

'Recovery' isn't doing the job for idled Ohioans

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Ohio's job market has been pummeled so badly in the last three years that anemic job growth can seem almost praiseworthy by comparison. But make no mistake: Compared to previous recoveries, other states or past performance, Ohio workers are being left far, far behind. Anyone who tries to claim otherwise is insulting the workers who are struggling to survive this harsh economy.

Let's look at the numbers.

Ohio has lost 205,800 jobs since the recession started, and 100,400 since the recession was officially declared over. It's been 30 months since this "recovery" started, and an additional 1.8 percent of our jobs have vanished. Thirty months after the start of the recovery of the early 1990s, often labeled "the jobless recovery," Ohio had gained back 2.7 percent of its overall jobs.

Manufacturing jobs, the high-productivity positions that best help to create other jobs in the economy, have been particularly hard hit. Nearly one in six of them — 156,500 in all — have disappeared since March 2001 when the recession began.

During the last few months, the national job market has started to trudge forward, albeit more feebly than after any previous recession. But if Ohio continues gaining jobs at the rate it did over the first five months of 2004, it will take more than 2½ years to get back to the employment level we enjoyed when the recession began. Only Massachusetts, Michigan, Illinois and Colorado rank below Ohio in percentage job growth since the recession started.

What job growth there has been has tended to occur in industries with lower wages and lower benefits on average than the industries still shedding jobs. Plus, the working-age population keeps growing, pushing us further behind.

What makes this abysmal job growth particularly frustrating is that expensive and ineffective policy decisions have been sold in the name of job creation. The administration's "Jobs and Growth Plan" enacted in June 2003 was supposed to stimulate the economy, and it might have provided some spark. But it was a blunt and costly hammer, where a low-cost chisel would have worked better. The plan gave an average \$53,240 tax break over four years to the top one percent of Ohio families — those earning more than \$271,000 a year. These cuts, along with high military and other spending, have sent us from record federal budget surpluses to record deficits.

It's not just that the tax breaks for the wealthy were fiscally irresponsible. They also haven't worked. When the presi-

dent came to Ohio to promote his June 2003 tax plan, his Council of Economic Advisers predicted the proposal would add 5.5 million jobs to the national total by the end of 2004. To meet that goal, Ohio would have to have gained 110,750 jobs between June 2003 and May 2004. Instead, over that period, we've shed an additional 4,500 positions, leaving us 115,250 short of the administration's goal.

For a fraction of the cost, smarter policies could have gotten us on a much speedier road to recovery. Some examples: Providing fiscal relief to states like Ohio to fill budget shortfalls and prevent local tax hikes. Granting a one-time payroll tax cut with equal relief for all workers. Investing in infrastructure —

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retrofitted central city housing, more energy-efficient public buildings and renovated schools.

This kind of innovative remedy works better than trickle-down tax cuts. By providing fiscal relief to state and local government, we keep public workers employed, preventing layoffs like those we saw in Cleveland. This both preserves important services and buffers local economies. Payroll tax relief works because it puts refunds in the pockets of families who need the money and will spend it in their local communities. And infrastructure investments create good jobs nationwide, while strengthening communities. Remedies like these generate jobs, relieve need, improve equity and cost less than the budget-busters that were enacted.

Instead, we've seen a different result: Huge net job loss during both the recession and the recovery. A promise of job gains that never materialized. Surpluses turned to deficits. And hundreds of thousands of Ohio workers left behind. You be the judge of whether these policies are working for Ohio.

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