crisis, it primarily destroyed building trades and manufacturing jobs more likely to be held by men. The COVID recession was atypical in primarily impacting service sector jobs with significant customer interaction, but the public health crisis has also had a lasting impact on working parents’ and adult caretakers’ ability to work, and the burden has fallen very disproportionately on women, as discussed above. More than 65 million U.S. women provided unpaid child, family or elder care work in 2020. 33
Racial pay gap

Over the past four decades, the gulf between what employers pay white workers and what they pay Black workers has grown. Employers successfully pushed Black workers’ pay down by nearly $1 per hour since 1979 ($0.98), in many cases with policymakers’ help. At the same time, pay for white workers rose $1.73 per hour. The amount white Ohioans were paid in excess of Black Ohioans’ pay more than tripled since 1979, rising from $1.63 an hour in 1979 to as high as $5.29 in 2018 before falling to a still elevated $4.34 by 2021. In 1979, Black Ohioans were paid 92 cents on the dollar compared with white Ohioans. That rate peaked in 1988 at 95 cents on the dollar. By 2021, it had fallen to just 80 cents. The next paragraphs discuss trends that contributed to Black workers’ wage suppression, but to fully understand what happened to Black working Ohioans, it is critical to note that all of these net losses were borne by Black men.

Figure 17

Pay difference between white and Black Ohioans has tripled

Pay for Black v. white Ohioans: 1979-2021


Economist Erin Wolcott found that policymakers, acting to protect race and class advantages and maintain de facto segregation, reversed many of the labor protections established by and following the New Deal, after the Civil Rights Act included Black Americans in those protections. Following its 1964 passage, policymakers let inflation push down the federal minimum wage, reduced weekly unemployment benefits, and supported policies that helped corporations crush unions or avoid union drives. These actions mirrored moves to close public parks, pools and even schools in effort to avoid integration.

Anti-Black racism set America apart from other developed western democracies which went through similar technological change and similarly opened their borders to increased trade. Wolcott found that
policies targeted at reducing the minimum wage, reducing unemployment benefits, and removing public supports protecting workers’ right to form a union accounted for 60% of the rise in the income gap between the 90th and 10th percentiles of wage earners — meaning the efforts to keep Black people from enjoying full participation in the American economy harm working people of all races.

**Wage losses wholly sustained by Black men**

The net decline in Black workers’ wages since 1979 was borne entirely by Black men. As Figure 18 shows, Black men’s wages were pushed down $4.96 per hour since 1979, a decrease of 23%. Over the same time, Black women’s wages grew by $1.50 (10%), though at a slower rate than white women’s ($5.02, 36%). Over the same timeframe, white men lost $1.13-per-hour (-5%). The racial pay gap for men has tripled from 9% in 1979 to 29% by 2021. 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, a shortfall of $6.08; and this shortage falls below a median wage for white men which was also reduced by $1.13. Data are not shown for workers of other races because there are too few respondents in the sample to show single year data.

**Figure 18**

*Pay increased for women, pushed down for Black men*

Ohio wages by race and gender 1979-2021


Note: Three-year pools of data. All wage values in 2021 dollars. Some values were omitted due to sample size.
The impacts of policy decisions to enshrine segregation in the labor market described above affect both Black women and Black men. Both are highly likely to be underemployed.55 But Black women — though paid less than any of the other cohorts here — were able to secure wage gains over time in spite of adverse policies. In 1979, Black women were paid 47 cents more than white women at the median ($14.57 per hour versus $14.10). But while white women’s wages rose by $5.02 per hour by 2021, wages for Black women rose just $1.50, so that by 2021, white women were paid $3.05 more than Black women. In other terms, Black women were paid 84 cents for each dollar paid to a white woman. White women’s wages overtook Black women’s in 1993. White women’s wages exceeded Black men’s wages for the first time in 2002, and every year since 2007. One factor in Black women’s pay growth is likely that over time they were able to enter new industries previously barred to them by law and custom. Black women’s higher pay in the beginning of the trend likely reflects their consistent participation in work, whereas higher pay for white men and social stigmas against work among the middle class meant that many white women in the late 1970s did not work outside the home; those who did disproportionately belonged to poor families. One factor that unambiguously harmed Black men was the explosive growth of incarceration since the 1970s. Policies that increased policing and criminalization of more activities coupled with more punitive sentencing disproportionately targeted Black men. Ohio’s prison population quadrupled in the four decades beginning in 1978 to around 50,000 inmates today.56 Research shows that Ohio’s criminal justice system treats Black men more punitively than their white counterparts at every level of interaction.57 In Ohio, Black residents comprise 13% of the population, but 34% of the people in jail and 45% of those in prison.58 Nationally, a Black man has about a one in three chance of being incarcerated in his lifetime.59 Because Ohio has attached hundreds of career barriers to having a criminal record, racism in the criminal justice system gets transferred into the labor market, where our vast criminal justice apparatus serves as a device to sort Black men to the lowest rungs of the job market and keep them there.60 House Bill 263, which took effect in October 2021, will help mitigate some this trend by prohibiting state licensing entities from denying applicants an occupational license based on a generic nonviolent criminal conviction unrelated to performance of the job.61 Local efforts such as Cleveland’s 2020 move to decriminalize possession of marijuana are also a step toward reversing this trend.62 Far more work is needed.
Ohio’s jobs mix has shifted over recent decades from one dominated by the manufacturing sector to a labor market where trade, transportation and utilities predominate, and manufacturing is only the fifth largest industry. This trend has important impacts on job quality, largely because union-dense jobs in the manufacturing sector, and to a lesser extent government, have been largely replaced by jobs in lower-paying sectors. Underfunding of public sector jobs has also slowed the jobs recovery from COVID-19, and curtailed stable career opportunities, particularly for Black Ohioans. So far, Ohio has restored 88.9% of private sector jobs lost to COVID-19, but just 16.6% of government jobs lost. This is despite an influx of billions of federal dollars to the state and local governments, which could be used in part to restore public sector jobs and the critical services they provide.

Figure 19

<table>
<thead>
<tr>
<th>Trade, transportation and utilities</th>
<th>Ohio’s key job industries in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural resources and mining</td>
<td>0%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
</tr>
<tr>
<td>Government</td>
<td>14%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12%</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>13%</td>
</tr>
<tr>
<td>Information</td>
<td>1%</td>
</tr>
<tr>
<td>Financial activities</td>
<td>6%</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>10%</td>
</tr>
<tr>
<td>Education and health services</td>
<td>17%</td>
</tr>
<tr>
<td>Other services</td>
<td>4%</td>
</tr>
<tr>
<td>Trade transportation and utilities</td>
<td>19%</td>
</tr>
</tbody>
</table>

By 2021, trade, transportation and utilities was the largest industry in Ohio based on employment numbers. It was also the only major industry to add jobs during COVID-19 (+3,600), driven by changes in people’s buying habits when the pandemic caused people to shift away from buying services to buying more goods, and getting more of them online. This reversed the two-decade trend prior to COIVD-19 in which the industry shed more than 84,000 jobs, though the 3,600 added came nowhere near restoring those losses. The leisure and hospitality industry lost more than 65,000 jobs beginning in March 2020 when Gov. DeWine issued the stay-at-home order necessary to protect Ohioans from the transmission of COVID-19, when vaccines were unavailable and little was known about the virus. Education and health services lost the second largest number of jobs to COVID-19, after gaining the most (261,000 jobs) from 2000-2019. The manufacturing sector lost a substantial 36,000 jobs to COVID-19, compounding losses of nearly 321,000 in the two decades prior. In total, Ohio has lost some 700,000 manufacturing jobs since the 1970s, half of its peak.

Figure 20

New business models and changing consumer demand changed Ohio's job mix

Change in jobs before and during the COVID-19 pandemic (thousands)

Education helps individual workers; union membership builds worker power

Workers can protect themselves from being laid off and boost their wages by adding to their education. Education made a substantial difference in Ohioans’ pay, and the pay premium for a college degree has grown from 49% in 1979 to 87% in 2021, reflecting both substantial pay growth for college grads and small pay losses for high school grads. However, much of the pay increase for college grads was realized by 1999. Since then, wages for Ohioans with a degree have trended nearly twice as high as for their counterparts with a high school diploma and no more. Prior to COVID-19, wages for college graduates peaked in 1999. The labor market upheaval caused by COVID-19 bumped college grads’ wages to a new peak in 2020 before they dipped slightly in 2021. The spike in 2020 and subsequent fall a year later indicates that the 2020 peak may in part have been due to higher-paid workers even in this cohort being better able to retain their jobs, while the 2021 level is likely more reflective of true pay growth.

Figure 21

Workers with college degrees are paid nearly twice as much as high school grads

Median wages by level of education 1979-2021

Ohioans with a high school diploma and no more were the only group to lose pay between 1979 and 2021. This trend is cause for significant concern, because these Ohioans comprise a third of all Ohio adults aged 25+ (32.8%), while those holding a bachelor’s degree or higher make up just 28.9%.66 According to Ohio Department of Job and Family Services projections, 71.3% of annual job openings through 2028 will require a high school education (40.2%) or have no formal educational requirement (31.1%)67 Just 18.4% will require a bachelor’s degree or higher. This means that while some Ohioans will be able to advance in the job market by earning a degree, many jobs will not require post-secondary education. Work is needed to improve the quality of the high-school credential jobs we have, and can expect to have for the next six years.

After years of pay losses until the mid-1990s, followed by flat pay starting around 2000, Ohioans with less than a high school diploma experienced significant pay growth during the COVID pandemic for the first time in years. Ohioans with less than a high school diploma, and those with some college, comprise people who left school without finishing and current high school students.

Higher educational attainment helps individual workers navigate to a higher position within the job market, and boosts overall economic potential by enhancing workers’ skills. Policymakers should support educational attainment at every level from preschool through university, along with job training programs such as union apprenticeships, with deep funding commitments to make high quality education affordable to all.

**Figure 22**

<table>
<thead>
<tr>
<th>Ohioans more educated than ever before</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School and college graduation rates 1979 and 2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No HS diploma</th>
<th>HS or more</th>
<th>BA or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.4%</td>
<td>75.7%</td>
<td>14.7%</td>
</tr>
<tr>
<td>9.2%</td>
<td>90.8%</td>
<td>28.9%</td>
</tr>
</tbody>
</table>

By 2021, Ohioans were more educated than they had ever been before. While 75.7% of Ohioans had finished high school in 1979, that figure rose to 90.8% by 2020. Over the same time, the share of Ohioans who had earned a bachelor’s degree or higher nearly doubled from 14.7% to 28.9%. The share of people in the United States who have earned a bachelor’s degree or higher is 32.9%.68

Although getting more education helps workers regardless of their race, it does not overcome disadvantages faced by Black Ohioans. Instead, the racial pay gap persists across all levels of educational attainment. Earning a college degree provides a larger payoff compared to a high school diploma for white Ohioans ($10.50) than their Black counterparts ($8.07). This means that, while earning a college or advanced degree is likely to be a worthwhile investment of time and money for Ohioans of all races, the payoff is lower for precisely those Ohioans more likely to face affordability challenges to attend. It also means that separate policy work must be done to address persistent racial biases in the job market.

Figure 23

<table>
<thead>
<tr>
<th>Racial wage gap persists across every level of education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages by race and education level: 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Black workers</th>
<th>White workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>$11.94</td>
<td>$14.73</td>
</tr>
<tr>
<td>High school</td>
<td>$18.01</td>
<td>$16.30</td>
</tr>
<tr>
<td>Some college</td>
<td>$19.41</td>
<td>$22.80</td>
</tr>
<tr>
<td>College</td>
<td>$28.51</td>
<td>$30.32</td>
</tr>
<tr>
<td>Advanced</td>
<td>$35.64</td>
<td></td>
</tr>
</tbody>
</table>


Wages for Black Ohioans with less than a high school diploma cannot be determined from the dataset because they comprised too few sample respondents to the Current Population Survey the data are taken from. For white Ohioans and for Ohioans in general, finishing high school provides a substantial boost in pay. The group of workers with less than a high school diploma includes current high school students. Older adults who have not finished high school are likely to have been extremely disadvantaged during childhood, and to remain so as adults.69 Data were not available for other race cohorts due to small sample size.
Nationally, women have earned more bachelor’s degrees than men since 1982, more master’s degrees than men since 1987, and more doctoral degrees than men since 2006. Yet men’s pay continues to exceed women’s at all levels of educational attainment. Men with a high school diploma and no college are paid more ($19.56 per hour) at the median than women who have some college but less than a degree ($16.63). This group includes both current college students and those who have left college without finishing.

**Figure 24**

<table>
<thead>
<tr>
<th>Gender wage gap persists across every level of education</th>
<th>Ohioans’ pay by gender and education in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>$10.57</td>
</tr>
<tr>
<td>High school</td>
<td>$15.01</td>
</tr>
<tr>
<td>Some college</td>
<td>$16.63</td>
</tr>
<tr>
<td>College</td>
<td>$24.91</td>
</tr>
<tr>
<td>Advanced</td>
<td>$32.96</td>
</tr>
</tbody>
</table>


Several factors play into the persistence of pay shortfalls for women. Men and women tend to be heavily segregated into different occupations. Women are more likely than men to pause their careers to take on child caregiving tasks. Yet these explanations are insufficient. It is also true that when women enter once male-dominated fields in large numbers, employers tend to start paying less for those jobs. And there is a negative cycle at play in two-parent families’ decision to send men into the workforce while women take time away from work or work less to care for children: When partners are faced with a labor market that pays men more, the logical choice for the family is to send the higher earner to work. These factors mean that families’ response to wage gaps can reinforce pay suppression for women caused by other factors.
Education insulates against job loss
Getting more education also insulates all workers to some degree against job loss. While 13.3% of Ohioans with less than a high school diploma lost their jobs to COVID-19 and 10.2% remained unemployed by 2021, that was true for just 4.6% of college grads who lost work and 2.6% who lost or remained out of work a year later. This trendline shows higher unemployment figures in the prior two recessions because it is annualized; if we were to zoom in to month-by-month data, the COVID job loss would be significantly higher: It peaked at 16.4% in April 2020, when 909,000 Ohioans had lost their jobs. Though more Ohioans lost their jobs to COVID-19 than lost them ever before in history, the majority of jobs lost were quickly restored, resulting in the lower average figure shown here.

Figure 25

Having a college education helps people hold onto jobs
Unemployment by level of education 1979-2021

Unions help workers claim power to set the terms of employment

While attaining more education can help Ohioans navigate to a higher place within existing power frameworks in the labor market, increasing union density can change those power structures in ways that lift up all workers and enable working people to claim a fair share of the wealth they create. Corporate executives know this: It’s why they have pursued an aggressive strategy to gut union density over decades. Too often, policymakers have helped them. This concentration of employer power has frayed the linkage between work and ability to prosper and hollowed out the middle class.71

The typical Ohio worker represented by a union was paid $24.75 per hour in 2021, a wage premium of $4.84 per hour when compared with their nonunion counterparts. Unions don’t just help union workers — they help all of us. When a large share of the overall workforce belongs to unions, nonunion workers also benefit from higher wages and better working conditions. Unions help working people set employment terms in their industry, so even nonunion employers have to meet similar standards to attract and retain the workers they need.72

A concerted corporate-backed policy effort to drive down union membership numbers accounts for much of the growth in inequality between typical (median) workers and the highest-paid in recent decades — on the order of 13–20% for women and 33–37% for men.73

Figure 26

<table>
<thead>
<tr>
<th>Median hourly wage in 2021: union members v. nonunion members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union: $24.75</td>
</tr>
</tbody>
</table>

Being represented by a union improves wages for Ohioans across race and gender. For women, union representation significantly narrowed the pay gap compared with their male counterparts. The union wage premium was $3.31 per hour for men (15.8%), and $5.76 for women (32.3%). Being represented by a union improved Black and white workers’ pay by a similar 19.8% and 21.8%, but white workers’ dollar pay rose $4.56 per hour, while Black workers’ pay rose $3.18. This discrepancy likely represents major occupational segregation by both race and gender. The sample size was too small to report wage premia for Hispanic, Asian and other workers, but in pooled data from 2018-2020, Hispanic Ohioans — a close proxy for Latinx residents — had the highest overall and percentage wage premium at $5.18 per hour (34.7%). Asian Ohioans were the only cohort who were paid more when not represented by a union. This is likely because restrictive immigration policies favor more highly educated and well-off Asian immigrants. People in that group are likely to find jobs in higher-paying fields that require extensive education but are less unionized.

Figure 27

| Union representation increases median wages for Ohioans of many backgrounds |
|-----------------------------|-----------------------------|
| Union wages v. nonunion wages by race and gender |


Unions protected workers against the economic fallout of COVID-19. Americans represented by a union were significantly less likely to be laid off during COVID-19: 9.7% of union workers and 12.1% of their nonunion counterparts were laid off. Among those who had to miss any work, twice as many union members (39.5%) received pay as workers without a union (19.9%). Unionized industries were much less likely to close in the first place, and if they did, workers more often had protections in their contracts to help them get by. It is possible that unions did even more to reduce layoffs when they took active steps to prevent layoffs, such as encouraging employers to use shared work or requiring shared work in their contracts.
Unions not only helped workers keep their jobs through the pandemic, they also helped them survive. In surveys of 152 essential workers across Northeast and Central Ohio, workers who belonged to unions reported more safety protocols including employer-provided masks, plexiglass to separate work areas, rotating schedules to reduce potential virus transmission, and work from home arrangements where possible. Survey respondents also reported informal solidarity networks in which workers would meet before shifts to support one another and share information about possible COVID exposure that management withheld from them.

In addition to improving conditions for members and non-members alike, unions are often able to secure benefits for the communities they live in and the people they serve. Columbus teachers were out on strike and have won a tentative agreement at the time of this writing. Among their demands: a guarantee that Columbus students will have air conditioning during hot temperatures, appropriate class sizes, and full-time art, music, and P.E. teachers in elementary schools.

Unions are better able to deliver benefits to workers when they are strong. Figure 28 shows that the union wage premium is a factor of union density: the share of the overall workforce represented by unions. The union wage premium peaked in 1990 at $7.82 per hour when 23% of Ohio workers were represented by a union. By 2021, 13% of Ohio workers were represented by a union, and the wage premium stood at $4.84, up slightly from its lowest level of $4.20 in 2020. These trends together show that unions are a powerful force working people can wield in negotiations over wages and terms of work — but that power is contingent. Unions are more effective when they represent a significant share of workers, or at least a significant share in their field. Policymakers concerned with restoring a stable middle class and building an inclusive economy should prioritize making it easier for workers to form and join unions.
The share of Ohioans represented by a union has decreased over the last several decades, as corporations shed unionized workforces and resisted union drives as a strategy to drive down labor costs and consolidate their own power over the structure of work and the political process. Membership as a share of employment had already been declining by the time the Bureau of Labor Statistics began keeping state data; for the U.S., it was 34.8% in 1954, and almost certainly higher in Ohio.\textsuperscript{80}

Even as Americans have been pushed out of unions, the majority of the nation has long been pro-union. Last year, 68% of Americans said they approve of labor unions in Gallup’s latest survey.\textsuperscript{81} While this was the highest approval rating since 1965, a majority of surveys conducted since 1937 found that most Americans approved of unions every year on record except for 2009.

Yet very few people who support unions belong to one, even when they want to. There are some early signs this could be changing. Ohio was 10th in the nation among states for the number of union elections won in the past year, with 43 elections filed and 24 won, representing 497 new union members.\textsuperscript{82} Ohio is the seventh largest state by population, and currently ranks thirteenth in the nation in union representation, with 13% of workers represented in 2021 (12% are members).\textsuperscript{83} Ohio workers at eight Starbucks locations including in Cleveland, Columbus and Cincinnati have filed for recognition of their union, and seven have successfully formed unions.\textsuperscript{84} Workers at more than 60 Starbucks stores have voted to form unions as of this writing. None has yet won a contract. Amazon has seen an organizing drive led by a successful campaign at its Staten Island warehouse. And workers in nonprofits are beginning to organize, including at the Ohio Environmental Council and Policy Matters Ohio.\textsuperscript{85} Sexual health care workers at Preterm Cleveland won layoff protections in their contract that are helping workers there after the U.S. Supreme Court overturned abortion rights and Ohio severely restricted access.\textsuperscript{86}
An important reason that union density so lags popular support for unions is because many employers have fiercely resisted union organizing campaigns for decades, often illegally. Workers organizing in Ohio today are no strangers to anti-union corporate tactics. Starbucks has aggressively resisted workers’ efforts to unionize, but those efforts have already won higher wages — for their nonunion counterparts. Starbucks announced that it would raise pay at most of its stores, but falsely claimed that it could not raise wages for workers at stores which had voted to unionize. Cleveland barista Maddie VanHook reported that full-time baristas had had their schedules cut from 30-35 hours to 22-25, and management cut some part-time partners from 3-4 shifts per week to just one. Starbucks workers lose benefits if they drop below 20 hours. Starbucks’ tactics have been so aggressively anti-union that the National Labor Relations Board has filed suit alleging more than 200 labor law violations including closing stores and firing six workers. The NLRB’s latest complaint asks the judge to retroactively pay wages and benefits withheld from workers, and to mandate that CEO Howard Schultz record and share a video with Starbucks employees notifying them of the decision. Amazon workers too have faced hostile resistance to organizing efforts. Amazon fired North Randall warehouse worker Joey Desatnik in an alleged attempt at union busting in May after he gathered signatures of 230 workers interested in forming a union at that facility.
Misclassification strips workplace protections from workers

One way that firms resist efforts by workers to form a union is by misclassifying them as independent contractors. Digital platform companies have made denying workers fundamental workplace protections a business model. Such practices have other adverse impacts on workers beyond denying them the right to organize. A Shift Project survey found that 14% of gig workers surveyed were paid less than the federal minimum wage of $7.25 and 29% were paid less than the state minimum wage that would apply to them if they were classified as employees. Ohio’s minimum wage is $9.30 in 2022. Workers classified as independent contractors also lack protections against discrimination, and health and safety mandates. They do not receive employment-based health insurance or retirement benefits and are not covered by unemployment insurance if they get laid off. They do not get workers’ compensation if they get hurt on the job. Workers classified as contractors also must pay expenses that normally the employer would, including payroll taxes, and for workers driving for ride hail companies, the cost of fuel and vehicle maintenance. Gig workers are more likely to have their pay stolen by their employers. While misclassification is a form of wage theft in its own right, even gig workers who are legally classified as contractors may face high rates of wage theft: 62% of survey respondents who used digital platforms to perform gig work were not paid for some hours because of technical problems clocking in and out of the system. Compared even with low-paid service sector workers, gig workers reported higher rates of hardship, including going without food because they could not afford it (19% and 14%), and being unable to pay the full amount of their gas, electric or other utility bill (31% and 17%). While gig work employers often tout the arrangement as one that provides greater flexibility and opportunity to be an “entrepreneur,” the Fund for Our Economic Future found that Northeast Ohioans most likely to consider gig work are those already facing the most precarity, including workers under age 25, those with children at home under age five, and critically, those making less than $25,000 a year. In Ohio and many states, Uber drafted model legislation that classifies ride hail drivers as independent contractors, not employees. The Protecting the Right to Organize (PRO) Act would make clear that workers whose employers control most aspects of the work are employees, and are covered under federal labor law protections.
Help workers form and join unions

To claim their share of the wealth they make possible, Ohio workers must be able join in unions that help them reclaim their power on the job. Employers today use many strategies to undermine workers’ efforts to organize. They drag out the process and delay elections to wear down workers’ enthusiasm — but under the PRO Act, workers would set election timelines with the National Labor Relations Board. Employers today force workers to listen to intimidating anti-union messages in “captive audience” meetings. The Biden administration is challenging employers who engage in illegal union busting under existing law, and the PRO Act would make many other common anti-union techniques definitively illegal. The PRO Act would provide for court injunctions and immediate reinstatement of workers wrongfully fired for trying to organize. The PRO Act would also give workers the right to sue employers that fight union drives and make managers personally liable. This is only a sampling of issues addressed by the PRO Act.

Local policymakers can also make it easier for workers to form unions. Local governments can use public procurement and infrastructure building powers to mandate community benefit agreements (CBAs) for purchasing and construction contracts. Ohio local governments will receive $5.3 billion in American Rescue Plan funding. The infrastructure bill passed by the U.S. Senate would provide $1 trillion more nationally. CBAs are legally binding agreements that can require that the winners of public contracts agree not to oppose efforts by their workers to form a union; to pay a minimum wage of $15 per hour and provide health benefits; ensure the workforce reflects the diversity of the community; ban the use of temporary workers for non-construction work; and implement “buy local, union and sustainable” policies.

Ensure all people are paid a fair return on their work

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 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.

Ohio voters stepped in to restore some of that value and to peg the wage to inflation in 2006, which lifted Ohio’s minimum wage to $9.30 this year, providing a safeguard against now elevated inflation for some of Ohio’s lowest-paid workers. But the Ohio minimum wage today is worth 28% less than it was at its height. Working people who are paid the minimum wage have shared none of the growth that their work helped make possible over the past half-century. Instead, they have weaker wage protections than their grandparents enjoyed. Had the Ohio minimum wage kept pace with economic growth, it would be nearly $14 per hour today.

Ohio policymakers should immediately follow the example of the nine states and D.C. — which together are home to 39% of Americans — that have raised their minimum wage to at least $15
per hour. Passing a $15 minimum wage phased in by 2026 would benefit 1.56 million Ohioans. By extending a single fair minimum wage to all Ohio workers — including those who now rely on tips for part of their pay — Ohio would generate $6.1 billion in new annual wages, and the average impacted worker would take home an additional $3,900 per year.

Stop employers from stealing wages

State lawmakers must also ensure that working Ohioans are paid for all the hours they work. Each year in our state, unscrupulous employers steal from some 213,000 Ohioans by paying them less than the minimum wage. Employers steal about a quarter of the typical victim’s take home pay: nearly $2,900 if the worker stays on the job for the full year. Employers also steal from workers by refusing to pay them for all hours worked, paying them less than the wage agreed, not paying time and a half for hours exceeding 40 in a week, misclassifying them, making illegal withholdings for break times when workers were required to work, or not giving workers their last paycheck. Ohio policymakers must end wage theft by requiring employers to give all Ohio workers a paystub, and through enhanced oversight, starting with the addition of many more wage and hour officers to Ohio’s current staff of six.

Local governments can also step up to fight wage theft by passing ordinances that use city procurement, contracting, and economic development powers to ensure any company that does business with the city pays its workers all they’re due. Cincinnati and Columbus have taken the lead on this, and advocates have put the matter before City Council in Cleveland. Finally, wage theft is a crime. It should be prosecuted.

Increase support for higher education

Ohioans with a college degree are paid nearly twice as much as their counterparts with a high school diploma. They also enjoy some protection from layoffs in an economic downturn. All Ohioans who want to pursue higher education should have the opportunity to do so, no matter how much wealth they’re born into. Yet too little public support for higher education has caused tuition costs to soar in recent decades, and those costs can limit access to Ohioans whose families are already better off. Georgetown University researchers found that a child from the wealthiest quartile with low Kindergarten test scores has more than twice the chance of going to college as a child from the poorest quartile with high test scores. President Biden’s executive order cancelling $10,000 in student loan debt for Americans paid less than $125,000 a year will help debt-burdened grads afford things like buying a home. The additional $10,000 for Pell Grant recipients will ensure that more funding goes to those in greatest need. Policymakers must do more to increase college access on the front end, and make a long term fix to affordability. State lawmakers can make college affordable for all by providing more funding for Ohio public universities and community colleges. Policymakers should also expand the state’s need-based aid program, the Ohio College Opportunity Grant.

Preserve unemployment benefits and extend them to Ohio’s lowest-paid workers

COVID-19 sidelined a record number of Ohioans from work. More than 2 million Ohioans would experience joblessness and file state unemployment claims at some point, along with 1.2 million who claimed Pandemic Unemployment Assistance (PUA), some of whom were overlapping. Yet some 750,000 working Ohioans (15%) would be excluded from state benefits if they were to be laid off, most because they are paid too little to meet Ohio’s stringent earnings threshold. Most
of these Ohioans were made temporarily eligible for UC benefits in the event of job loss under expanded benefits temporarily extended by the federal government in response to COVID-19. With those benefits now expired, low-paid Ohioans face the renewed possibility of financial crisis in the event of a job loss. UC benefits are designed to help workers navigate periods of joblessness to find a new job that is a good match to their skillset and pays a livable wage. Without them, unemployed people must scramble to take any job available, which suppresses wages and harms all of us by underutilizing workers’ talent. Ohio must preserve UC benefits and make them available to all Ohio workers who stay on the job for twenty weeks or more and are paid at least $1500 in their base period and $1000 in a quarter.112

Remove barriers that keep people with past convictions from well-paying work
Ohio’s criminal legal system is one factor that has pushed Black men’s wages down nearly $5 an hour over the last four decades. Policymakers have dramatically expanded criminalization of nonviolent offenses, causing Ohio’s prison population to quadruple. Black men are six times as likely to be incarcerated nationally as their white counterparts.113 A web of more than 1,000 collateral sanctions transfers racial bias from the criminal justice system into the labor market, and sorts affected Ohioans to the bottom.114 To reverse this trend, Ohio 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. The Minority Health Strike Force’s recommendations would improve conditions on the job for many workers of color, and give many others the tools to secure better pay. Ohio should also fund the 34-recommendation blueprint laid out by the Minority Health Strike Force to improve the health of Black, brown and Indigenous people; to support those families still struggling with lost income and jobs; and to provide funding for quality education, safe communities and economic dignity and stability for all.115

Use targeted policy tools to curb inflation
Policymakers at the Federal Reserve should proceed with extreme caution to minimize job destruction as they raise interest rates toward more historic levels. Jobs in Ohio and much of the U.S. have yet to fully recover, and the cost of joblessness is borne much more heavily by Black job seekers, contributing to concentrated economic hardship. Working Ohioans have already been harmed by inflation; the Fed should take care that its reaction does not compound that harm. Lawmakers who can target inflation reduction policies must step forward to use the tools they have. These should include funding commitments to make high-quality child care affordable for any family who needs it, and an excess profits tax to discourage price gouging and stem profiteering off people’s hardship. The policies would complement those in the Inflation Reduction Act, which insulates some Ohioans against surging health care costs and makes commitments to sustainable infrastructure that will pay off down the road by reducing dependency on scarce fossil fuels and the corporate monopolies that control them.
Build a recovery that includes all Ohioans, no exceptions

In the wake of the Great Recession, the wealthiest recovered almost immediately while low- and middle-income Ohioans languished for years. It took the job market seven years to recover the losses. Wealth became even more concentrated than before. We cannot repeat the policy mistakes that led to this failure.

Ohio and local governments are now receiving their second installment of federal dollars totaling $5.4 billion to the state and $5.3 billion to local governments to help drive recovery. It should be used to support an inclusive recovery and to leverage the historic opportunity to address long-standing inequities exposed and made worse by COVID-19. Models like Cleveland's participatory budgeting process could help.\(^\text{116}\)

Combined with a focused effort to build worker power, these policies will help ensure that everyone is included in the recovery.

Conclusion

When COVID-19 became a public health crisis like none we have experienced in a century, frontline essential workers carried us through. More than two years after COVID-19 also upended work in Ohio, we have made significant progress toward recovering from the recession it caused. We owe much of that recovery, which has moved three times as fast as recovery from the Great Recession, to the historic funding from the federal government. More than four in five jobs have been restored. Workers have begun to have success bargaining for higher wages. Today, inflation caused by COVID-19 and Russia's war on Ukraine has become the immediate policy challenge. Given Ohio’s weak and often partial recovery from recent recessions, and how aggressive inflation policy decimated Ohio manufacturing jobs in the past, Ohioans should urge policymakers to proceed with caution.

COVID-19 and other 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 it is not enough to return to the jobs landscape we had before. In that space, corporations had wrested power from working people over decades, largely by crushing their unions, and wealth inequality soared. Ordinary Ohioans took home a shrinking share of the wealth they worked to create. Many experienced lower pay and lower living standards than their parents or grandparents had, and this stoked anger and racial animosity.

Our public officials must do better. They must use their power to make Ohio into 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.
Endnotes

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20 National Income and Product Accounts
24 American Community Survey, 2010 and 2019 figures from 1-year estimates. 2020 figure from 5-year estimate. 1-year estimate is not yet available for that year.
26 https://wherearetheworkers.com/where-are-the-workers/#retired


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35 The Center for American Progress defines a child care desert as any census tract with more than 50 children under age 5 that contains either no child care providers or so few options that there are more than three times as many children as licensed child care slots. See: https://www.thenhcit.org/sites/default/files/2019-03/ChildCareDeserts-toolkit.pdf


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55 Britney Oliver, “This is what it’s like to search for a job as a Black woman,” Career Contessa, https://www.careercontessa.com/advice/job-search-as-a-black-woman/


66 Educational Attainment, Table S1501, Ohio, ACS 5-year, data.census.gov


86 North Shore AFL-CIO, tweet, January 3, 2022, https://mobile.twitter.com/ClevelandAFLCIO/status/1478059023345795077
98 In inflation adjusted 2021 dollars. The nominal minimum wage in 1968 was $1.60. That year, the first Big Mac went on sale for 49 cents, and a gallon of gas cost 34 cents. See The People’s History, https://www.thepeoplehistory.com/1968.html

102 These wages will phase in through stepped increases over the next few years. Currently California ($15) and D.C. ($16.10) have a minimum wage of at least $15. See the Economic Policy Institute’s Minimum Wage Tracker: https://www.epi.org/minimum-wage-tracker/?qclid=CIKQCJwOoyYBHdDGARisAMZEUmsL6VJSKompGvST1lCGmlkiTUvxlZbcWNUIvzKq4u9-FNcX8fNU4fdAaK5iEALw_wcB#/min_wage/Florida.


113 https://www.whitehouse.gov/cea/written-materials/2022/05/09/expanding-economic-opportunity-for-formerly-incarcerated-persons/.


116 The Buckeye Flame, “Policy Matters Ohio and partners work to build Clevelanders’ faith in city government includes work around LGBTQ+ workers of color” https://thebuckeyeflame.com/2022/03/12/policy-matters-ohio/.