



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 1



Quarterly Report on the State of Ohio's Workforce

Reference Period: Second Quarter 2011

(Per Ohio Revised Code 6301.10)

- **Summary**

- **Unemployment Rates and Related Data**
 - Employment Situation: Ohio and U.S.
 - Ohio Monthly Unemployment Insurance Initial Claims
 - Average Duration of Unemployment: Ohio and U.S.
 - Unemployment Insurance Benefit Exhaustions: Ohio and U.S.

- **Employment Data**
 - Ohio Nonagricultural Wage and Salary Employment
 - Trends in Ohio Nonagricultural Wage and Salary Employment
 - Ohio Leading Indicators
 - Jobs Gained or Lost

- **Related Information**
 - IHS Global Insight Analysis
 - Other Economic Indicators

- **Technical Notes**

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 8.7 percent during the second quarter of 2011, down from 9.2 during the first quarter and from 10.2 percent one year ago. The U.S. unemployment rate for the second quarter was 9.1 percent, up from 8.9 percent in the first quarter and down from 9.6 percent one year ago. The average number of Ohioans unemployed per month decreased over the quarter from 540,000 to 511,000.

Ohio's nonagricultural wage and salary employment increased by 19,900 jobs over the second quarter, from 5,078,100 to 5,098,000 on a seasonally adjusted basis.

Service-providing industries increased by 15,800 jobs over the quarter. The most significant gain among service sectors was in educational and health services followed by professional and business services; trade, transportation, and utilities; leisure and hospitality; and financial activities. Employment in government, other services, and information declined over the quarter. Employment in goods-producing industries increased over the quarter by 4,100 jobs. Manufacturing and mining and logging increased, while construction lost jobs over the quarter.

Over the year, nonfarm wage and salary employment advanced 64,400. Service-providing industries increased 52,800 from second quarter 2010. Among service industries, gains were posted in educational and health services; professional and business services; leisure and hospitality; other services; trade, transportation, and utilities; and financial activities. Employment decreased over the year in government and information. Goods-producing industries added 11,600 jobs over the year. Employment in manufacturing, construction, and mining and logging all increased.

Unemployment Rates and Related Data

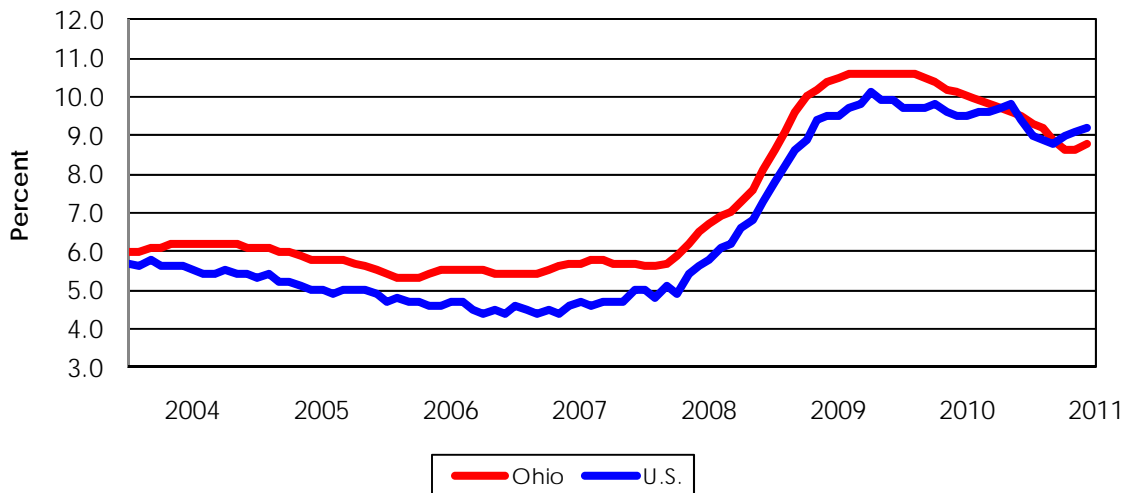
Employment Situation: Ohio and U.S. (Seasonally Adjusted)

Ohio's unemployment rate for the second quarter of 2011 was 8.7 percent, down from 9.2 percent in first quarter 2011 and from 10.2 a year ago. The U.S. unemployment rate for the second quarter was 9.1 percent, up from 8.9 percent in first quarter 2011 and down from 9.6 a year ago. The average number of Ohioans unemployed per month has decreased over the quarter from 540,000 to 511,000.

Employment Situation Indicators for Ohio and U.S.	Quarterly Data (in thousands)			Change (in thousands)		Percent Change	
	2nd Qtr. 2011	1st Qtr. 2011	2nd Qtr. 2010	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Ohio							
Civilian Labor Force	5,888	5,897	5,900	-9	-12	-0.1%	-0.2%
Employment	5,377	5,357	5,297	20	80	0.4%	1.5%
Unemployment	511	540	604	-29	-92	-5.3%	-15.3%
Unemployment Rate	8.7%	9.2%	10.2%	-0.5%	-1.5%		
U.S.							
Civilian Labor Force	153,512	153,279	154,147	232	-636	0.2%	-0.4%
Employment	139,596	139,587	139,276	9	320	0.0%	0.2%
Unemployment	13,916	13,693	14,872	223	-956	1.6%	-6.4%
Unemployment Rate	9.1%	8.9%	9.6%	0.2%	-0.5%		

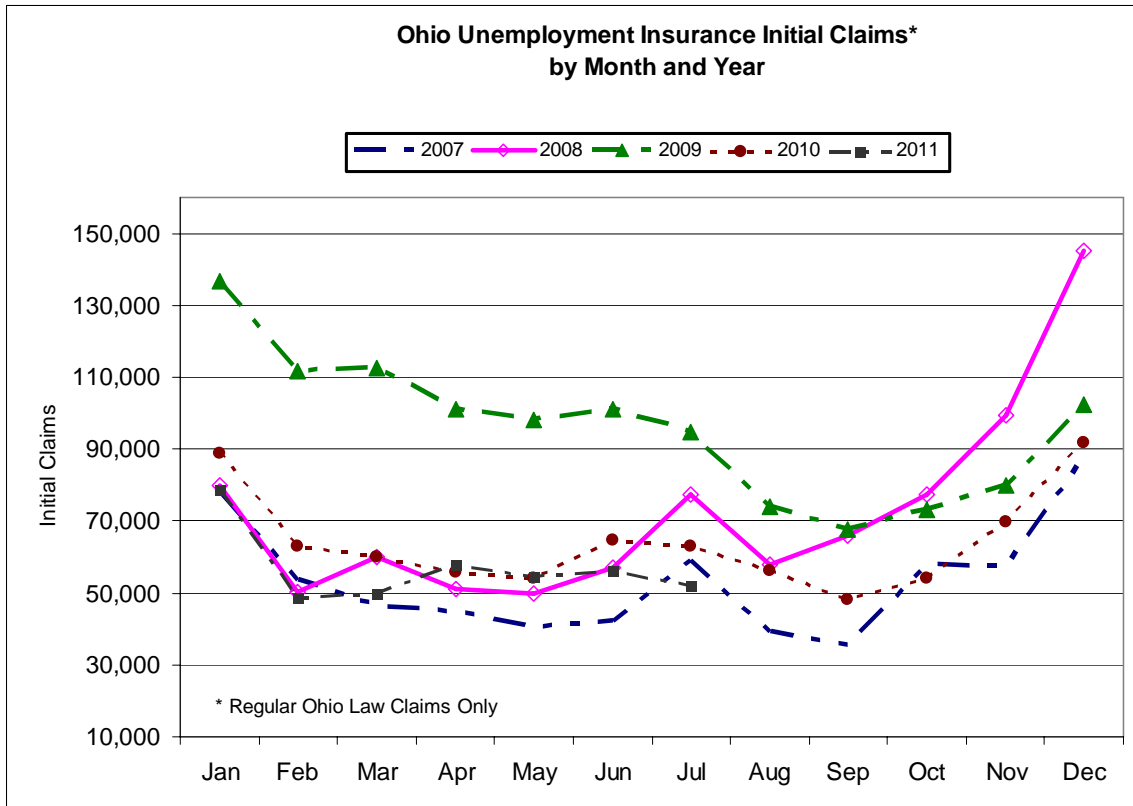
- Since 2004, Ohio's unemployment rate remained higher than the U.S. unemployment rate. The rates started to converge in the last half of 2010.
- During the last six months, Ohio's unemployment rate has an average 0.1 percentage point lower than the U.S. rate.

Ohio and U.S. Seasonally Adjusted Unemployment Rates



Ohio Monthly Unemployment Insurance Initial Claims

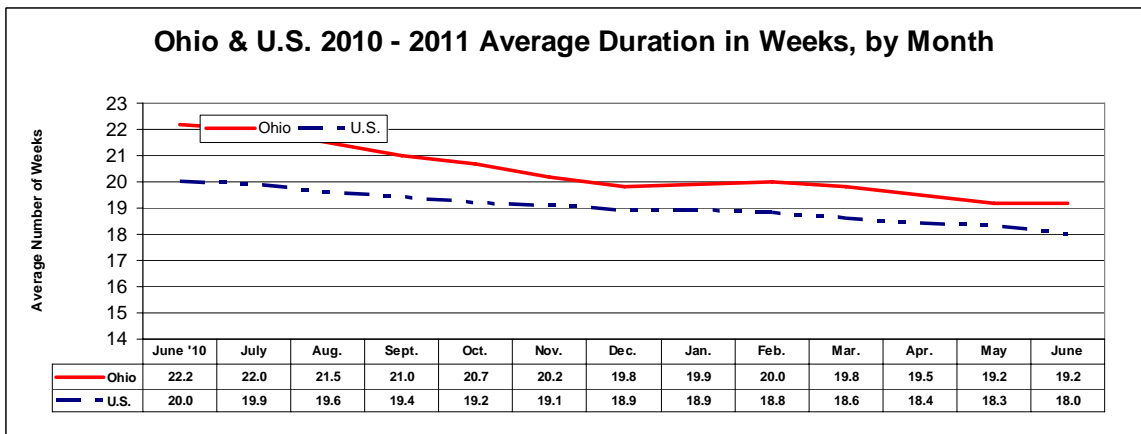
- Monthly initial claims for unemployment insurance follow a typical seasonal pattern every year, with major increases in claims activity occurring in January, July and December.
- Initial claims in July 2011 were substantially lower (-17.2%) than the level recorded in 2010.



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.

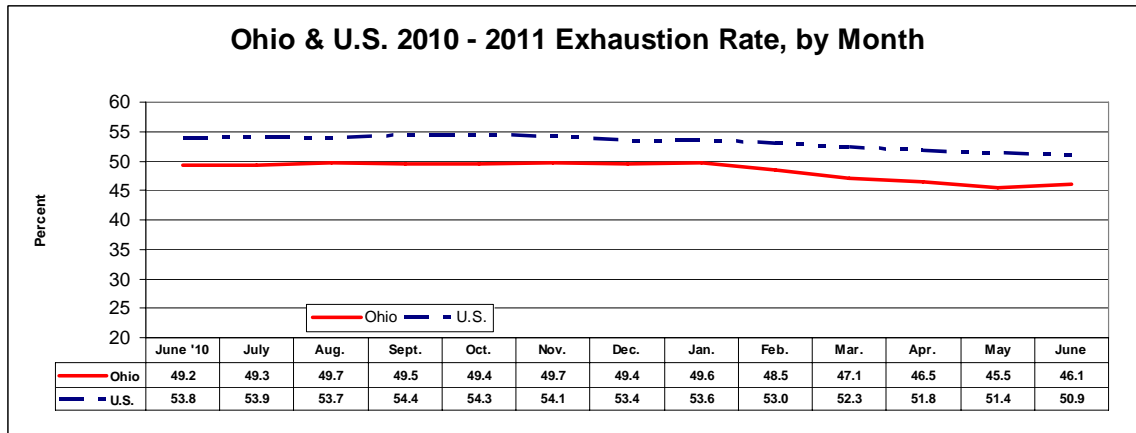
- Ohio's average duration of unemployment has remained higher than that of the U.S. for the past 12 months.
- The Ohio average duration remained at 19.2 weeks for June 2011 while the U.S. average decreased slightly to 18.0 weeks for the same period.



Average Duration reflects Regular Ohio Law Claims only.

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.



Exhaustion Rate reflects Regular Ohio Law Claims only.

- Ohio and national exhaustion rates have remained relatively steady over the past 12 months.
- Ohio's exhaustion rate stayed consistently lower than that of the U.S.
- Ohio's exhaustion rate increased to 46.1 percent, while the U.S. rate decreased to 50.9 percent in June 2011.

Employment Data

Ohio Nonagricultural Wage and Salary Employment (Seasonally Adjusted)

Ohio's nonagricultural wage and salary employment increased 19,900 over the quarter, from 5,078,100 in the first quarter of 2011 to 5,098,000 in the second quarter of 2011.

Service-providing industries, at 4,287,600, increased 15,800 over the quarter as most sectors experienced growth. The most significant gain occurred in educational and health services (+6,800). Employment was also up in professional and business services (+5,900), trade, transportation, and utilities (+3,300), leisure and hospitality (+3,100), and financial activities (+900). Losses were posted in government (-3,400), other services (-600), and information (-200). The total workforce in goods-producing industries increased 4,100 to 810,400. Manufacturing (+4,900) and mining and logging (+300) experienced gains. Construction lost 1,100 jobs from the first quarter 2011.

Over the year, nonfarm wage and salary employment advanced 64,400. Service-providing industries increased 52,800 from second quarter 2010. Gains were posted in educational and health services (+26,100), professional and business services (+18,400), leisure and hospitality (+15,100), other services (+4,800), trade, transportation, and utilities (+4,200), and financial activities (+1,300). Employment decreased over the year in government (-16,500) and information (-600). Goods-producing industries added 11,600 jobs. Manufacturing increased 8,100 as a gain in durable goods (+12,300) exceeded a loss in nondurable goods (-4,200). Construction (+3,000) and Mining and logging (+500) also posted modest gains.

Nonagricultural Wage and Salary Employment Estimates for Ohio^a
Seasonally Adjusted

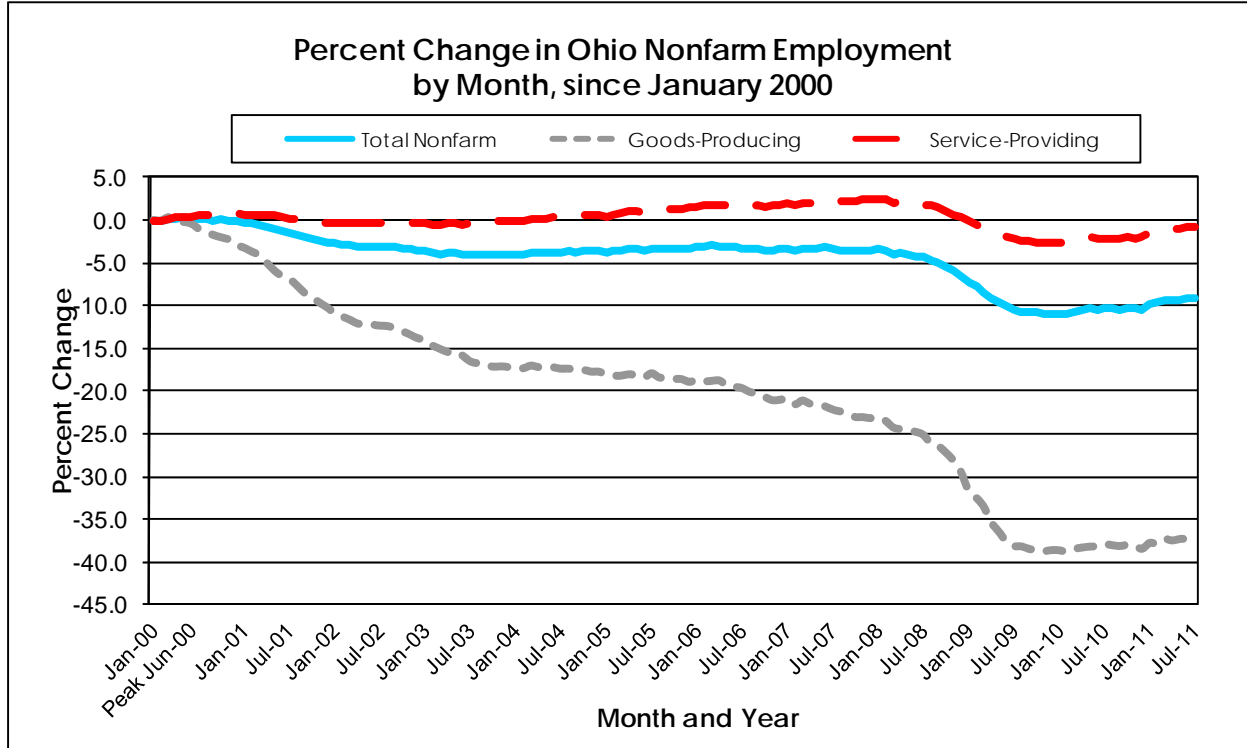
Employer Survey Data^b

	Employment (in thousands)			Change (in thousands)		Percent Change	
	2nd Qtr. 2011	1st Qtr. 2011	2nd Qtr. 2010	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Total	5,098.0	5,078.1	5,033.6	19.9	64.4	0.4%	1.3%
Goods-Producing Industries	810.4	806.3	798.8	4.1	11.6	0.5%	1.5%
Mining and Logging	11.7	11.4	11.2	0.3	0.5	2.6%	4.5%
Construction	169.5	170.6	166.5	-1.1	3.0	-0.6%	1.8%
Manufacturing	629.2	624.3	621.1	4.9	8.1	0.8%	1.3%
Durable Goods	423.6	418.8	411.3	4.8	12.3	1.1%	3.0%
Nondurable Goods	205.6	205.5	209.8	0.1	-4.2	0.0%	-2.0%
Service-Providing Industries	4,287.6	4,271.8	4,234.8	15.8	52.8	0.4%	1.2%
Trade, Transportation, and Utilities	952.8	949.5	948.6	3.3	4.2	0.3%	0.4%
Wholesale Trade	219.6	219.0	216.0	0.6	3.6	0.3%	1.7%
Retail Trade	551.4	549.1	551.8	2.3	-0.4	0.4%	-0.1%
Transportation, Warehousing, and Utilities	181.8	181.4	180.8	0.4	1.0	0.2%	0.6%
Information	76.8	77.0	77.4	-0.2	-0.6	-0.3%	-0.8%
Financial Activities	276.1	275.2	274.8	0.9	1.3	0.3%	0.5%
Finance and Insurance	215.3	215.3	216.5	0.0	-1.2	0.0%	-0.6%
Real Estate and Rental and Leasing	60.8	59.9	58.3	0.9	2.5	1.5%	4.3%
Professional and Business Services	640.6	634.7	622.2	5.9	18.4	0.9%	3.0%
Professional and Technical Services	246.3	242.8	237.5	3.5	8.8	1.4%	3.7%
Management of Companies and Enterprises	109.1	108.7	108.3	0.4	0.8	0.4%	0.7%
Administrative, Support, and Waste Services	285.2	283.2	276.4	2.0	8.8	0.7%	3.2%
Educational and Health Services	864.6	857.8	838.5	6.8	26.1	0.8%	3.1%
Educational Services	113.9	114.1	111.8	-0.2	2.1	-0.2%	1.9%
Health Care and Social Assistance	750.7	743.7	726.7	7.0	24.0	0.9%	3.3%
Leisure and Hospitality	488.5	485.4	473.4	3.1	15.1	0.6%	3.2%
Arts, Entertainment, and Recreation	66.3	67.2	62.7	-0.9	3.6	-1.3%	5.7%
Accommodation and Food Services	422.2	418.2	410.7	4.0	11.5	1.0%	2.8%
Other Services	215.1	215.7	210.3	-0.6	4.8	-0.3%	2.3%
Government	773.1	776.5	789.6	-3.4	-16.5	-0.4%	-2.1%
Federal Government	80.5	80.7	92.2	-0.2	-11.7	-0.2%	-12.7%
State Government	159.4	161.1	160.9	-1.7	-1.5	-1.1%	-0.9%
Local Government	533.2	534.7	536.5	-1.5	-3.3	-0.3%	-0.6%

^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

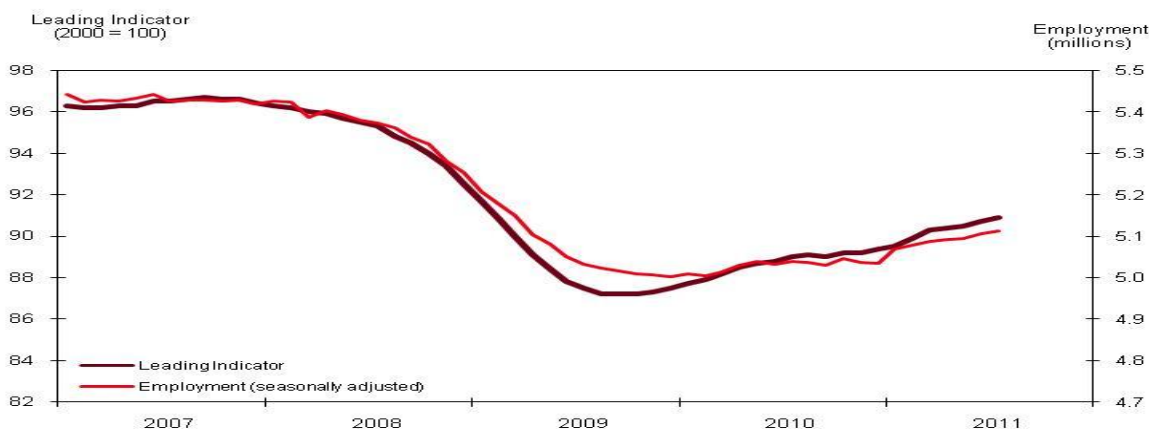


- Since January 2000, Ohio's goods-producing industries (manufacturing, construction, and mining and logging) have lost 36.5 percent of their employment while service-providing industries have declined 0.8 percent.
- In comparison, the U.S. has lost 26.6 percent of the employment in goods-producing industries while service-providing industries have increased 6.6 percent.

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

Ohio's composite index of leading indicators increased from a revised 89.9 to 90.5 for the second quarter of 2011. The composite index was 2.0 percent higher than for the second quarter of 2010. The national composite index of leading economic indicators increased from 113.4 to 114.7, and this was higher than for the second quarter of 2010.

Ohio Leading Indicator and Employment



The second quarter 2011 averages of individual Ohio index components (not seasonally adjusted) were mixed compared to one year ago. Initial claims for unemployment insurance were lower and average weekly hours manufacturing increased slightly, but the number of housing permits and their valuation were lower than for the second quarter of 2010.

Economic Indicators	Data			Net Change		Percent Change	
	2nd Qtr. 2011	1st Qtr. 2011	2nd Qtr. 2010	Last Quarter	Last Year	Last Quarter	Last Year
Ohio							
Leading Indicator Index (2000=100)	90.5	89.9	88.7	0.6	1.8	0.7%	2.0%
Average Initial Claims for Unemployment Compensation	58,397	65,142	63,185	-6,745	-4,788	-10.4%	-7.6%
Average Weekly Production Hours in Manufacturing	40.8	40.5	40.5	0.3	0.3	0.7%	0.7%
Average Valuation of Housing Permits (Millions)	\$213.519	\$145.240	\$226.211	\$68.279	-\$12.692	47.0%	-5.6%
Average Number of Housing Permits	1,228	899	1,287	329	-59	36.6%	-4.6%
National							
National Composite of Leading Economic Indicators (1996=100)	114.7	113.4	108.8	1.3	5.9	1.1%	5.4%
U.S. Domestic Auto Production	2.796	2.872	2.807	-0.076	-0.011	-2.6%	-0.4%
Spread of 1-Year and 10-Year Treasury Rates, Constant Maturities	3.00	3.19	3.11	-0.19	-0.11	-6.0%	-3.5%
Average Number of Housing Permits	56,193	42,289	55,405	13,904	788	32.9%	1.4%

Jobs Gained or Lost

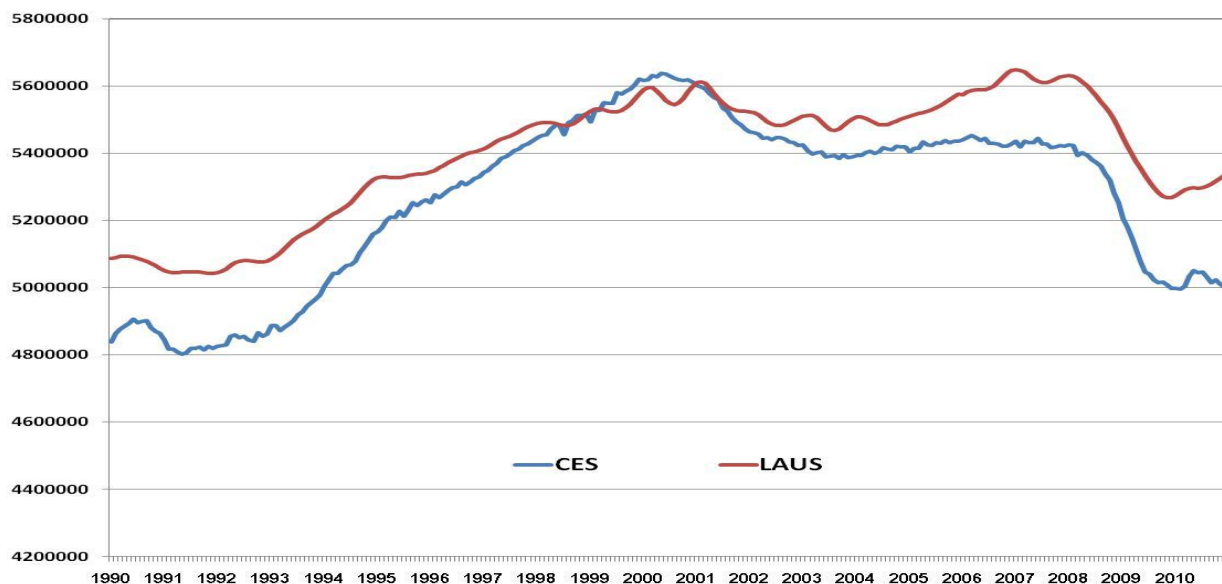
Current Employment Survey (CES)

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, 1990-2010



Mass Layoff Announcements

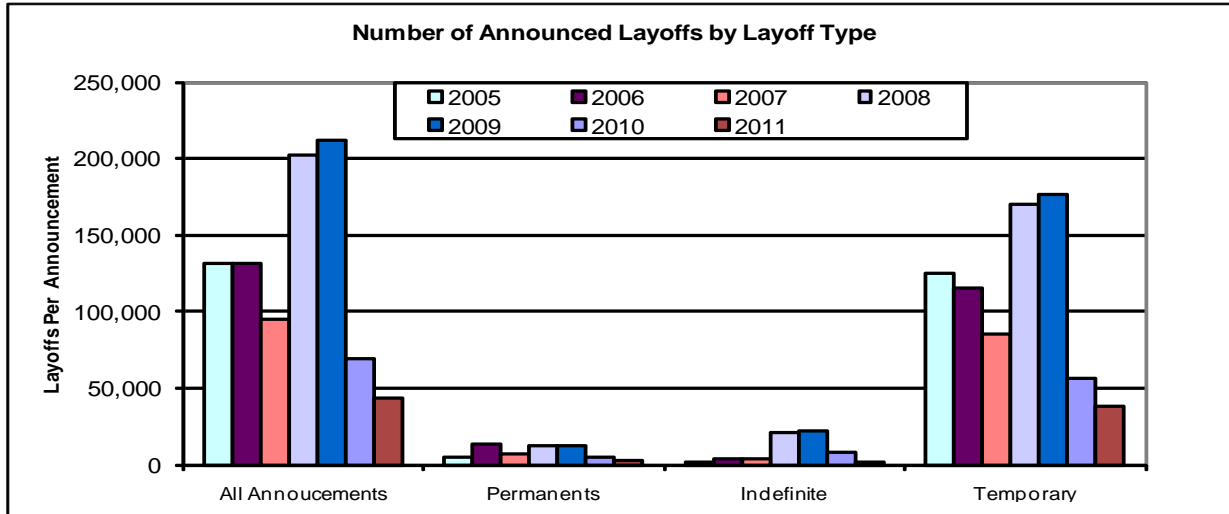
Mass layoff announcements are reported by the business entity. These statistics have proven useful to explain major shifts in the employment situation that may occur at the local level from one month to another. However, they must be used with caution, particularly when considering them at a summary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

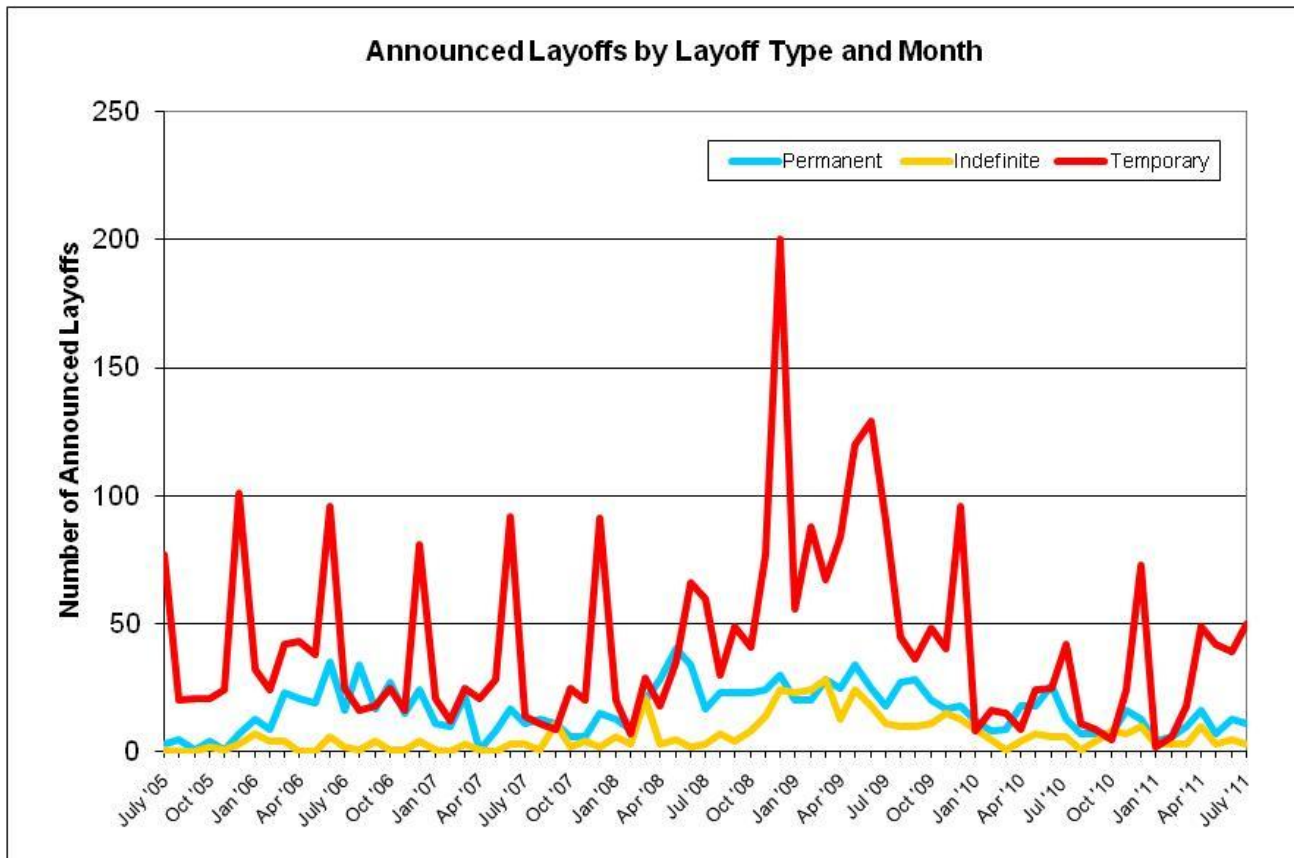
See Mass Layoff Announcements table and graph on next page.

Mass Layoff Announcements, 2005 to 2011

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
2010	483	68,776	154	4,818	68	7,606	261	56,352
Through July '11	313	43,357	77	3,035	30	2,034	206	38,288



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 again lowered its expectations for economic growth. They no longer expect a bounce in the GDP for the second half of 2011, and they have reduced growth estimates for 2012 and 2013. They expect the recovery will be drawn-out and laborious. From April to July, monthly job growth averaged only 72,000 nationally. Temporary boosts to the economy from the inventory cycle and the fiscal stimulus have worn off, and consumption and housing have been unable to rise because of excess debt and excess supply, respectively. IHS Global Insight believes there is pent up demand for housing, but employment must rise before housing will pick up momentum. They have also reduced their forecast for light vehicle sales in 2011 and 2012.

Other Economic Indicators:

The Conference Board's Help-Wanted OnLine (HWOL) data series, a measure of labor demand, declined by 217,000 online ads nationally in July. Ohio declined by 6,400 advertised job vacancies over the month, but its trend since November 2009 has been upward. Ohio's supply/demand rate, the ratio of the number of unemployed to advertised job vacancies, increased slightly to 3.05 in July, but this was still below the national supply/demand rate of 3.22.

The Conference Board's national Employment Trends Index decreased slightly from a revised 100.9 in June to 100.6 in July. The July index is up 4.0 percent from one year ago. According to the Conference Board, "The Employment Trends Index declined in three of the past four months, and is signaling employment growth of less than 100,000 per month through the end of 2011. Despite weak employment growth in recent months, GDP has been growing even slower in the first half of 2011. There is simply not enough growth in production to warrant stronger hiring."

Technical Notes

Data Sources and Additional Resources Links

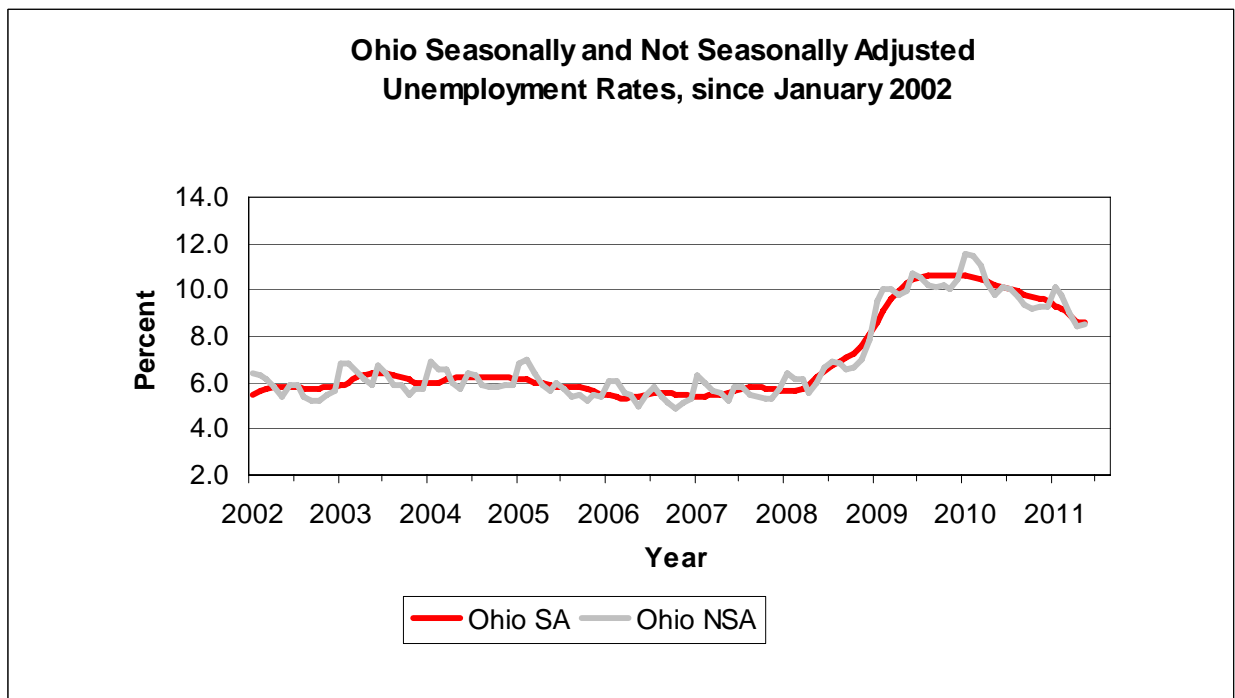
Seasonal Adjustment

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/lausmenu.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 natural resources and mining, 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>

Office of Workforce Development
P.O. Box 1618
Columbus, OH 43216-1618

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.

John R. Kasich, Governor
State of Ohio
<http://Ohio.gov>

Michael B. Colbert, , Director
Ohio Department of Job and Family Services
<http://jfs.ohio.gov>

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

Bureau of Labor Market Information
<http://OhioLMI.com>

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