

Ohio job growth takes a holiday in August

Hannah Halbert

After an early summer of improved job growth, data from two separate surveys released by the Ohio Department of Job and Family Services (ODJFS) today show that both the unemployment rate and job growth held steady in August. Continued declines in the state's civilian labor force raise the question whether this is a just a pause or a prelude to slower growth.

For the third consecutive month, the state's unemployment rate was unchanged at 7.2 percent, according to seasonally adjusted data from ODJFS's survey of households.

After three months of five-figure job gains, Ohio lost 2,000 jobs in August, according to a separate survey of employers also released today by ODJFS. The August change is very small, particularly in light of the fact that month-to-month data is highly subject to revision and is still considered preliminary. The July job gain that was initially reported was adjusted upward in the release today by nearly the same amount as the August job loss.

Over the last twelve months, the state job total has grown by 98,300 jobs, or 1.9 percent. At that rate of growth it will take well over two years to generate the additional 232,800 jobs needed to return Ohio to pre-2007 recession levels of employment. That figure would be even higher if population growth were taken into account.

Key Findings

- The unemployment rate was flat in August at 7.2%, yet the labor force continued to decline, losing 19,000 workers, the 3rd month of 5-figure decreases.
- In the last twelve months, Ohio added 98,300 jobs, a growth rate of 1.9%.
- At this rate of growth, it will take well over two years for the state to regain the 232,800 jobs lost during the recession.

Figure 1 shows Ohio's long slog out of the recession. The figure highlights changes in the Ohio job market from key points in time, including the recessions that began in 2001 and 2007, and the 2005 approval of a major state tax overhaul, which promised speedier economic growth. These figures include the latest seasonally adjusted data from the monthly survey of employers (Current Employer Survey) done by ODJFS in co-operation with the U.S. Bureau of Labor Statistics.

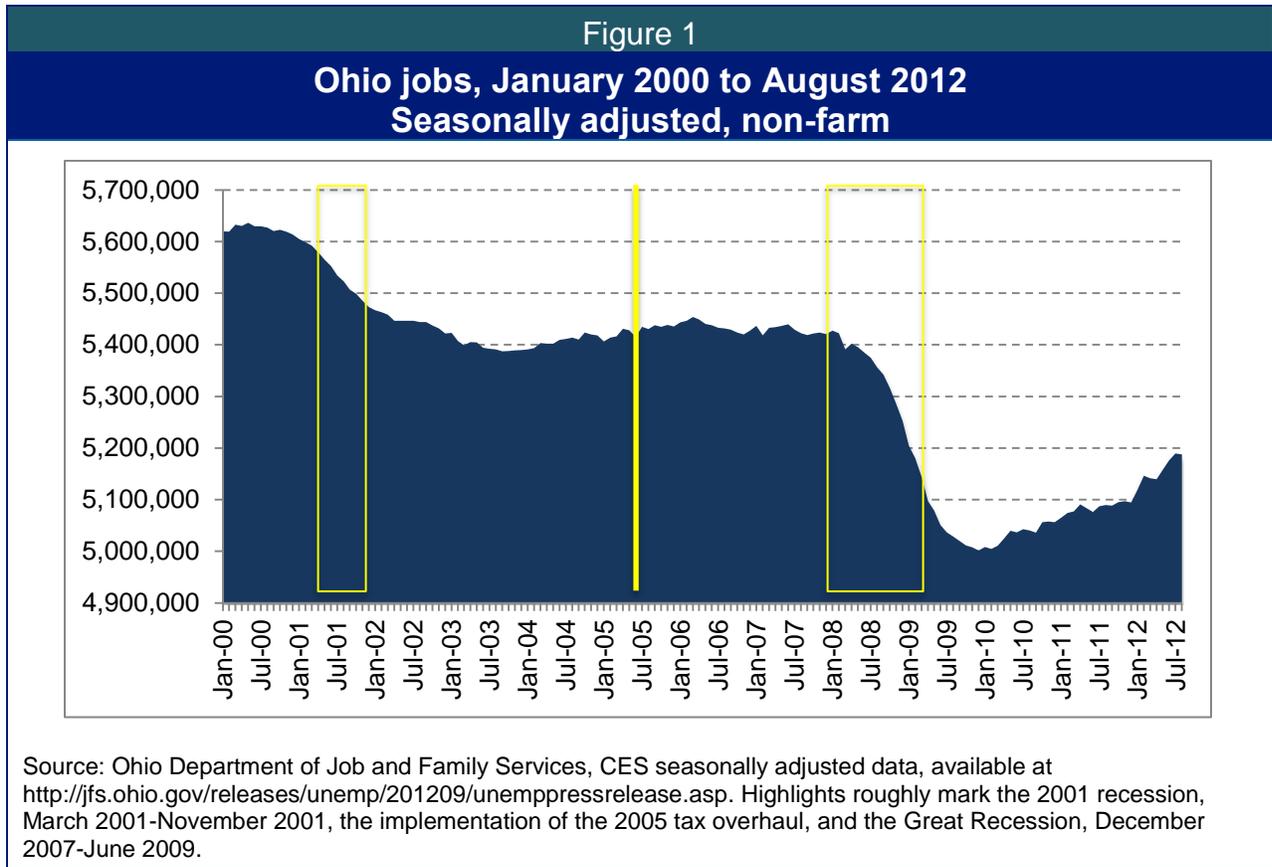


Table 1 details these changes. Not only is the state struggling to recover from the 2007 recession, Ohio never recovered from the 2001 recession, having lost more than 404,300 jobs since that recession began. Since the start of the 2007 recession, the state has lost 232,800 jobs. The state job count is also down 4.2 percent since the approval of the 2005 tax overhaul. These numbers are relatively unchanged from July. Even with this summer’s gains, the state is a long way from recovery, making today’s report somewhat concerning.

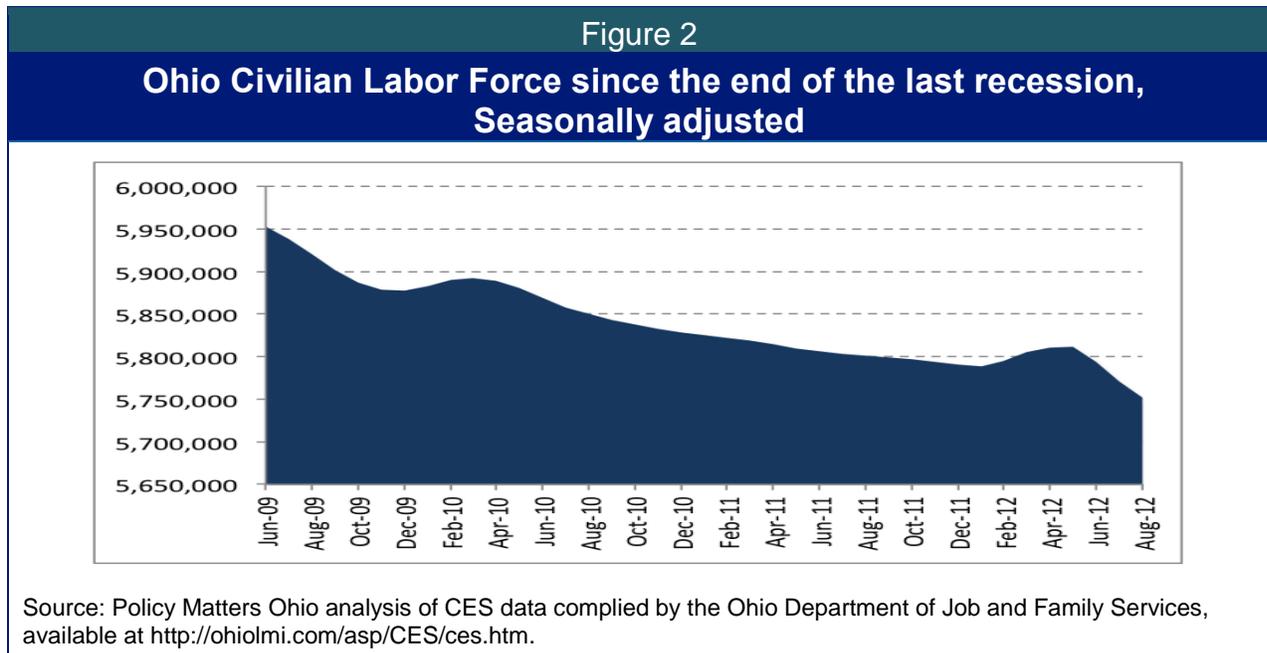
Table 1
Change in Ohio jobs by sector (in thousands)

	August 2012	Job change since 2001 recession start	% change since 2001 recession	Job change since 2005 tax overhaul	% change since 2005 tax overhaul	Job change since 2007 recession start	% change since 2007 recession
Total jobs	5,187.6	-404.3	-7.2	-227.3	-4.2	-232.8	-4.3
Manufacturing	663.5	-321.3	-32.6	-147.1	-18.1	-97.2	-12.8
Public sector	760.8	-31.2	-3.9	-36.0	-4.5	-32.5	-4.1

Source: Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201209/unemprelease.asp>.

The household survey revealed that the state’s labor force, the number of people working or actively looking for work, continued to decline, losing 19,000 workers in August.

This is a worrying trend and suggests that the recent job gains are not enough to bring discouraged workers back into the workforce. Figure 2 shows the decline of Ohio’s civilian labor force since the end of the recession in 2009.



After twenty-two months of labor force declines Ohio added 23,000 workers back to the labor force in the spring. All those gains have now been erased, more than twice over. August is the third consecutive month of five-figure labor force losses. In just three months, a net of 60,000 have stopped working or actively looking for work.

Some of the people leaving the labor force are choosing retirement, or to work in the home taking care of aging family members or children. Others may return to school to retrain for a different career. Many people, particularly during prolonged periods of high unemployment, stop seeking work and ‘drop out’ of the labor force. Some are simply too discouraged to continue searching, applying, and receiving rejections.

Table 2
Change in Ohio manufacturing jobs since the end of the last recession (in thousands, seasonally adjusted)

	August 2012	June 2009	Job change since end of 2007 recession	Percent change since end of 2007 recession
Total	663.5	614.1	49.4	8.0
Durable Goods	450.4	405.6	44.8	11.0
Nondurable Goods	213.1	208.5	4.6	2.2

Source: Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://ohiolmi.com/asp/CES/ces.htm>.

As Table 2 shows, durable goods manufacturing, which includes the auto-supply chain and appliance manufacturing, has been the source of much of Ohio's manufacturing growth. Both industries benefited from federal stimulus support. In August, durable manufacturing was slightly up (1,100 jobs), with the slight gain offset by losses in nondurable goods manufacturing (down 1,200 jobs).

The Worker Adjustment and Retraining Notification Act (WARN) protects workers and communities by requiring employers with more than 100 employees to provide 60 days' advance notice of plant closures or mass layoffs. Federal, state, and local government entities are not covered. WARN triggers rapid response services, which can include layoff aversion, training and dislocated worker assistance. As Table 3 shows, four WARN Act notices were filed with ODJFS in July, impacting 616 workers, of whom 327 are in a union.

Table 3			
WARN Act notices filed in Ohio, August 2012			
Employer	Location	Type of work	Impacted workers
Showa (American Showa, Inc.) Blanchester Plant	Blanchester (Clinton)	Auto-supply chain producer, power steering units	189
Ball Corporation- Columbus Beverage Can Plant	Columbus (Franklin)	Packaging, metal beverage	110*
Cincinnati Enquirer (Enquirer Media)	Cincinnati (Hamilton)	Printing plant	217*
Global Contact Services	Lancaster (Fairfield)	Call center	100

Source: Ohio Department of Jobs and Family Services, WARN Act Notices, available at <http://jfs.ohio.gov/warn/current.stm>, last accessed September 18, 2012. * Unionized workplace.

Conclusion

While it is too early to know whether August's report is just a pause in Ohio's slow march out of recession or a prelude to a reversal of course, it is clear that the state is a long way from full recovery. The declines in Ohio's labor force shows continuing weakness in the labor market. We need increased investment, not austerity, to restore our communities and grow good jobs.

JobWatch is an ongoing project of the *Economic Policy Institute* (<http://www.epinet.org>) and *Policy Matters Ohio*, (<http://www.policymattersohio.org>). Both are nonprofit policy research institutes.