

Good jobs news to start the holidays But Congress needs to extend unemployment benefits

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After a mixed September report, data from two separate surveys released by the Ohio Department of Job and Family Services (ODJFS) today present a more consistent and encouraging picture of Ohio's economy. ODJFS's survey of households shows another drop in Ohio's unemployment rate, which fell 0.2 percentage points, to 6.9 percent. This is the lowest the unemployment rate has been since August 2008. The household survey brought additional good news in that the Ohio labor force increased in October, by 14,000, the largest monthly increase in more than a decade.

A separate survey, the establishment survey, which provides the job count by surveying firms and generally carries more statistical weight, echoes the positive news. The survey shows that the state replaced the 12,000 jobs lost in September, and gained an additional 1,900 jobs. This brings the total estimated job growth for October to 13,900 jobs.

When both surveys are telling a unified and positive story about Ohio jobs it is hard to remember that the monthly numbers are always preliminary and subject to revision. The month-to-month reports are very volatile, so it is ill-advised to make too much of these changes. The monthly data must be read in the context of longer-term trends.

Meanwhile, tens of thousands of Ohioans face a cut-off of unemployment benefits in the middle of the holiday season if Congress does not act to extend federal support such payments.

Job growth trends

October's relatively large job gain represents a bounceback from the previous two months. Overall, the state has added a net 2,300 jobs since August. In contrast, from May to July, the state added more than 50,000 jobs. Over the last twelve months, the state job total has grown by 96,500 jobs, or 1.9 percent. While this is a major improvement, Ohio needs a continuation of the November gains to reach pre-recession employment levels.

Figure 1 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

Key findings

- The Ohio unemployment rate fell again in October to 6.9%, the lowest rate since August 2008.
- The Ohio labor force added 14,000, following September's gain. This is the largest monthly increase in more than a decade, but the labor force is still down by more than 40,000 since May.
- A separate survey reporting the job count showed that Ohio replaced the jobs lost in September and gained an additional 1,900 jobs, for a total October gain of 13,900.
- Ohio must create 10,000 jobs per month to return to pre-recession levels of employment in three years.
- Long-term unemployment continues to be a challenge. During the week ended Nov. 3, 49,763 Ohioans filed continued claims for extended federal benefits. This lifeline will end Dec. 29, if Congress does not act.

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.

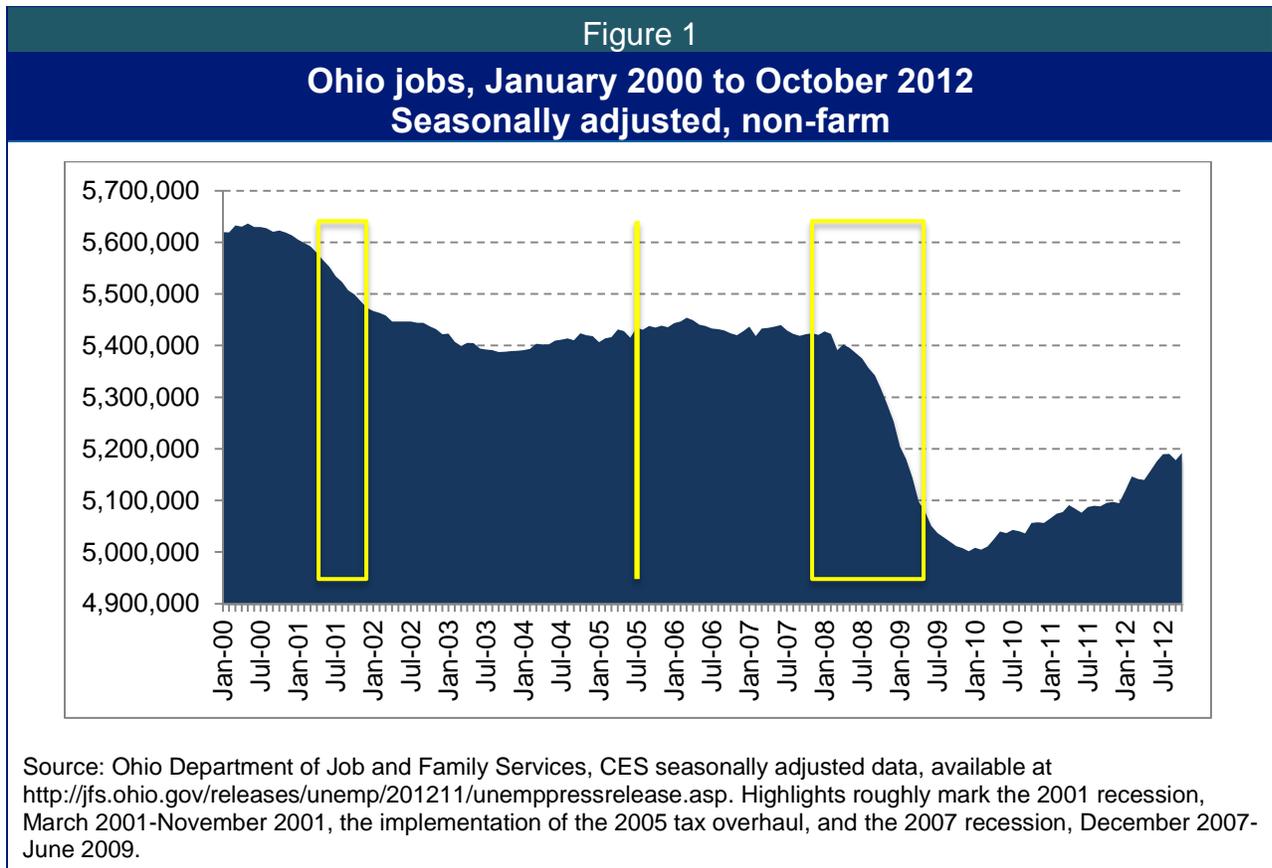


Table 1 details these changes. Not only is the state struggling to recover from the 2007 recession, Ohio never recovered from the 2001 recession, having lost more than 400,000 jobs since that recession began. Since the start of the 2007 recession, the state has lost 228,500 jobs. The state job count is also down more than 4 percent since the approval of the 2005 tax overhaul. The state is a long way from recovery.

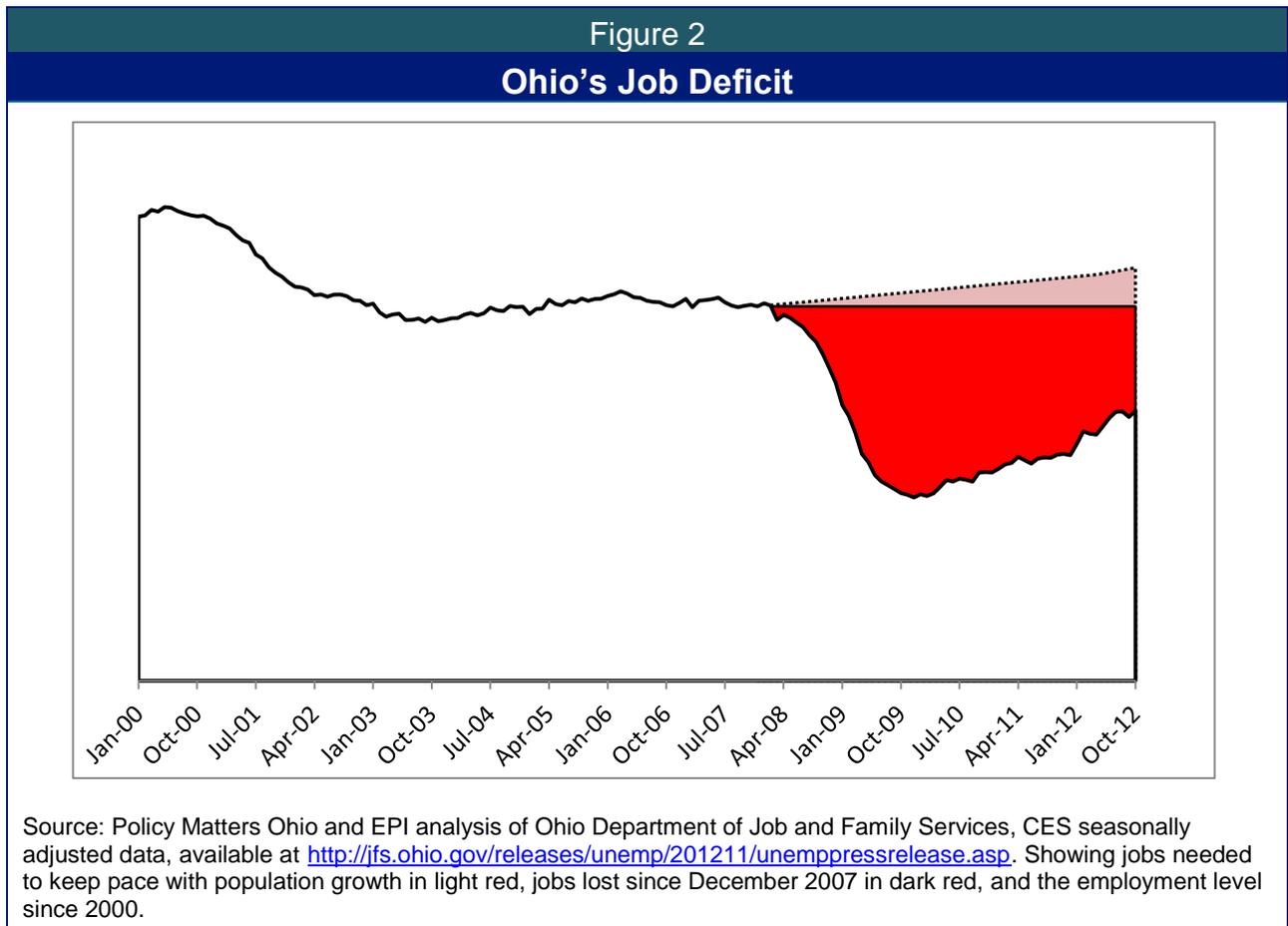
Table 1
Change in Ohio jobs by sector (in thousands)

	October 2012	Job change since 2001 recession start	% change since 2001 recession start	Job change since 2005 tax overhaul	% change since 2005 tax overhaul	Job change since 2007 recession start	% change since 2007 recession
Total jobs	5,191.9	-400.0	-7.2	-223.0	-4.1	-228.50	-4.2
Manufacturing	655.1	-329.7	-33.5	-155.5	-19.2	-105.6	-13.9
Public sector	764.5	-27.5	-3.5	-32.3	-4.1	-28.8	-3.6

Source: Ohio Department of Job and Family Services, CES seasonally adjusted data, available at <http://jfs.ohio.gov/releases/unemp/201211/unempresrelease.asp>.

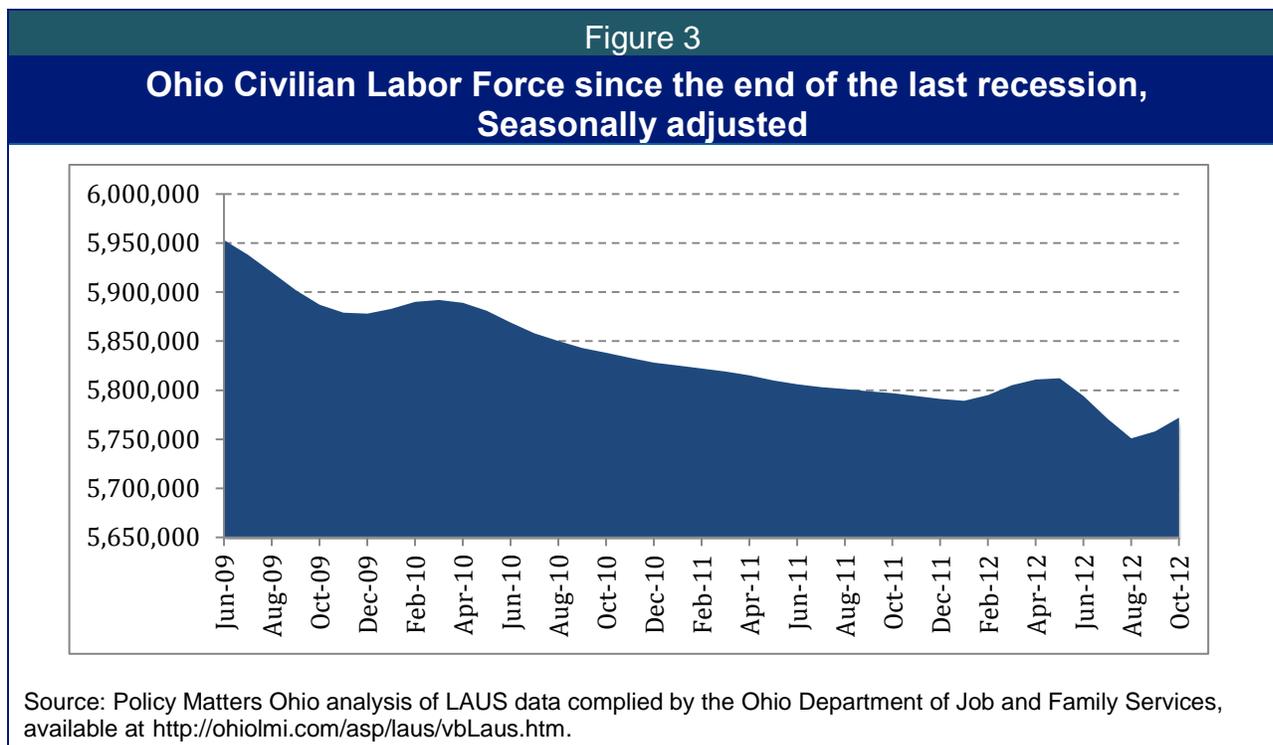
Ohio's job deficit

Ohio's job deficit, or the difference between the number of jobs Ohio has and the number of jobs needed to regain pre-recession levels of employment, is a staggering 350,700. That number includes the 228,500 jobs lost since the start of the 2007-09 recession plus the 122,200 jobs needed to keep up with the 2.3 percent population growth the state has experienced in the 58 months since the recession began. To close this gap in three years, Ohio would need to create at least 10,000 jobs per month. Figure 2, shows this narrowing but still sizeable gap.



Labor force

The household survey revealed that the state's labor force, the number of people working or actively looking for work, continued to grow in October. The increase of 14,000 is the largest monthly gain in the Ohio labor force in more than a decade. Yet, this remarkable monthly estimate combined with last month's growth only makes up for slightly more than a third of the losses from June-August of this year. Figure 3 shows the remarkable decline of Ohio's civilian labor force since the end of the recession in 2009. Over the last twelve months, the state's labor force has shrunk by 25,000 workers.



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. The recent gains in the labor force are encouraging as they suggest Ohioans are returning to the job market.

Long-term unemployment

This positive news should not eclipse Ohio’s continuing challenges. Long-term unemployment continues to be a major problem in Ohio, just as in the nation as a whole. In the year ended in September, the average Ohioan without a job was unemployed for 33.5 weeks, according to data from the U.S. Bureau of Labor Statistics. Since 2008, jobless workers in Ohio as elsewhere across the country have been able to receive additional benefits after the end of their state unemployment compensation (UC) benefits, which last up to 26 weeks in Ohio and most states. In Ohio, qualified workers are currently eligible for up to 37 additional weeks of these federal UC benefits. This not only provides crucial support to families, it bolsters the economy; in the first nine months of 2012, the U.S. program paid more than \$788 million to unemployed Ohioans.

However, the federal program will end Dec. 29 if Congress does not act. During the week ended Nov. 3, 49,763 Ohioans filed continued claims for these federal benefits, according to ODJFS. Thousands more will run out of their state benefits early next year. Congress should continue federal support for UC benefits to avoid the loss of income for tens of thousands of Ohioans and the negative effects that would have on their families and communities.

WARN

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 2 shows, nine WARN Act notices were filed with ODJFS in September, impacting 787 workers, 248 of whom are in a union.

Employer	Location	Type of work	Impacted workers
Exel, Inc.	Groveport (Franklin)	Warehouse and distribution	102
Skillsoft	Dublin (Franklin)	Online training provider	75
M&M Restaurant Supply	Toledo (Lucas)	McDonalds food distributor	105*
Morton Salt	Painesville (Ashtabula)	Production of de-icing salt	44*
VGS, Inc.	Various (Franklin)	Custodial work for people with disabilities, lost OSU contract	135
Embassy Suites	Cleveland (Cuyahoga)	Hotel and hospitality	108
Ryder	Groveport (Franklin)	Trucking	57
Rubbermaid	Wooster (Wayne)	Distribution center	62
Emerson-Inter Metro Industries	Fostoria (Seneca)	Production of carts, shelving, and storage equipment for medical, commercial, and food-service	99*

Source: Ohio Department of Jobs and Family Services, WARN Act Notices, available at <http://jfs.ohio.gov/warn/current.stm>, last accessed November 13, 2012. * Unionized workplace.

Conclusion

Ohio has not recovered from the 2007-09 recession. As elected officials at the state and federal level make policy choices to deal with budget shortfalls, they should avoid decisions that threaten to throw this tentative recovery into reverse. The Dec. 29 deadline for Congressional action on unemployment benefits is fast approaching. Congress should continue federal support for UC benefits to avoid the loss of income for tens of thousands of Ohioans and the negative effects that would have on their families and communities. Putting workers back to work so they can support and care for their families and fuel local economies should be the primary goal for policymakers.

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.