

Ohio

Department of
Job and Family Services

TO STRENGTHEN OHIO'S FAMILIES THROUGH THE DELIVERY OF INTEGRATED SOLUTIONS TO TEMPORARY CHALLENGES

State of Ohio Workforce

2ND QUARTER

2 0 1 0



Quarterly Report on the State of Ohio's Workforce

Reference Period: Second Quarter 2010

(Per Ohio Revised Code 6301.10)

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Ohio Department of Job and Family Services
Office of Workforce Development
Bureau of Labor Market Information
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Summary

Ohio's unemployment rate was 10.7 percent during the second quarter of 2010, down from 10.9 during the first quarter and up from 10.3 percent a year ago. The average number of Ohioans unemployed per month decreased from 648,000 to 639,000 over the quarter. The U.S. unemployment rate for the second quarter was 9.7 percent, unchanged from the first quarter and up from 9.3 percent a year ago.

Ohio's nonagricultural wage and salary employment increased 43,600 over the second quarter, from 4,999,900 to 5,043,500 on a seasonally adjusted basis.

Service-providing industries increased by 23,300 jobs led by gains in government (+13,600) because of the hiring of temporary census workers. Gains in professional and business services (+5,500), leisure and hospitality (+3,000), trade, transportation, and utilities (+2,700), and educational and health services (+900), were partially offset by losses in other services (-1,200), information (-1,100), and financial activities (-100). Employment in goods-producing industries increased by 20,300. Manufacturing added 15,700 jobs, construction gained 4,200, while mining and logging improved 400.

Over the year, nonfarm wage and salary employment fell 35,700. Service-providing industries dropped 23,200, led by losses in trade, transportation, and utilities (-19,400) and financial activities (-14,700). Goods-producing industries declined 12,500 from second quarter 2009 led by losses in construction (-10,700).

Unemployment Rates and Related Data

Employment Situation: Ohio and U.S. (Seasonally Adjusted)

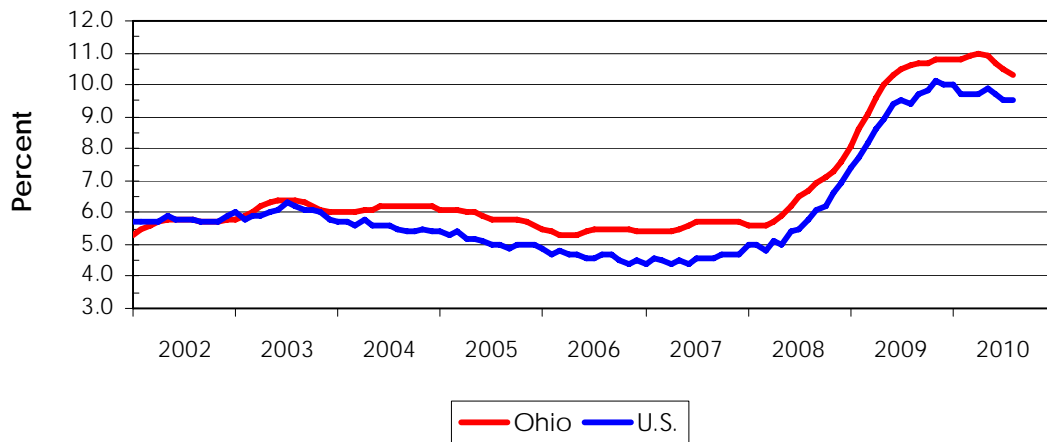
Ohio's unemployment rate for the second quarter of 2010 was 10.7 percent, down from 10.9 percent in first quarter 2010 and up from 10.3 a year ago. The U.S. unemployment rate for the second quarter was 9.7 percent, unchanged from the first quarter 2010 rate and up from 9.3 a year ago. The average number of Ohioans unemployed per month has decreased over the quarter from 648,000 to 639,000.

Employment Situation Indicators for Ohio and U.S.

	Quarterly Data (in thousands)			Change (in thousands)		Percent Change	
	2nd Qtr. 2010	1st Qtr. 2010	2nd Qtr. 2009	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Ohio							
Civilian Labor Force	5,974	5,929	6,002	45	-28	0.8%	-0.5%
Employment	5,334	5,281	5,385	53	-51	1.0%	-0.9%
Unemployment	639	648	617	-9	22	-1.3%	3.6%
Unemployment Rate	10.7%	10.9%	10.3%	-0.2%	0.4%		
U.S.							
Civilian Labor Force	154,283	153,531	154,811	753	-528	0.5%	-0.3%
Employment	139,331	138,626	140,459	705	-1,128	0.5%	-0.8%
Unemployment	14,952	14,904	14,352	48	600	0.3%	4.2%
Unemployment Rate	9.7%	9.7%	9.3%	0.0%	0.4%		

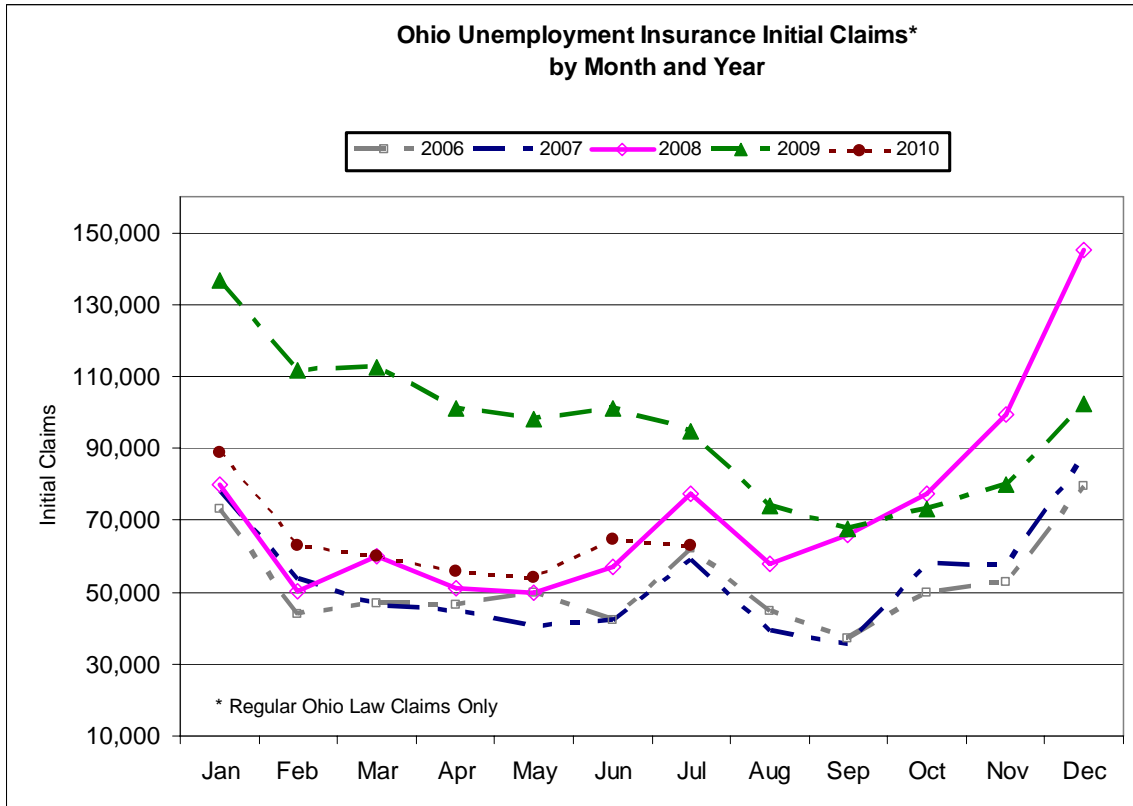
- Ohio and U.S. unemployment rates closely mirrored each other through mid-2003.
- During the latter half of 2003, the rates began to diverge as Ohio's unemployment rate remained higher than the U.S. unemployment rate.
- During the last six months, Ohio's unemployment rate has an average 0.9 percentage point higher than the U.S. rate.

Ohio and U.S. Seasonally Adjusted Unemployment Rates



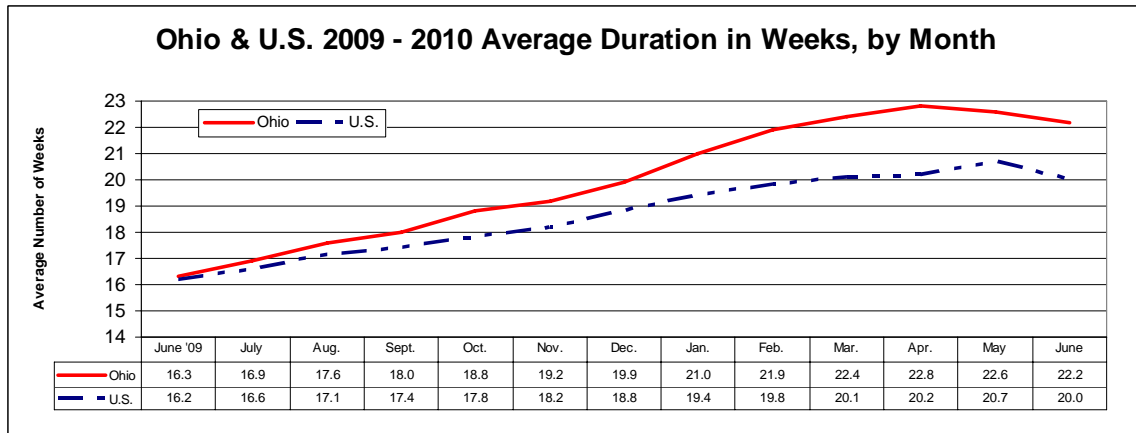
Ohio Monthly Unemployment Insurance Initial Claims

- Monthly initial claims for unemployment insurance follow a typical seasonal pattern every year, with major increases in claims activity occurring in January, July and December.
- Initial claims in July 2010 were substantially lower (33.6%) than the level recorded in 2009.



Average Duration of Unemployment: Ohio and U.S.

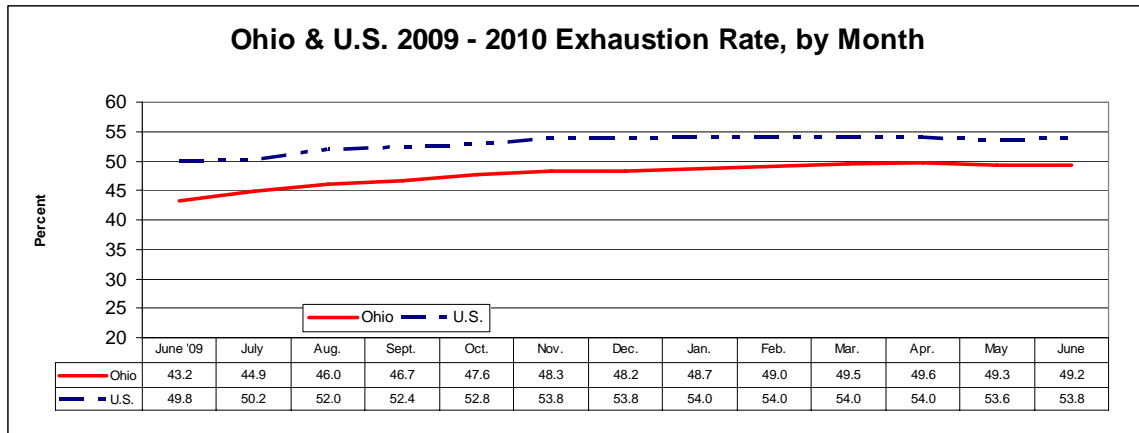
Average duration represents the average number of weeks of compensation received by unemployed claimants during the represented period.



- Ohio's average duration of unemployment closely mirrored the U.S. for the past 12 months.
- The Ohio average duration decreased to 22.2 weeks for June 2010 while the U.S. average decreased to 20.0 weeks for the same period.

Unemployment Insurance Benefit Exhaustions: Ohio and U.S.

The exhaustion rate represents a measure of the proportion of unemployment insurance recipients who ultimately exhaust their benefits.



- Ohio and national exhaustion rates have been increasing over the past 12 months.
- Ohio's exhaustion rate stayed consistently lower than that of the U.S.
- Ohio's exhaustion rate decreased slightly to 49.2 percent, while the U.S. rate increased to 53.8 percent in June 2010.

Employment Data

Ohio Nonagricultural Wage and Salary Employment (Seasonally Adjusted)

Ohio's nonagricultural wage and salary employment advanced 43,600 over the quarter, from 4,999,900 in the first quarter of 2010 to 5,043,500 in the second quarter of 2010.

Service-providing industries increased 23,300 to 4,234,900. Government advanced 13,600 mainly due to the hiring of temporary census workers. Employment was also up in professional and business services (+5,500), leisure and hospitality (+3,000), trade, transportation, and utilities (+2,700), and educational and health services (+900). Employment declined over the quarter in other services (-1,200), information (-1,100), and financial activities (-100). The workforce in goods-producing industries, at 808,600, was 20,300 higher. Increases in durable goods (+13,500) and nondurable goods (+2,200) added 15,700 jobs in manufacturing. Construction gained 4,200, while mining and logging improved 400.

Over the year, nonfarm wage and salary employment fell 35,700. Service-providing industries dropped 23,200. The most significant losses were posted in trade, transportation, and utilities (-19,400) and financial activities (-14,700). Employment was also lower in information (-4,900) and other services (-3,500). Increases were posted in government (+6,200), professional and business services (+6,000), educational and health services (+4,300), and leisure and hospitality (+2,800). Goods-producing industries declined 12,500 from second quarter 2009. Construction lost 10,700 jobs. Manufacturing decreased 1,600 as a reduction in nondurable goods (-2,700) exceeded an increase in durable goods (+1,100). Mining and logging was down 200.

Nonagricultural Wage and Salary Employment Estimates for Ohio^a

Seasonally Adjusted

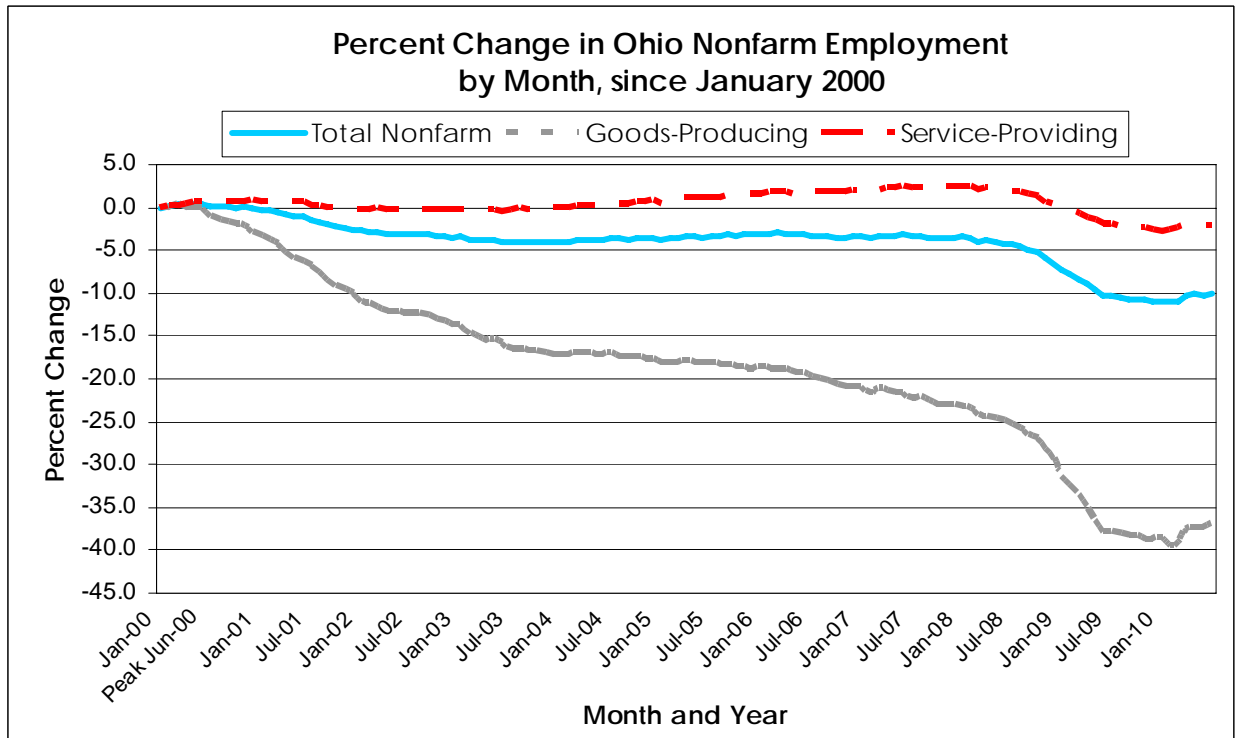
Employer Survey Data^b

	Employment (in thousands)			Change (in thousands)		Percent Change	
	2nd Qtr. 2010	1st Qtr. 2010	2nd Qtr. 2009	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Total	5,043.5	4,999.9	5,079.2	43.6	-35.7	0.9%	-0.7%
Goods-Producing Industries	808.6	788.3	821.1	20.3	-12.5	2.6%	-1.5%
Mining and Logging	11.7	11.3	11.9	0.4	-0.2	3.5%	-1.7%
Construction	170.1	165.9	180.8	4.2	-10.7	2.5%	-5.9%
Manufacturing	626.8	611.1	628.4	15.7	-1.6	2.6%	-0.3%
Durable Goods	418.5	405.0	417.4	13.5	1.1	3.3%	0.3%
Nondurable Goods	208.3	206.1	211.0	2.2	-2.7	1.1%	-1.3%
Service-Providing Industries	4,234.9	4,211.6	4,258.1	23.3	-23.2	0.6%	-0.5%
Trade, Transportation, and Utilities	952.9	950.2	972.3	2.7	-19.4	0.3%	-2.0%
Wholesale Trade	211.4	210.8	221.0	0.6	-9.6	0.3%	-4.3%
Retail Trade	564.5	562.1	563.5	2.4	1.0	0.4%	0.2%
Transportation, Warehousing, and Utilities	177.0	177.3	187.8	-0.3	-10.8	-0.2%	-5.8%
Information	76.3	77.4	81.2	-1.1	-4.9	-1.4%	-6.0%
Financial Activities	265.7	265.8	280.4	-0.1	-14.7	0.0%	-5.2%
Finance and Insurance	208.8	210.9	219.9	-2.1	-11.1	-1.0%	-5.0%
Real Estate and Rental and Leasing	56.9	54.9	60.5	2.0	-3.6	3.6%	-6.0%
Professional and Business Services	622.4	616.9	616.4	5.5	6.0	0.9%	1.0%
Professional and Technical Services	233.0	232.4	239.0	0.6	-6.0	0.3%	-2.5%
Management of Companies and Enterprises	105.4	105.1	109.7	0.3	-4.3	0.3%	-3.9%
Administrative, Support, and Waste Services	284.0	279.4	267.7	4.6	16.3	1.6%	6.1%
Educational and Health Services	829.1	828.2	824.8	0.9	4.3	0.1%	0.5%
Educational Services	106.8	106.5	109.5	0.3	-2.7	0.3%	-2.5%
Health Care and Social Assistance	722.3	721.7	715.3	0.6	7.0	0.1%	1.0%
Leisure and Hospitality	480.6	477.6	477.8	3.0	2.8	0.6%	0.6%
Arts, Entertainment, and Recreation	69.6	66.4	62.4	3.2	7.2	4.8%	11.5%
Accommodation and Food Services	411.0	411.2	415.4	-0.2	-4.4	0.0%	-1.1%
Other Services	209.8	211.0	213.3	-1.2	-3.5	-0.6%	-1.6%
Government	798.1	784.5	791.9	13.6	6.2	1.7%	0.8%
Federal Government	89.6	79.2	79.6	10.4	10.0	13.1%	12.6%
State Government	164.5	163.7	162.7	0.8	1.8	0.5%	1.1%
Local Government	544.0	541.6	549.6	2.4	-5.6	0.4%	-1.0%

^aSubtotals may not add to totals due to rounding. All data exclude military personnel.

^bFrom the Current Employment Statistics Survey, a monthly survey of approximately 12,100 employers conducted by ODJFS in cooperation with the U.S. Bureau of Labor Statistics. Estimates represent nonagricultural wage and salary jobs by place of work.

Trends in Ohio Nonagricultural Wage and Salary Employment

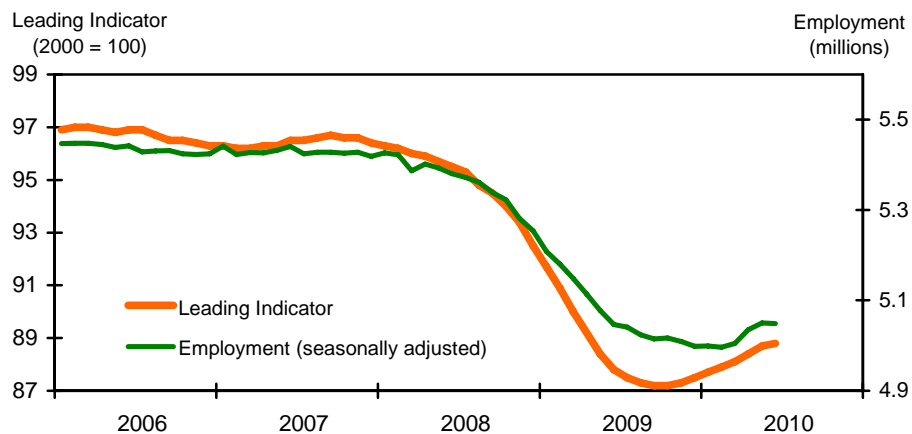


- Since January 2000, Ohio's goods-producing industries (manufacturing, construction and mining and logging) have lost 37.0 percent of their employment while service-providing industries have dropped 2.1 percent.
- In comparison, the U.S. has lost 26.8 percent of the employment in goods-producing industries while service-providing industries increased 5.7 percent.

Leading Indicators: Ohio and U.S. (Seasonally Adjusted)

Ohio's composite index of leading indicators increased from a revised 87.9 to 88.6 for the second quarter of 2010. The composite index was slightly higher than for the second quarter of 2009. The national composite index of leading economic indicators increased from a revised 108.4 to 109.8, and this was higher than for the second quarter of 2009.

Ohio Leading Indicator and Employment



The first quarter averages of individual Ohio index components (not seasonally adjusted) were generally better than one year ago. Valuation for new housing construction and the average weekly hours for manufacturing production were higher than for the second quarter of 2009, but permits for new housing was down slightly. Initial claims for unemployment insurance were much lower than for the second quarter 2009.

Economic Indicators	Data			Change		Percent Change	
	2nd Qtr. 2010	1st Qtr. 2010	2nd Qtr. 2009	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Ohio							
Leading Indicator Index (2000=100)	88.6	87.9	88.5	0.7	0.1	0.8%	0.1%
Average Initial Claims for Unemployment Insurance	63,185	82,000	103,729	-18,815	-40,544	-22.9%	-39.1%
Average Weekly Hours for Manufacturing	40.4	40.1	38.8	0.3	1.6	0.7%	4.1%
Average Valuation of Housing Permits (millions of dollars)	226.211	183.595	213.232	42.616	12.979	23.2%	6.1%
Average Number of Housing Permits	1,287	1,107	1,301	180	-14	16.3%	-1.1%
National Data							
National Composite Index of Leading Economic Indicators (1996=100)	109.8	108.4	100.1	1.4	9.7	1.3%	9.7%
U.S. Domestic Auto Production (annualized in millions)	2.807	3.001	1.868	-0.194	0.939	-6.5%	50.3%
Difference between 10-Year and 1-Year Treasuries, Constant Maturities	3.11	3.35	2.79	-0.24	0.32	-7.2%	11.5%
Average Number of Housing Permits	55,405	48,535	51,400	6,870	4,005	14.2%	7.8%

Jobs Gained or Lost

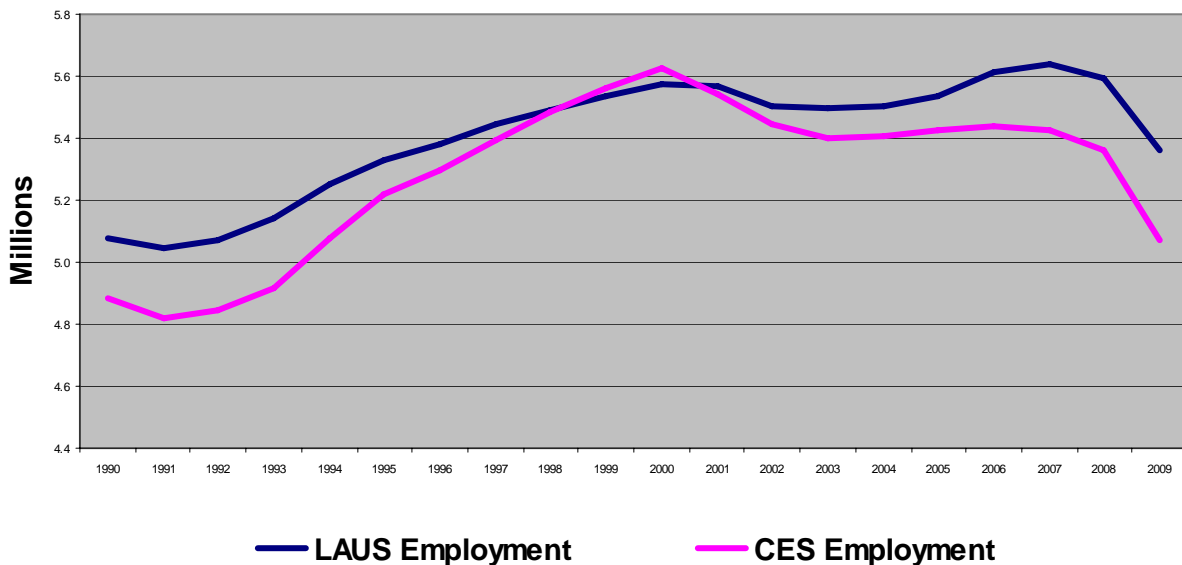
Current Employment Survey (CES)

The most reliable and most easily understood statistic on jobs is the nonagricultural wage and salary employment which comes from the Current Employment Survey (see the Data Sources section for more detail). This business establishment survey tracks most closely with business cycle changes and is the statistical source most heavily relied on by labor economists, including those at the Bureau of Labor Statistics. It provides information on jobs lost or gained from month-to-month and over the year. The trend in nonagricultural employment on the previous page is CES data. Of course, there is considerable dynamic activity behind these figures in respect to job changes, layoffs and hiring activity, which in themselves are not represented in the net job statistic.

Local Area Unemployment Statistics (LAUS) and Current Population Survey (CPS)

The employment numbers published under the Employment Situation Indicators chart for Ohio (LAUS data) earlier in this packet are heavily dependent on the Current Population Survey (often referred to as the "Household" survey). These figures are useful for understanding the unemployment rate and can be useful for the labor economist's analysis of what is happening in the labor market. However, as a general measure of job growth or decline and corresponding public announcements, it has proven problematic. The CPS for Ohio contains a small sample of households, tends to be highly volatile and is benchmarked (i.e., controlled to a known universe) only once every ten years with the decennial census. It has not proven to be a good measure of business cycles. For example, the LAUS employment numbers showed only a slight decline at the onset of the 2001 recession and a much more rapid recovery in 2005 and 2006 than indicated by the CES data (see chart below). The LAUS data have no measure of job loss or gain by industry.

Ohio LAUS and CES Employment Trends, 1990-2009



Mass Layoff Announcements

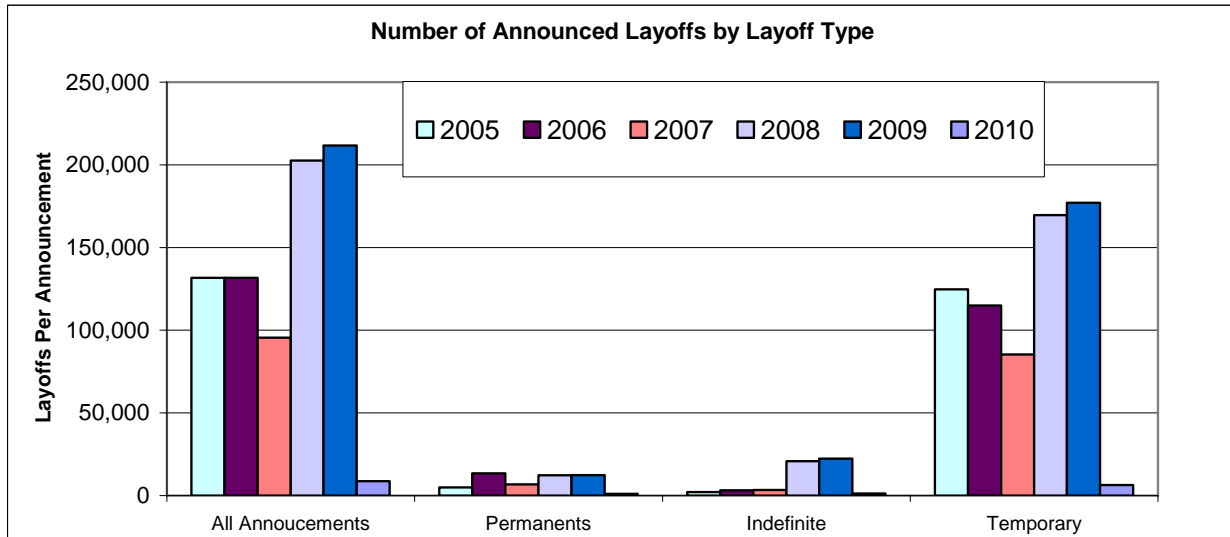
Mass layoff announcements are reported by the business entity. These statistics have proven useful to explain major shifts in the employment situation that may occur at the local level from one month to another. However, they must be used with caution, particularly when considering them at a summary level or as a state-wide indicator. These statistics have the following caveats.

- ODJFS requests employers to provide the greatest number of workers potentially affected and actual numbers are normally less.
- Any employer may announce mass layoffs multiple times and / or for multiple locations over the year.
- There is no formal process or monitoring to assure consistent reporting.
- These numbers are reported "intent" and are never independently verified.
- They may be reported but then circumstances change that decrease the size of the layoff or eliminate the need for a layoff.
- Even if a layoff materializes, it does not necessarily mean people are unemployed as a result. They may retire, work part time, take severance pay or find another job.
- A number of the reported layoffs are part of a normal business cycle, where the business normally restricts operations for product change-over, inventory processes or because of seasonal demand cycles.
- Some layoffs are very short lived, while others could take a year or more to complete. There is no precise measure of timing.

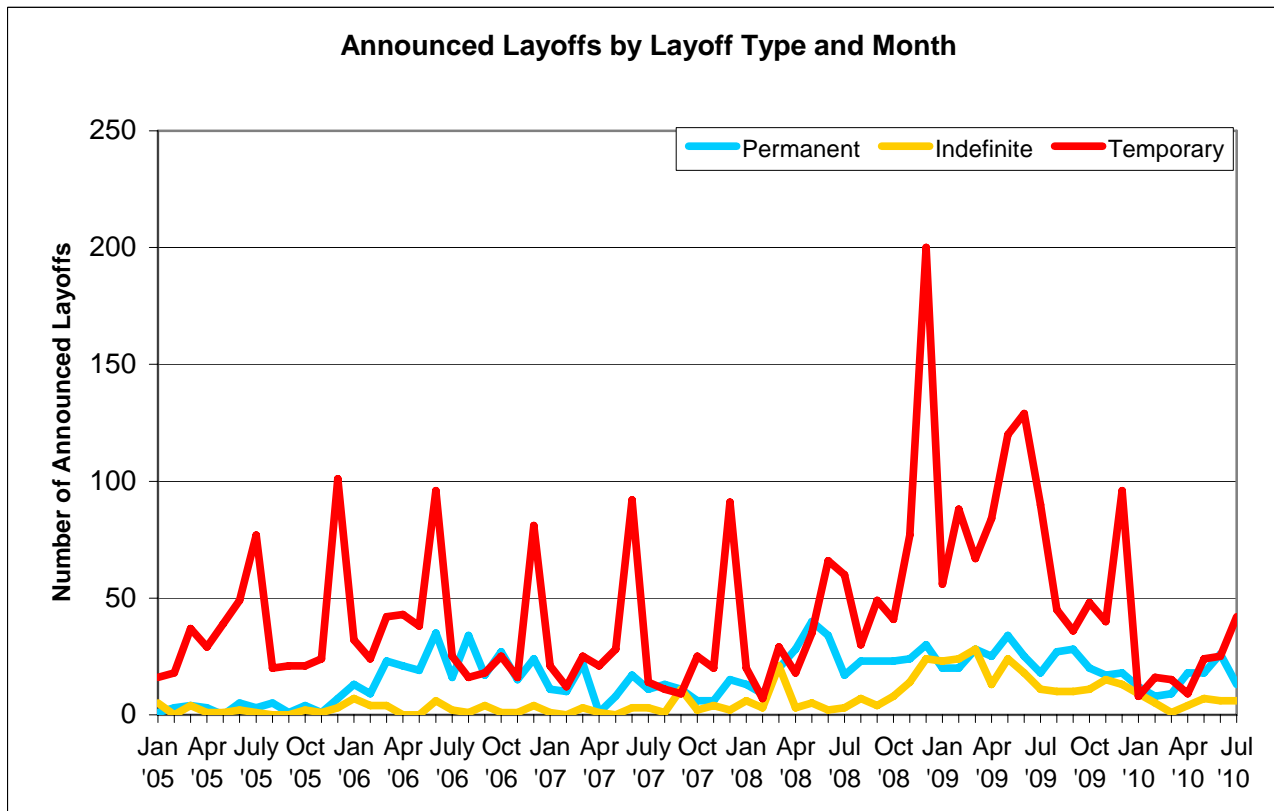
See Mass Layoff Announcements table and graph on next page.

Mass Layoff Announcements, 2005 to 2010

Year	Layoff Announcements		Permanent Layoffs		Indefinite Layoffs		Temporary Layoffs	
	Events	Employees	Events	Employees	Events	Employees	Events	Employees
2005	509	131,712	37	4,894	20	2,072	452	124,746
2006	743	131,628	253	13,481	34	3,224	456	114,923
2007	531	95,454	131	6,822	31	3,331	369	85,301
2008	1,016	202,657	284	12,305	100	20,671	632	169,681
2009	1,379	211,641	280	12,354	200	22,282	899	177,005
Thru July 2010	281	36,719	104	3,601	38	5,103	139	28,015



The graph below is an example of the highly seasonal nature of these mass layoff announcements.



Related Information

Related Information

IHS Global Insight Analysis:

IHS Global Insight has downwardly revised its expectations for GDP growth to 2.8 percent for the second half of 2010 and 2.7 percent for 2011. They give a 25 percent chance of a double-dip recession. Both household and business savings rates are high, which are negatively affecting consumer demand and employment respectively. IHS Global Insight has downwardly revised its national estimate of housing starts for 2011 by 100,000.

Ohio Leading Indicators:

Leading indicators for Ohio and the eight major metropolitan areas are softening, although they generally remain positive. The composite index of leading indicators for Ohio increased 0.1 percent in June to 88.8, suggesting a weakly improving labor market. The leading indicators for the Canton-Massillon, Dayton, and Toledo MSAs increased 0.2 percent, followed by Akron, Cincinnati-Middletown, Cleveland-Elyria-Mentor, and Columbus at 0.1 percent. Youngstown-Warren-Boardman held steady. The national index of leading economic indicators decreased 0.2 percent to 109.8 in June.

Other Economic Indicators:

The Conference Board's Help-Wanted Online Data Series increased by 139,200 ads for July. Ohio declined by 1,600 online advertised job vacancies in July compared to June. Ohio's supply/demand rate, the ratio of the number of unemployed to the number of advertised job vacancies, was 4.55 in July. This is the eighth highest rate in the country. The national supply/demand rate for July was 3.52.

The Conference Board's Employment Trends Index increased in July for the 14th consecutive month. The index stands at 97.0, up from 96.7 in June. The index is up 9.8 percent from a year ago. July's increase in the ETI was driven by improvements in six of its eight components: Initial Claims for Unemployment Insurance, Percentage of Firms With Positions Not Able to Fill Right Now, Part-Time Workers for Economic Reasons, Job Openings, Industrial Production and Real Manufacturing and Trade Sales.

Technical Notes

Data Sources and Additional Resources Links

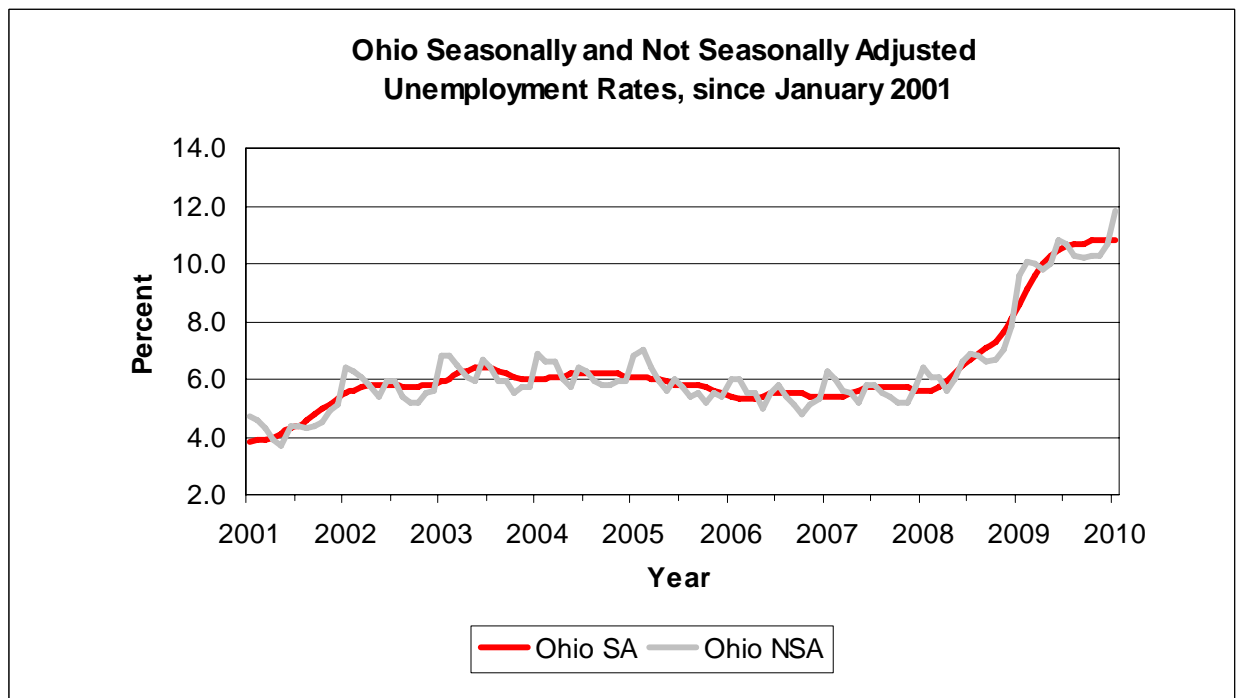
Seasonal Adjustment

Ohio and U.S. unemployment rates and labor force data are published monthly by the BLS. Two sets of data are published: seasonally adjusted data and not seasonally adjusted data. County data are not seasonally adjusted because seasonal adjustment factors tend to be unreliable for small areas.

Seasonal adjustment is used to remove fluctuations in unemployment and labor force trends that normally occur with changes in the season. The removal of seasonal variation allows evaluation of the unemployment rates as an indicator of economic change.

Seasonal variation in the employment situation occurs for a variety of natural and institutional reasons. Examples include reduction of employment involving outdoor activities during winter, large changes in labor force and unemployment levels with opening and closing of schools, and employment reductions during the automobile model changeover period. The overall impact of such events is a seasonal rise in unemployment rates during the winter months, usually peaking in January and February, and a drop in unemployment rates during the spring and late summer with May and September typically the low months.

The graph below presents the wide month-to-month changes that occur in the not seasonally adjusted data which reinforces our use of seasonally adjusted data, when available.



Unemployment Rates and Related Data

Employment Situation: Ohio and U.S

U.S. data are derived from a national household survey known as the Current Population Survey (CPS). This survey is conducted monthly by the U.S. Bureau of the Census for the U.S. Bureau of Labor Statistics (BLS). The survey collects data on the demographic characteristics and labor force status of household members, including employment and unemployment from approximately 60,000 households.

Ohio data are developed in cooperation with the BLS using the State Time Series Analysis and Review System (STARS). This method relies heavily on monthly unpublished CPS data as well as current wage and salary employment and unemployment insurance statistics. The time series model is designed to provide data on employment of all types of workers, based on place of residence.

Ohio Monthly Unemployment Insurance Initial Claims

Initial claims information was obtained from administrative records of the Ohio unemployment compensation program, operated by the Ohio Department of Job and Family Services.

An initial claim is defined as any notice of unemployment filed to request a determination of entitlement to and eligibility for compensation, or to begin a second or subsequent period of eligibility within a benefit year. Initial claims counts presented in this report include new, additional, transitional, and interstate agent claims. Beginning in January 2005, transitional claims are excluded from counts since they do not represent newly unemployed workers.

Average Duration of Unemployment and Unemployment Insurance Benefit Exhaustions: Ohio and U.S

Average duration of unemployment was calculated as the total number of weeks compensated for the previous 12 months divided by the total number of first payments for the same 12 month period. First payment is defined as the first payment in a benefit year for a week of unemployment.

Exhaustion rates were calculated as the number of claimants exhausting benefits divided by the number of claimants' first receiving benefits two quarters earlier.

Quarterly totals for average duration of unemployment and number of exhaustions in the U.S. and Ohio were obtained from the U.S. Department of Labor, Employment and Training Administration (ETA). The national ETA office collects unemployment data from the states, then compiles and redistributes state and national unemployment insurance statistics through a required reporting mechanism in which all states participate.

The Claims and Payment Activities report (ETA-5159) serves as the basis for these figures. The DOL-ETA site is listed below.

<http://workforcesecurity.doleta.gov/unemploy/content/data.asp>

Unemployment Rates for U.S. and Eight Largest States

The unemployment rates presented are the most recent seasonally adjusted data available from BLS for the nation's eight most populated states. This graph includes data for the three months prior to the current reference month because some the states presented release data after the Ohio release date. URL web links for each State are present below and are the quickest source of the most current data.

California	http://www.labormarketinfo.edd.ca.gov
Florida	http://www.labormarketinfo.com/laus/
Illinois	http://lmi.ides.state.il.us/laus/illaus_seasadj.htm
Michigan	http://www.milmi.org/
New York	http://www.labor.state.ny.us/
Ohio	http://ohiolmi.com/laus/current.htm
Pennsylvania	http://www.paworkstats.state.pa.us
Texas	http://www.tracer2.com/

Ohio County Unemployment Rates

Ohio sub-state employment and unemployment estimates are developed using a complex "building-block" methodology, prescribed by BLS. The methodology creates first approximation estimates of the employed and unemployed which are then proportionately adjusted so that they add to the state totals. A more complete statement of methodology may be found at: <http://lmi.state.oh.us/LAUS/Concepts.htm>.

Data for Ohio's sub-state areas are not seasonally adjusted because seasonal adjustment factors for small areas tend to be unreliable.

Employment Data

Ohio Nonagricultural Wage and Salary Employment

Ohio nonfarm employment data are derived from an employer survey known as the Current Employment Survey (CES). This survey is conducted monthly by ODJFS/BLMI, in cooperation with the BLS. The data are compiled from voluntary reports from 11,800 Ohio employers. The employer survey provides data on total employment, and on hours and earnings of production workers, by type of industry.

The employer survey does not include the self-employed, unpaid family workers, private household workers, agricultural workers, or those on strike or unpaid vacation and are based on place of work. Analysts generally regard the nonfarm data as the most reliable indicator of the current economic conditions due to its large sample size and the fact that the data are benchmarked annually to the complete count of employment from administrative unemployment insurance records.

Trends in Ohio Nonagricultural Wage and Salary Employment

Goods-producing industries include mining and logging, construction, and manufacturing. Service-providing industries include trade, transportation and utilities, information, financial activities, professional and business services, educational and health services, leisure and hospitality, other services, and government.

Web Links for additional information

U.S. Bureau of Labor Statistics site: <http://www.bls.gov>

Ohio Bureau of Labor Market Information site: <http://ohiolmi.com>

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Bureau of Labor Market Information
Business Principles for Workforce Development

Partner with the workforce and economic development community.

Develop and deploy new information solution tools and systems for the workforce and economic development community.

Provide products and services that are customer and demand driven.

Be known as an important and reliable source for information solutions that support workforce development goals and outcomes.

This quarterly report was prepared by the Ohio Department of Job and Family Services to meet the requirements of the Ohio Revised Code 6301.10.

For further information, visit <http://OhioLMI.com> or call the Ohio Bureau of Labor Market Information at 1-888-296-7541.

Ted Strickland, Governor
State of Ohio
<http://Ohio.gov>

Douglas E. Lumpkin, Director
Ohio Department of Job and Family Services
<http://jfs.ohio.gov>

Office of Workforce Development
<http://jfs.ohio.gov/owd/>

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