



Ohio Unemployment Edges Down

Ohio's unemployment rate was 5.6 percent in May, down from 5.8 percent in April, according to data released Friday by the Ohio Department of Job and Family Services (ODJFS). Ohio's nonfarm wage and salary employment rose 1,100 over the month, from 5,384,500 in April 2004 to 5,385,600 in May.

"The gradual improvement that Ohio's labor market has shown since the start of the year continued in May," said ODJFS Director Tom Hayes.

But Policy Matters Ohio, a group that tracks labor trends was unimpressed. The group said Friday that if the state were to continue gaining jobs at the rate it did over the first five months of 2004, it would take more than two and a half years to get back to the employment level when the recession began.

Using ODJFS numbers, Policy Matters determined that the state had 205,800 fewer jobs in May than it did when the U.S. recession officially began in March 2001. That represents a decline of 3.7 percent, the fifth biggest decline of any state. At this point after the early 1990s recession started, Policy Matters said that 44,400 jobs had been created in Ohio, or an increase of 0.9 percent.

ODJFS reported that the number of workers unemployed in Ohio in May was 327,000, down from 343,000 in April. The number of unemployed has decreased by 37,000 over the past 12 months from 364,000. The May unemployment rate for Ohio was down from 6.1 percent in May 2003.

Bob Bennett, chairman of the Ohio Republican Party, welcomed the latest job report. "Ohio's economy is moving in the right direction," he said, "and thousands more Ohioans are finding work and earning bigger paychecks. President Bush's policies are working. John Kerry can trash-talk our economy all he wants, but one thing's for sure: he hasn't created a single job in Ohio, and his gloomy pessimism certainly isn't helping."

The U.S. unemployment rate for May was 5.6 percent, unchanged from April.

Total Nonagricultural Wage and Salary Employment (Seasonally Adjusted) - Ohio's nonfarm payroll employment rose slightly over the month to 5,385,600 in May 2004. Service-providing industries advanced 2,100 to 4,313,900. The largest gains were in other services (+4,200) and educational and health services (+2,500). Professional and business services added 1,600 jobs. Smaller increases occurred in trade, transportation, and utilities (+700) and financial activities (+400). Leisure and hospitality fell 5,700 over the month. Government was down 1,300, while information slipped 300. Employment in goods-producing industries, at 1,071,700, dropped 1,000. Most of the decrease was in manufacturing (-900). Natural resources and mining and construction were little changed.

Over the past 12 months, nonagricultural wage and salary employment dropped 18,800. Goods-producing industries were 23,200 lower, as manufacturing was down 23,800. Natural resources and mining rose 500, while construction was up 100. Service-providing industries advanced 4,400 over the year. Educational and health services added 9,600 jobs. Also up were professional and business services (+2,400), financial activities (+2,000), leisure and hospitality (+600), and other services (+500). Sectors with decreased employment were government (-4,600), information (-3,100), and trade, transportation, and utilities (-3,000).

Ohio County Unemployment Rates (Not Seasonally Adjusted) - Among the state's 88 counties, the May 2004 unemployment rates ranged from a low of 2.9 percent in Holmes County to a high of 13.8 percent in Morgan County. Rates decreased in 85 of the counties. The comparable rate for Ohio in May was 5.4 percent. Eleven counties had unemployment rates at or below 4.0 percent in May. The counties with the lowest rates, other than Holmes, were: Delaware, 3.0; Warren, 3.7; Union and Wyandot, 3.8; Butler and Shelby, 3.9; and Athens, Geauga, Hancock, and Logan counties, 4.0 percent.

Ten counties had unemployment rates at or above 8.0 percent during May. The counties with the highest rates, other than Morgan, were: Meigs, 13.5; Vinton, 10.7; Adams, 10.3; Monroe, 9.9; Pike, 9.3; Coshocton and Perry, 8.8; Scioto, 8.4 and Crawford, 8.0 percent.

According to Policy Matters, month-to-month data can vary and each month's statistics are later revised, so it is unwise to put too much weight in a single month's statistics. According to the survey of employers, Ohio gained 1,100 jobs in May. The ODJFS revised its earlier report on April jobs downward, showing a drop of 700 jobs from the previous month instead of a 4,300- job gain. Thus, the survey now shows employment in the state at virtually the same level from March through May.

The May reduction in the unemployment rate reflects both a drop in the number of people who were unemployed and a fall-off in how many people were in the labor force.

The Policy Matters analysis also shows that at this point after the early 1990s recession ended, Ohio had gained 131,800 jobs, or an increase of 2.7 percent. Since November 2001, when the recent recession officially ended, Ohio has lost 100,400 jobs, or 1.8 percent of its total. If job growth in Ohio had kept up with the expansion in the working-age population since the recession began in March 2001, the state would have approximately 289,000 more jobs than it currently has.

Manufacturing jobs were down by 900 in May from the month before. This puts manufacturing employment barely above its low last December, and more than 150,000 jobs below when the recession began.

“Ohio's manufacturing sector is not adding new workers, and the state's economy is lagging behind,” said Zach Schiller, research director of Policy Matters Ohio.