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Labor Day report finds tough Ohio labor market

Labor force participation was at a 33-year low at the end of 2012, Ohio job growth is fourth worst among states since 2005, and wages in Ohio inched up just a penny last year from already-low levels. The *State of Working Ohio 2013*, finds a tough labor market in Ohio.

“We are stuck in the aftermath of a terribly deep recession, in a weak recovery, with shrinking wages and growing disparities,” said Amy Hanauer, report author and executive director of the non-partisan research institute Policy Matters Ohio. The report found:

- **Weak recovery:** After the 1990 and 1981 recessions, Ohio fully recovered lost jobs within about 3.5 years or less, yet we haven’t recovered jobs lost in either of the last two recessions more than five and 12 years after the 2007 and 2001 recessions.
- **Worse growth than nation:** Since 2005 when tax cuts were passed here promising job creation, Ohio lost more than 3.8 percent of its jobs while the nation added 1.8 percent. Only three states lost more jobs than Ohio since then. Our cutting public jobs is in contrast to how we’ve behaved after previous recessions and is contributing to the weakness of this recovery.
- **Low labor force participation:** Labor force participation was lower than at any time since 1979 when we began tracking it. Male labor participation fell to an all-time low in 2012 and female labor participation fell for an unprecedented four years straight. Except for the last few years, African American employment-to-population ratios have not been this bad since 1985.
- **Low wages:** Ohio’s median wage nudged up by a paltry two cents between 2011 and 2012 and remains, with the exception of last year, lower than it has been since 1996 adjusted for inflation. It now lags nearly 75 cents behind that of the US as a whole.
- **Enduring disparities:** Women earned three dollars less per hour than men in Ohio in 2012 and the black-white wage gap in Ohio has grown to more than \$3.50 an hour. At 14.6 percent, unemployment in the black community is more than twice as high as in the white community.
- **Tough times for young and prime-age workers:** Not since 1985 has a smaller portion of prime-age workers (between 25 and 54) were in the Ohio labor force. Young people face recessionary unemployment levels when they should be starting on a career ladder.
- **Long-term unemployment persists:** In 2012, more than one in three of those without jobs had been out of work more than six months. Prior to this recession, 1983 was the only year when this share was so high. By late 2012, it had been this high for three years in a row.

“It’s time to change what we’re doing in Ohio,” Hanauer said. “We should be investing in education, retrofitting Ohio for a new energy economy, and restoring public jobs. These three smart moves would create jobs now and position Ohio better for the future.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*