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Read the report at [policymattersohio.org/SOWO2011.htm](http://policymattersohio.org/SOWO2011.htm)

## **Ohio sees worst wage decline in nation;** *State of Working Ohio finds high unemployment, wage loss, other ills*

Median hourly wages declined more in Ohio (86 cents) than in any other state between 2000 and 2010, according to *The State of Working Ohio, 2011*, a new report from Policy Matters Ohio, embargoed for Sunday September 4. During that decade, Ohio was one of ten states to see declines in its median wage. Men's labor force participation and employment levels were the lowest on record. "Wages are shrinking, jobs are elusive, long-term joblessness is the highest on record, and men's employment is the lowest on record," said Amy Hanauer, report author and Executive Director of Policy Matters. Key findings of the report, which assesses wages, work, joblessness and more, include:

- In 2010, overall **labor force participation** – the percentage of people employed or looking for work – fell for the fourth straight year to 65.2 percent, the lowest level since the late 1980s. The **employment-to-population ratio** – the number of people employed compared to the number of working-age adults – declined even more sharply, to 58.6 percent, the lowest level since 1985.
- Men's labor force participation levels fell for the fourth year in a row to 70.5 percent and male employment levels fell to 62.4 percent – both historic lows.
- Women's labor force participation fell to 60.3, the lowest since 1999. Before this slump, women's labor force participation had not fallen for two years straight since we started tracking it in 1979. Women's employment, which had climbed throughout the 80s and 90s, is now at 55.2 percent, more than 3 percentage points below their peak.
- African Americans, whose employment levels had risen above 60 percent before the early 2000s recession, are now employed at just barely over 50 percent.
- Fewer than half of all 16-24 year olds in Ohio were employed in 2010 for the first time in the past 20 years, down from 64 percent in 2000.
- Workers are considered unemployed if they're actively seeking work. Those who've stopped looking are not counted in the measure. Ohio's 2010 average annual unemployment was 10.1 percent; monthly unemployment was 9.0 percent in July 2011.
- Ohio men's 2010 unemployment rate of 11.5 percent was worse than at any time since the 13.2 percent peak in the early 1980s. Women's 2010 unemployment was 8.5 percent, worse than at any time since the early 1980s.

- Unemployment is at crisis levels in the black community. For two straight years, more than 16 percent of black Ohioans have been officially unemployed.
- Young adults seek to join the work world at the most inhospitable time in recent history. In 2010, a staggering 20.4 percent of 16-24 year olds could not find work.
- Nearly one in four workers (23 percent) with less than a high school education was jobless in 2010, worse than any time in the last two decades. High school graduates faced a 12 percent official unemployment rate. Even those with a BA or more had a 4.5 percent unemployment rate, exceeding any rate tracked in the last 31 years.
- Persistent unemployment is the worst in recorded history. Those who've been unemployed for more than 26 weeks make up a far larger share of the unemployed than in other slumps. A breathtaking 42.4 percent of the unemployed had been out of work for more than half a year during 2010, the highest level in more than 60 years. More than 29 percent of Ohio's unemployed had been out of work for more than a year
- Men and women have attained higher levels of education, but since 1979 Ohio men's median wages have declined by \$2.30 an hour, adjusted for inflation, while women's wages have grown by only \$2.00 an hour. That modest growth took place in the 1980s and 1990s, with no net growth in this decade.
- Racial disparities have worsened in Ohio since 1979. At the median, black Ohioans earned just \$12.11 hourly in 2010, a more-than \$2.50 decline from what African-American workers had earned more than 30 years earlier, adjusted for inflation.
- Workers without a high school degree have seen sharp wage declines and earned just \$9.56 per hour in 2010. Those with a high school degree or some college have also seen steep declines since 1979 and both categories earned in the \$13.80 per-hour range.
- Wage inequality continues to climb. Low- and moderate-wage workers – those at any percentile below the 60<sup>th</sup> – had lower wages in 2010 than their counterparts did in 2000 or 1979. The 90<sup>th</sup> percentile worker earned 4.14 times what the 10<sup>th</sup> percentile worker earned in 2010, up from 3.38 times as much in 1979.

The findings above are particularly jarring because American prosperity should be producing rising, not shrinking, living standards. Between 1979 and 2008, U.S. income grew enough for a \$10,401 boost to each American, but every penny went to the richest 10 percent. Income for the bottom 90 percent declined over this period. This is in stark contrast to the middle of the 20<sup>th</sup> century when income gains were shared.

“We are wealthy enough to have good jobs at decent wages for every Ohio worker,” Hanauer said. “We can create these jobs and at the same time reduce our energy use, improve our environment, strengthen our communities, improve our kids’ school readiness and increase our productivity. It’s time for a laser-like focus on ensuring that all Ohioans can contribute to and benefit from our economy.”

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