

## State of Working Ohio 2023

Working people gaining ground

Michael Shields, Jazmine Amoako and Bryce Springfield

This July, Ohio reached a critical milestone when the state posted the largest number of jobs in its history, with 5,639,200 jobs. We may learn when the data undergo their routine revision and benchmarking that the achievement came a little sooner or later, but this new record has been decades in the making. The previous peak was more than 23 years ago in May 2000. Until now, Ohio had never recovered from the early 2000's recession and only slowly climbed out of the recessions that followed.

Today, with more available jobs than job-seekers creating new choices for workers, the labor market is tilting in favor of working people. **This tight labor market is the labor market Ohio needs — and policymakers should work to sustain it and extend it to communities not yet included in the recovery.** With stronger labor demand, working people are demanding and winning wage gains after decades in which corporations managed to hold wages nearly flat and capture most of the economic gains made possible by Ohio's working people. The strong labor market is also vital to pressure employers to hire those workers most marginalized in the labor market.

Yet Ohio's statewide jobs recovery has yet to reach most of Ohio's 11 Metropolitan Statistical Areas, where most Ohioans live. Ohio's low unemployment rate is remarkably good, but it is historically low only because some 100,000 Ohioans have yet to come back to the workforce. While some have opted out of work, others struggle to manage child care along with paid work.

### Key findings from State of Working Ohio 2023

- Ohio has restored the number of jobs lost to COVID-19. However, that recovery was confined to just four metro areas with significant job growth, while most Ohio communities continue to face jobs shortfalls.
- By some measures, Ohio's labor market is highly favorable to working people, with a record low unemployment rate and two job openings per unemployed worker. However, for a significant share of Ohio working people, this tight labor market is not translating into livable-wage jobs, and understaffing is creating additional work and stress for those on the job.
- Pay growth in the COVID era was limited to low-wage Ohioans and was substantial for that cohort following decades of flat wages.
- This recent pay growth, however, has not been enough to reverse decades of widening inequality between more and less privileged workers, and inequality between workers and their employers has skyrocketed.
- Based on MIT's living wage calculator, a family of four with two working parents needs pay for each of \$24.53 per hour, meaning that Ohioans aren't paid enough to cover the basics for a small family until they reach the 60<sup>th</sup> percentile of all working people in the state.
- To restore a steady supply of cheap labor, Ohio employers are seeking access to more vulnerable workers including children and people harmed by the criminal legal system; classifying workers as contractors to skirt labor protections; funding the Issue 1 campaign to cut off Ohioans' ability to raise the minimum wage through direct

democracy; and asking lawmakers to worsen the hardship workers face in unemployment.

- Inflation slowed to 3 percent this summer, giving the Federal Reserve ample space to rein in inflation-suppressing measures. Because the strong growth economy makes our labor market more effective and fair, the Fed should back off further efforts to reduce inflation.

### **Key stats**

- Ohio median wage: \$21.51
- Wage gaps persist. For each dollar paid to a white man,
  - White women were paid 83 cents.
  - Black women were paid 72 cents.
  - Black men were paid 83 cents.
- Ohio union wage premium: \$3.40 per hour.
- Ohio bachelor's degree premium: \$13.21.

### **Recommendations**

Flat wages over the last two generations while Ohio's working people produced more wealth than ever before show that doing a good job at work is not enough to ensure a good living on its own. Corporations managed to break the link between productivity and wage growth by crushing workers' efforts to unionize and consolidating power away from workers in the labor market and political process. Today low quality persists in many Ohio jobs despite low unemployment. Low wages hurt all workers but especially harm Black workers and other workers of color, women and migrant workers. Today's strong labor market is helping working people to reclaim that power and demand better. The jobs and wage growth they are winning in today's relatively tight labor market are long overdue.

As workers organize to leverage this strong job market to win improvements in wages and job quality, employers are scrambling to tap into new sources of cheap labor and lobbying lawmakers to make unemployment harder.

Policymakers must use public policies to restore balance to a labor market tilted in favor of employers for a generation, and make sure Ohio's working people continue to win back their share of the gains their work has made possible. Here's how:

- Protect workers' right to join or form a union.
- Pass a minimum wage that meets the cost of living and respects the value of work.
- Protect working people from wage theft — and hold employers who steal from their workers accountable.
- End misclassification and affirm ride-hail drivers as employees.
- Ensure paid sick leave for all Ohio workers.
- Fund quality child care for families and ensure livable wages for care workers.
- End arbitrary and overbroad collateral sanctions that bar Ohioans with a record from work.
- Strengthen the public sector instead of cutting taxes for the wealthiest.
- Extend unemployment benefits to those blocked due to low pay, make benefits delivery more accessible and strengthen the system with additional funds from workers.
- Protect democracy.

All working people deserve a job that enables them to thrive, no matter their race or gender, the kind of work they do or where they live. By seizing the opportunity created by today's job market, and with help from policymakers, we can build a fairer Ohio economy that delivers on that promise for everyone.

