The State of Working Ohio, 2008
Executive Summary

Ohio was, in most ways that matter, left out of the national economic expansion over the past six years. As the country heads back into recession, the gains for working families, nationally and especially in Ohio, have been disappointing to say the least. Some key findings from an analysis of findings related to America and Ohio's working families:

Ohio and America: unequal and growing more so

- Inflation-adjusted wages fell in Ohio for both low- and median-wage workers between 2000 and 2007 and between 2006 and 2007. In both cases 2007 wages are below the wages earned in 1979, although they remain above levels earned for much of the 1980s and 1990s. The 2007 median wage was $14.76 per hour.
- Since 1979, pre-tax income of the top 5 percent of households grew by more than 80 percent, while income of households in the bottom 20 percent declined, and income of households in the middle of the earnings spectrum grew only modestly. In contrast, between 1947 and 1970, pre-tax income more than doubled for most households of low and moderate incomes, similar to growth for the very wealthiest.
- Income distribution in Ohio has grown more unequal over time, but disparities are less extreme than in the U.S. as a whole. In 2006 in Ohio, the richest one percent of families captured more than 15 percent of income in the state, while the entire bottom half of the population shared less than 15 percent. Nationally, the top one percent got more than one fifth of all earnings, while the bottom half shared less than 13 percent.
- Wealth is even more concentrated than income nationally, with the top one percent of Americans owning more than one third of all wealth in the United States and the top 10 percent together owning more than 70 percent. More than 80 percent of stock ownership is concentrated among the top 10 percent and nearly 37 percent is concentrated among the top one percent. State level data is unavailable.

Growing productivity, not widely shared

- Between 1947 and 1973 productivity and median family income grew directly in tandem, each by about 104 percent. But between 1973 and 2005, productivity grew by more than 105 percent, while family income grew by less than 31 percent. And in the last five years of that period, 2000-2005, despite a 16.6 percent increase in productivity, median family income actually fell by 2.3 percent in the United States. Nationally, in the most recent year measured (2005), the highest earning families consumed a larger share of total pre-tax income than at any time since 1928.
- Less than six in ten black Ohioans and only slightly more than one in three Ohio adults without a high school degree were employed in 2007.
- Women have steadily increased their labor force participation since 1979, from just under half of adult women over age 16 being in the labor force to 61.7 percent participation by 2007. Male labor force participation dropped between 1979 and 2007 from nearly four in five men to nearly three out of four.

Fewer returns to work

- Ohio's median wage was lower than the U.S. median wage in 2007, after having briefly converged with the U.S. median last year. In general, Ohio's median wage has been slightly lower than the nation's since 2001, in contrast to the 1980s when Ohio's median worker earned substantially more than the median U.S. worker.
- In recent history, Ohio has consistently had higher wages than West Virgina and Kentucky and

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lower wages than in Michigan and Pennsylvania, all still true. However, until the late 1990s, Ohio's median wage was solidly above that of Indiana. In this decade, Ohio's wage has been the same as the median wage in Indiana, with Ohio creeping above in 2006 and falling back to being slightly behind in 2007,

- The male female wage gap has narrowed over the past three decades, because of a large drop in male compensation and modest growth in women's compensation. In 2007, Ohio median wages dropped for both men (to $16.10) and women (to $13.32) when compared to the previous year. Men's compensation, when adjusted for inflation, is lower than it has been at any point since 1979, yet men continue to earn 21 percent more than women at the median in Ohio
- Black worker wages dropped substantially in 2007, to $12.04 an hour at the median, lower than at any point in the last decade, and lower than throughout the entire period between 1979 and 1995 in inflation-adjusted dollars. Black workers in Ohio used to earn significantly more than black workers in the country as a whole but this has not been consistently true since the mid-1990s. In 2007, the median black worker earned $12.69 an hour nationally and $12.04 an hour in Ohio.
- Union membership fell by more than a third, from 21.3 percent of the workforce in 1989 to just 14.1 percent of the Ohio workforce by 2007.

Education: more essential, more expensive

- While about nine in 10 adults in Ohio have a high school degree, there is variation between demographic groups, with lower levels of diploma attainment among black adults (84.8 percent) than among white adults (88.4 percent). Young adults above the age of 25 are more likely to have completed high school (92 percent of 25-44 year olds) than their older counterparts (74 percent of those over age 65).
- Less than one quarter of adults in Ohio had completed college by 2006. Among black adults, just 16.8 percent have a college degree. While only 16.3 percent of adults over age 65 have a BA, 26.6 percent of Ohioans between the ages of 25 and 44 have completed college.
- Nationally, in just the past ten years, average tuition at public four-year institutions has increased by more than fifty percent. Although tuition in Ohio is generally higher than in the rest of the country, additional state spending on higher education prevented Ohio tuition from rising further this year.
- Greater levels of education continued to correlate closely with higher wages in Ohio and the nation in 2007. The median worker with at least a Bachelor's degree earned $22.48 an hour in 2007, well over twice as much as the median worker with less than a high school degree, who earned just $9.30 an hour in 2007. Still, the wage of the median worker with a BA degree or more has not grown in the past eight years – the wage growth for those with college degrees took place primarily in the late 1990s.

Out of work

- Ohio's unemployment rate hit a fifteen-year high of 7.2 percent in July 2008. Ohio has fewer jobs than it had prior to the last recession, and has not even gained jobs during the national recovery. In terms of yearly averages, Ohio's unemployment rate increased slightly between 2006 and 2007, to a 5.6 percent yearly average last year.
- More than one in ten black labor market participants was out out of work in 2007, compared to about one of every 20 white workers. For all demographic groups in Ohio and the U.S., unemployment was higher in 2007 than it had been in 2000, although both years were considered peaks of a business cycle. For all demographic groups unemployment levels were higher in Ohio than in the U.S. as a whole.
- Unemployment levels for those with less than a high school degree in Ohio were more than 15 percent in 2007, well over two times higher than the 5.7 rate facing those with just a high school degree.

- The number of workers who saw their full-time jobs cut to part-time reached 3.7 million this summer – the highest national number for this figure in more than half a century. The overall national number for those working part-time involuntarily was 5.3 million, more than a million more than a year ago.

National policy change could revitalize Ohio, ensure that we get more out of the next economic expansion, and leave us better equipped to handle future downturns. The report ends with five things that Ohio should demand from the next president in this presidential election year. The broad areas where policy change is most needed include:

- Investing in the future, particularly in infrastructure, energy innovation and conservation, manufacturing vitality, and education from pre-kindergarten through graduate school;
- Creating more opportunity by targeting economic development, improving trade policy, and training our workforce;
- Building on-ramps to the middle-class by guaranteeing health insurance, having a fair progressive tax system, and encouraging unionization;
- Protecting assets by regulating credit nationally and assisting in the foreclosure crisis:
- Finally, retaining strong public structures by demanding excellent service and accountability, providing vigilant oversight and adequate funding, and making sure the jobs are done by qualified, well-compensated professionals.

This kind of policy in the past led to a more prosperous, educated, productive and sustainable country and state. As we enter a recession, following a recovery from which we were excluded, we should demand from those who would be president a renewed commitment to prosperity, equity, sustainability, and productivity.

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