# Policy Matters Ohio

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**Read the report at: http://www.policymattersohio.org/sowo_08.htm**

## Labor Day report shows national policy leaving Ohio workers behind
## Inequality and unemployment rising in Ohio and nation

The gains for working families during the national recovery have been disappointing in Ohio and nationally. As the country heads back into recession, weak wage and job growth nationally, combined with actual job loss in Ohio over the previous recession and the national recovery, point to an economy that is increasingly leaving workers behind. Some key findings from a new analysis:

**Ohio and America: unequal and growing more so**

- Inflation-adjusted in Ohio for both low- and median-wage workers were lower in 2007 than they had been in 1979, 2000, or 2006, although they were above levels in 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.
- In 2006, the richest one percent of families captured more than 15 percent of income in Ohio, while the entire bottom half of the population shared less than 15 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. 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.

Fewer returns to work

- Ohio's median wage was lower than the U.S. median wage in 2007, in contrast to the 1980s when Ohio workers earned substantially more than the median U.S. worker.
- 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

- High school and college completion levels have grown in Ohio, despite the fact that college has grown much more expensive over the past several years. Additional state investments held tuition down last year in Ohio, crucial at a time when education has become more essential. About nine in ten adults in Ohio had a high school degree and less than a quarter have completed college, but educational attainment tends to be significantly higher for 25-44 year olds than for those over 65.
- 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.
- 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," said Amy Hanauer, report author and Policy Matters' Executive Director. "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."