Policy Matters Ohio

JobWatch

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Ohio *finally* regains lost jobs:
But legislators move to weaken recession protection

Strong job growth in October finally pushed the total number of Ohio jobs above the number we had when the recession officially began in December 2007. Ohio now has 7,600 more jobs than we did then, according to data from an employer survey released today by the Ohio Department of Job and Family Services (ODJFS). Our growth rate since the recession started is 0.1 percent, compared to a national average of 3.1 percent.

"Today's jobs report is good news for the state, but this preliminary count comes more than six years into the official recovery period. Most other states and the nation crossed this threshold more than a year ago," said Hannah Halbert, workforce researcher with Policy Matters Ohio.

Ohio gained more than 30,000 jobs in October, over a downwardly revised September total. October's preliminary gain appears to be the largest monthly gain in the recovery period. We have to look back to July 2011 to see a comparable monthly increase.

"The monthly numbers are always subject to revision," said Halbert. "This month shows a very large gain, but longer-term trends are more reliable indicators of the health of our economy."

Over the year, Ohio added an unimpressive 77,400 jobs, or just a 1.4 percent gain. Nearly 40 percent of the 12-month growth comes from the preliminary data released today.

"Regaining the number of jobs lost since the official start of the recession is a simple measure of progress. It does not account for population gains over that time or the quality of work available to Ohioans," Halbert said. "Through Census data, we know that even though more Ohioans are working, and workers have higher levels of education, we continue to see high levels of poverty and stagnant real wage growth over time."

Data from a separate survey of households also released today by ODJFS shows continued improvement in Ohio's unemployment rate, which now stands at 4.4 percent. Also running counter to the state's longer-term trends, the labor force estimate for October showed improvement, with 7,000 more Ohioans working or actively looking for work. Great weakness remains, however, as the labor force has fallen by more than 272,000 since the start of the recession.

"Ohio just reached this simple threshold of recovery, but it appears some state legislators have already forgotten the lessons of the 2007 recession," said Halbert. "Unemployment insurance is an automatic stabilizer designed to keep recessions from becoming even deeper by ensuring a basic level of spending when there is a crisis. Unemployment insurance helps individual families, but it protects all of us by keeping purchasing going and bills paid."

Right now, lawmakers are debating a bill -- House Bill 394 -- that would severely restrict access to unemployment insurance. Under the bill, maximum benefits in Ohio right now would be just 12 weeks, the lowest in the nation and less than half of the 26 weeks allowed now. "It is an alarming that some would risk this key recession protection." Halbert said.

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