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

3rd Quarter

2011

Quarterly Report on the State of Ohio's Workforce

Reference Period: Third 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
Release date: December 22, 2011

Summary

Ohio's unemployment rate was 9.1 percent during the third quarter of 2011, up from 8.7 during the second quarter 2011 and down from 9.9 percent one year ago. The U.S. unemployment rate for the third quarter was 9.1 percent, unchanged from the second quarter 2011 and down from 9.6 percent one year ago. The average number of Ohioans unemployed per month increased over the quarter from 511,000 to 533,000.

Ohio's nonagricultural wage and salary employment increased 18,200 over the quarter, from 5,098,000 in the second quarter of 2011 to 5,116,200 in the third quarter of 2011.

The total workforce in goods-producing industries increased 11,900 to 822,300 with gains in manufacturing and construction. Service-providing industries, at 4,293,900, increased 6,300 over the quarter. Many sectors experienced growth, with the most significant gains occurring in educational and health services and in professional and business services.

Over the year, nonfarm wage and salary employment advanced 80,800. Service-providing industries increased 59,900 from third quarter 2010. Goods-producing industries added 20,900 jobs.

Unemployment Rates
and
Related Data

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

Ohio's unemployment rate for the third quarter of 2011 was 9.1 percent, up from 8.7 percent in second quarter 2011 and down from 9.9 a year ago. The U.S. unemployment rate for the third quarter was 9.1 percent, unchanged from second quarter 2011 and down from 9.6 a year ago. The average number of Ohioans unemployed per month has increased over the quarter from 511,000 to 533,000.

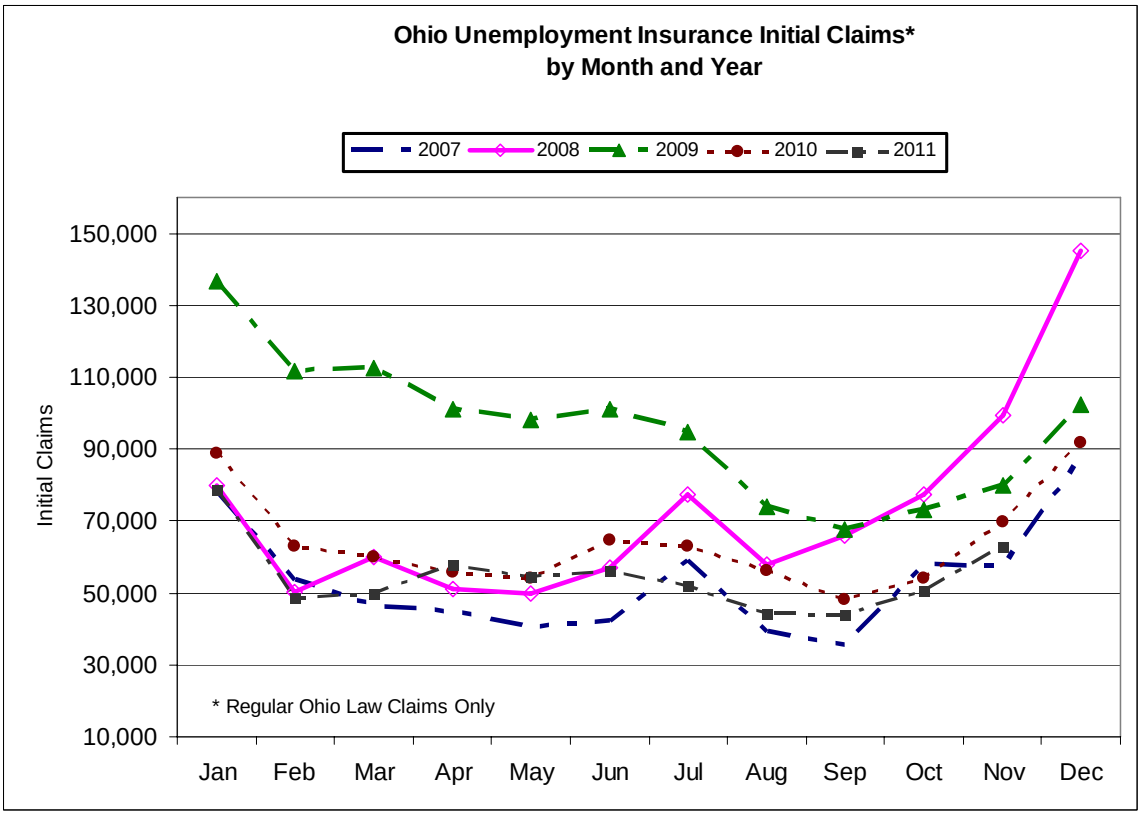
Employment Situation Indicators for Ohio and U.S.	Quarterly Data (in thousands)			Change (in thousands)		Percent Change	
Seasonally Adjusted	3rd Qtr. 2011	2nd Qtr. 2011	3rd Qtr. 2010	From Last Quarter	From Last Year	From Last Quarter	From Last Year
	Ohio						
Civilian Labor Force	5,861	5,888	5,886	-27	-25	-0.5%	-0.4%
Employment	5,328	5,377	5,303	-48	26	-0.9%	0.5%
Unemployment	533	511	583	21	-50	4.2%	-8.6%
Unemployment Rate	9.1%	8.7%	9.9%	0.4%	-0.8%		
	U.S.						
Civilian Labor Force	153,613	153,512	153,956	101	-343	0.1%	-0.2%
Employment	139,649	139,596	139,212	54	437	0.0%	0.3%
Unemployment	13,963	13,916	14,744	47	-781	0.3%	-5.3%
Unemployment Rate	9.1%	9.1%	9.6%	0.0%	-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 0.2 percentage points lower than the U.S. rate.

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.

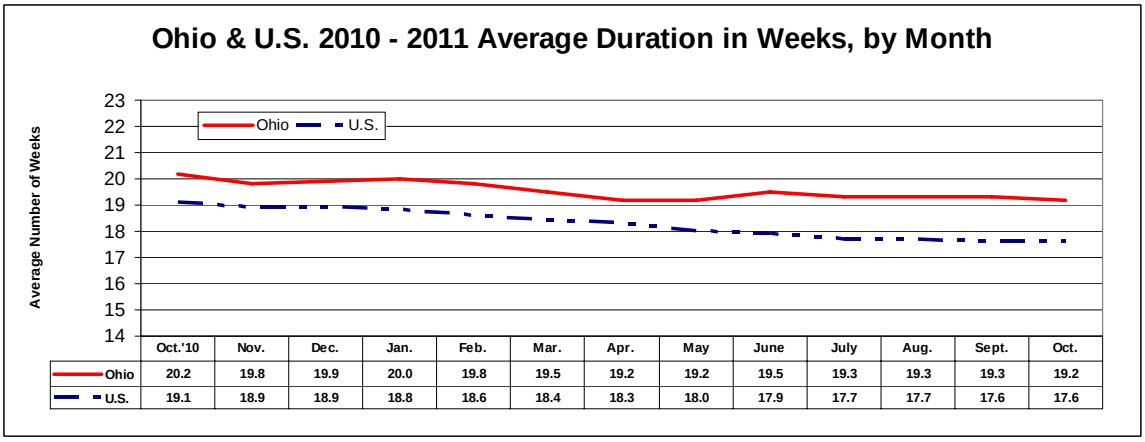
- Initial claims in November 2011 were substantially lower (-9.3%) than the level recorded in 2010.



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 decreased slightly to 19.2 weeks for October 2011 while the U.S. average remained at 17.6 weeks for the same period.

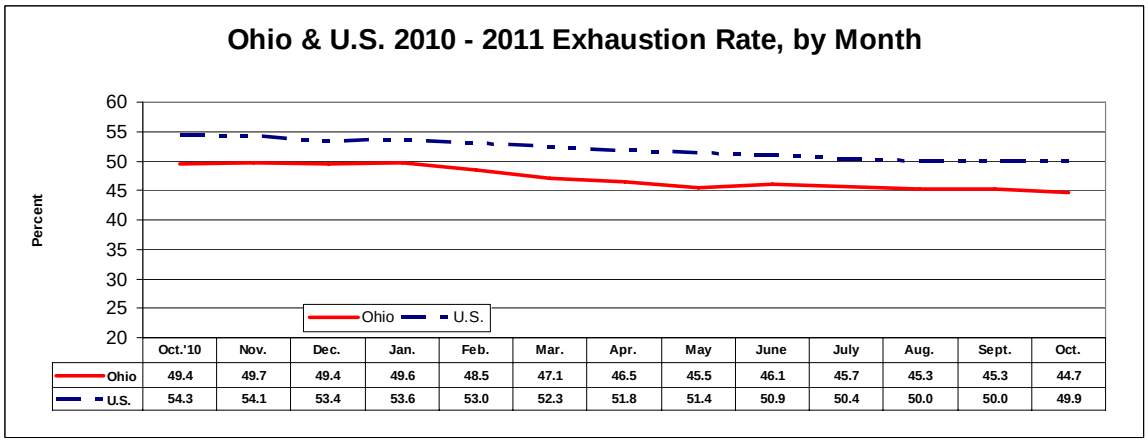


	Oct.'10	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Ohio	20.2	19.8	19.9	20.0	19.8	19.5	19.2	19.2	19.5	19.3	19.3	19.3	19.2
U.S.	19.1	18.9	18.9	18.8	18.6	18.4	18.3	18.0	17.9	17.7	17.7	17.6	17.6

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.



	Oct.'10	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Ohio	49.4	49.7	49.4	49.6	48.5	47.1	46.5	45.5	46.1	45.7	45.3	45.3	44.7
U.S.	54.3	54.1	53.4	53.6	53.0	52.3	51.8	51.4	50.9	50.4	50.0	50.0	49.9

Exhaustion Rate reflects Regular Ohio Law Claims only.

- Ohio and national exhaustion rates have slowly declined over the past 12 months.
- Ohio's exhaustion rate stayed consistently lower than that of the U.S.
- Ohio's exhaustion rate decreased to 44.7 percent, while the U.S. rate decreased slightly to 49.9 percent in October 2011.

Employment Data

Ohio Nonagricultural Wage and Salary Employment (Seasonally Adjusted)

Ohio's nonagricultural wage and salary employment increased 18,200 over the quarter, from 5,098,000 in the second quarter of 2011 to 5,116,200 in the third quarter of 2011.

The total workforce in goods-producing industries increased 11,900 to 822,300. Manufacturing (+7,300) and construction (+4,600) experienced gains. Total employment in mining and logging remained at the second quarter 2011 level (+11,700). Service-providing industries, at 4,293,900, increased 6,300 over the quarter. Many sectors experienced growth, with the most significant gain occurring in educational and health services (+5,300). Employment was also up in professional and business services (+4,700), trade, transportation, and utilities (+1,300), financial activities (+700), and other services (+300). Losses were posted in leisure and hospitality (-4,000) and government (-2,000). The employment level for the information sector remained at 76,800 for the second consecutive quarter of 2011.

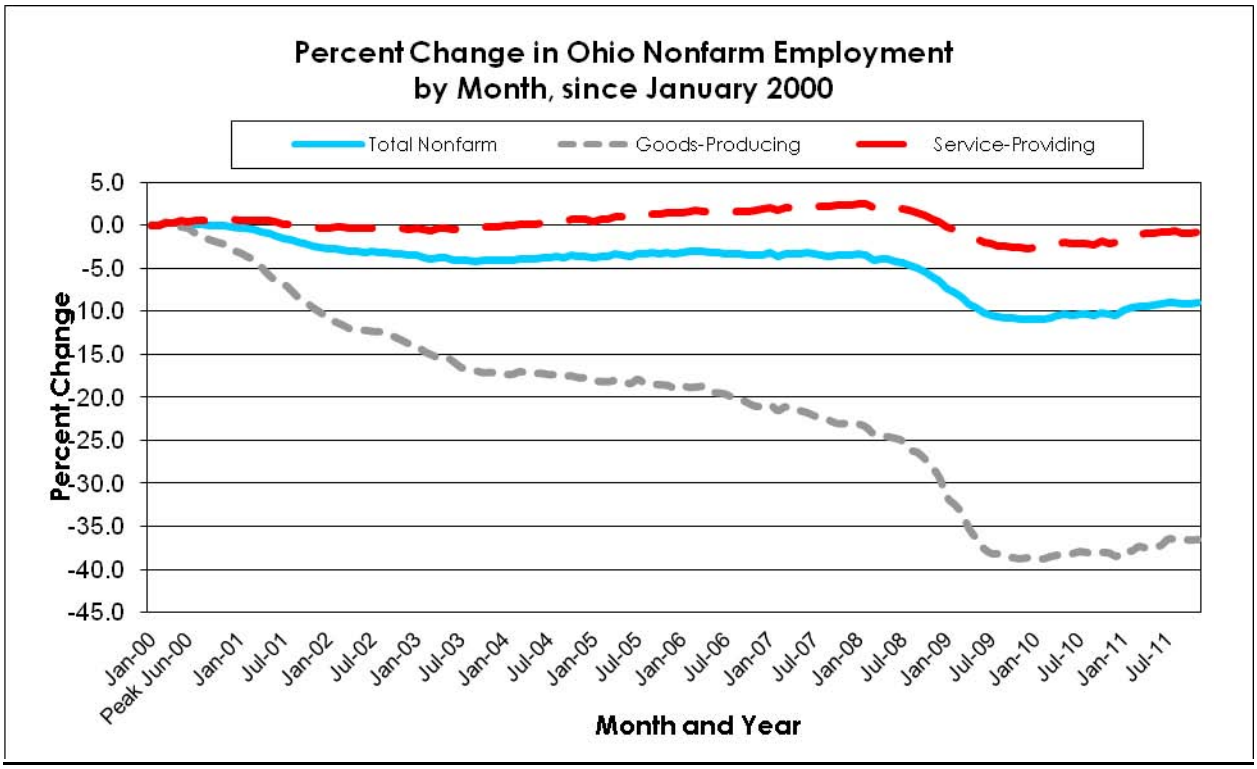
Over the year, nonfarm wage and salary employment advanced 80,800. Service-providing industries increased 59,900 from third quarter 2010. Gains were posted in educational and health services (+26,600), professional and business services (+19,600), leisure and hospitality (+8,800), trade, transportation, and utilities (+6,700), other services (+4,200), and financial activities (+2,100). Employment decreased over the year in government (-7,700) and information (-400). Goods-producing industries added 20,900 jobs. Manufacturing increased 13,000 as a gain in durable goods (+16,400) exceeded a loss in nondurable goods (-3,400). Modest gains were seen in construction (+7,400). Mining and logging (+500) also posted a small increase.

Nonagricultural Wage and Salary Employment Estimates for Ohio[a] Seasonally Adjusted	Employment (in thousands)			Change (in thousands)		Percent Change	
	3nd Qtr. 2011	2st Qtr. 2011	3nd Qtr. 2010	From Last Quarter	From Last Year	From Last Quarter	From Last Year
Employer Survey Data[b]							
Total	5,116.2	5,098.0	5,035.4	18.2	80.8	0.4%	1.6%
Goods-Producing Industries	822.3	810.4	801.4	11.9	20.9	1.5%	2.6%
Mining and Logging	11.7	11.7	11.2	0.0	0.5	0.0%	4.5%
Construction	174.1	169.5	166.7	4.6	7.4	2.7%	4.4%
Manufacturing	636.5	629.2	623.5	7.3	13.0	1.2%	2.1%
Durable Goods	430.2	423.6	413.8	6.6	16.4	1.6%	4.0%
Nondurable Goods	206.3	205.6	209.7	0.7	-3.4	0.3%	-1.6%
Service-Providing Industries	4,293.9	4,287.6	4,234.0	6.3	59.9	0.1%	1.4%
Trade, Transportation, and Utilities	954.1	952.8	947.4	1.3	6.7	0.1%	0.7%
Wholesale Trade	219.3	219.6	216.5	-0.3	2.8	-0.1%	1.3%
Retail Trade	551.9	551.4	550.0	0.5	1.9	0.1%	0.3%
Transportation, Warehousing, and Utilities	182.9	181.8	180.9	1.1	2.0	0.6%	1.1%
Information	76.8	76.8	77.2	0.0	-0.4	0.0%	-0.5%
Financial Activities	276.8	276.1	274.7	0.7	2.1	0.3%	0.8%
Finance and Insurance	215.7	215.3	216.7	0.4	-1.0	0.2%	-0.5%
Real Estate and Rental and Leasing	61.1	60.8	58.0	0.3	3.1	0.5%	5.3%
Professional and Business Services	645.3	640.6	625.7	4.7	19.6	0.7%	3.1%
Professional and Technical Services	248.0	246.3	239.2	1.7	8.8	0.7%	3.7%
Management of Companies and Enterprises	109.3	109.1	107.5	0.2	1.8	0.2%	1.7%
Administrative, Support, and Waste Services	288.0	285.2	279.0	2.8	9.0	1.0%	3.2%
Educational and Health Services	869.9	864.6	843.3	5.3	26.6	0.6%	3.2%
Educational Services	113.3	113.9	112.4	-0.6	0.9	-0.5%	0.8%
Health Care and Social Assistance	756.6	750.7	730.9	5.9	25.7	0.8%	3.5%
Leisure and Hospitality	484.5	488.5	475.7	-4.0	8.8	-0.8%	1.8%
Arts, Entertainment, and Recreation	63.9	66.3	61.9	-2.4	2.0	-3.6%	3.2%
Accommodation and Food Services	420.6	422.2	413.8	-1.6	6.8	-0.4%	1.6%
Other Services	215.4	215.1	211.2	0.3	4.2	0.1%	2.0%
Government	771.1	773.1	778.8	-2.0	-7.7	-0.3%	-1.0%
Federal Government	80.1	80.5	83.6	-0.4	-3.5	-0.5%	-4.2%
State Government	163.8	159.4	162.0	4.4	1.8	2.8%	1.1%
Local Government	527.2	533.2	533.2	-6.0	-6.0	-1.1%	-1.1%

[a]Subtotals may not add to totals due to rounding. All data exclude military personnel.

[b]From 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

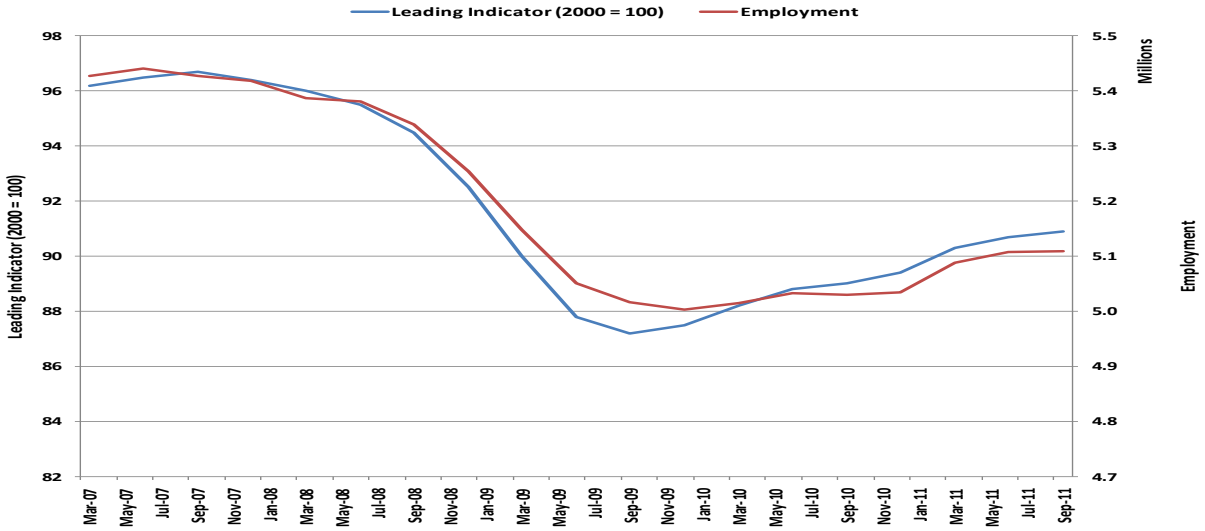


- Since January 2000, Ohio's goods-producing industries (manufacturing, construction, and mining and logging) have lost 36.5 percent of their employment while service-providing industries have dropped 0.8 percent.
- In comparison, the U.S. has lost 26.5 percent of the employment in goods-producing industries while service-providing industries have increased 7.0 percent.

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

Ohio's composite index of leading indicators increased from 90.5 to 90.9 for the third quarter of 2011. The composite index was 2.1 percent higher than for the third quarter of 2010. The national composite index of leading economic indicators increased from 114.7 to 116.1, and this was higher than for the third quarter of 2010.

Ohio Leading Indicator and Employment



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

Economic Indicators	Data			Net Change		Percent Change	
	Q3 2011	Q2 2011	Q3 2010	Last Quarter	Last Year	Last Quarter	Last Year
Ohio							
Leading Indicator Index (2000=100)	90.9	90.5	89.0	0.4	1.9	0.4%	2.1%
Average Initial Claims for Unemployment Compensation	48,182	58,397	58,641	-10,215	-10,459	-17.5%	-17.8%
Average Weekly Production Hours in Manufacturing	40.8	40.8	40.1	0.0	0.7	0.0%	1.7%
Average Valuation of Housing Permits (Millions)	$210.549	$213.519	$204.200	-$2.970	$6.349	-1.4%	3.1%
Average Number of Housing Permits	1,278	1,228	1,256	50	22	4.1%	1.7%
National							
National Composite of Leading Economic Indicators (1996=100)	116.1	114.7	109.3	1.5	6.8	1.3%	6.2%
U.S. Domestic Auto Production	2.293	3.003	2.517	-0.710	-0.223	-23.6%	-8.9%
Spread of 1-Year and 10-Year Treasury Rates, Constant Maturities	2.84	2.80	2.61	0.05	0.24	1.7%	9.0%
Average Number of Housing Permits	54,676	56,193	50,237	-1,517	4,440	-2.7%	8.8%

Jobs Gained or Lost

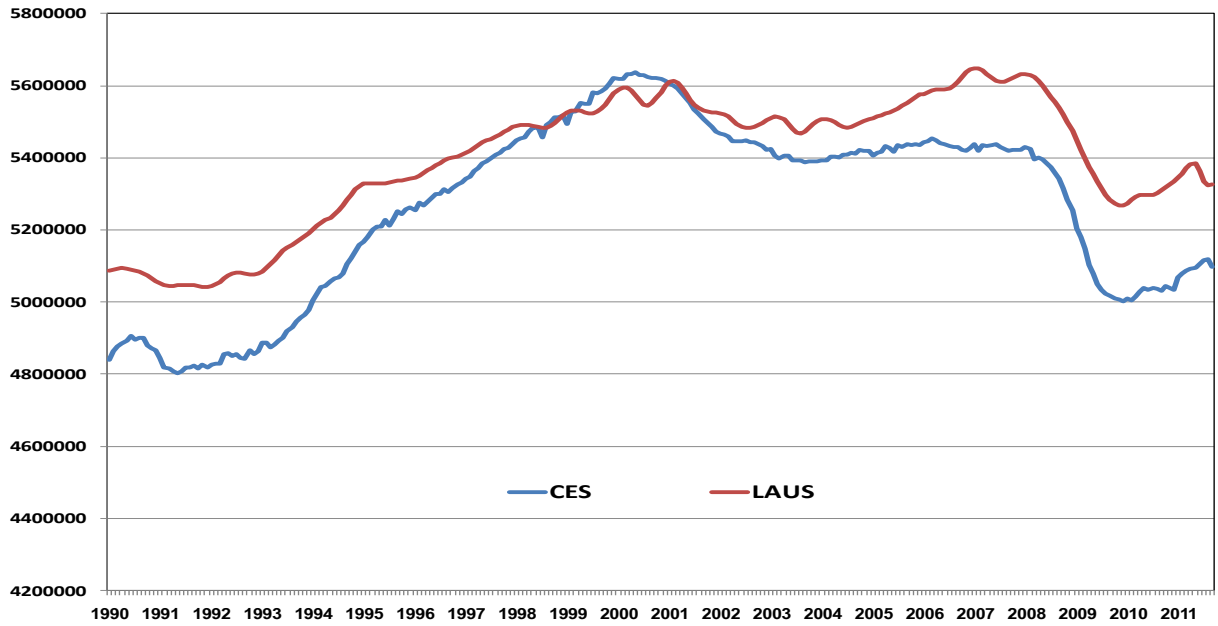
Current Employment Survey (CES)

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, 1990-2011



Mass Layoff Announcements

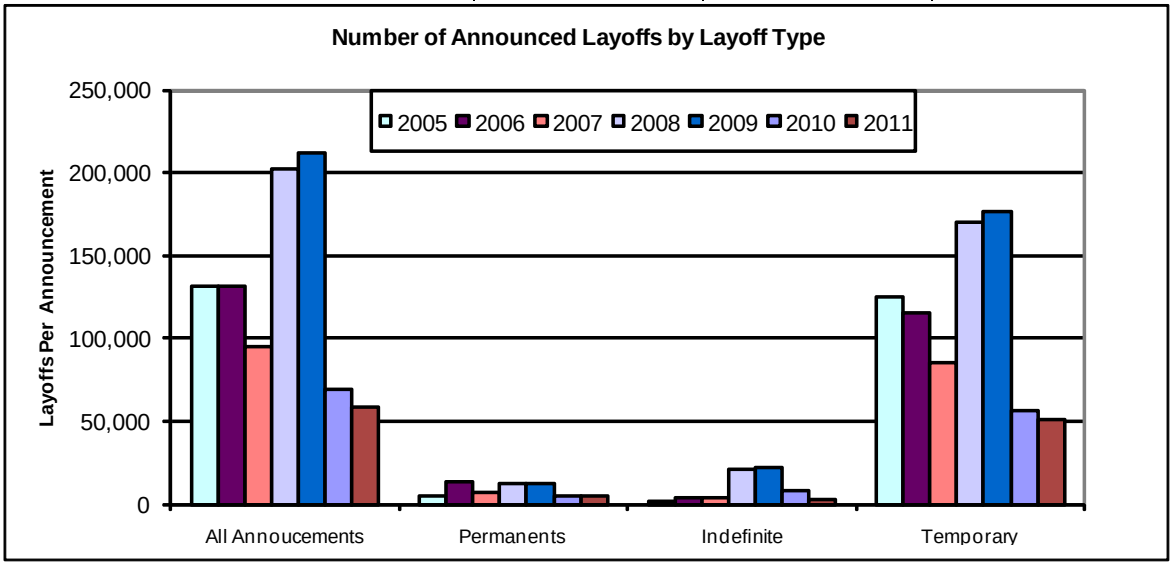
Mass layoff announcements are reported by the business entity. These statistics have proven useful to explain major shifts in the employment situation that may occur at the local level from one month to another. However, they must be used with caution, particularly when considering them at a summary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

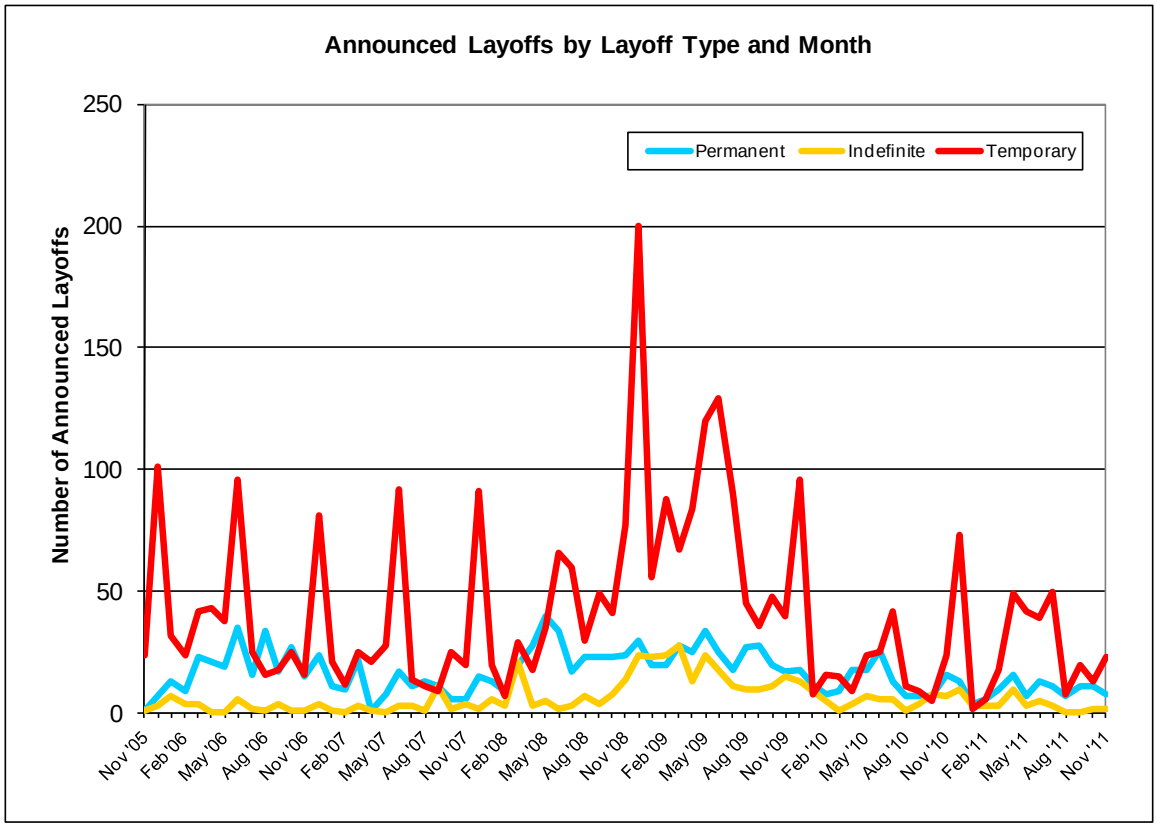
See Mass Layoff Announcements table and graph on next page.

Mass Layoff Announcements, 2005 to 2011

Year	Layoff Annoucements Events	Layoff Annoucements Employees	Permanent Layoffs Events	Permanent Layoffs Employees	Indefinite Layoffs Events	Indefinite Layoffs Employees	Temporary Layoffs Events	Temporary Layoffs 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 Nov. '11	418	58,941	114	5,314	34	2,163	270	51,464



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



Related Information

Related Information

IHS Global Insight National Analysis:
IHS Global Insight expects fourth quarter GDP growth to be about 2.6 percent, the best quarter this year. However, growth is expected to slip below two percent in the first half of 2012. They have again lowered the odds of another recession, from 40 to 35 percent, mostly because of conditions in Europe. IHS Global Insight continues to expect weak employment growth, but they have downwardly revised their estimate of the 2012 national average unemployment rate to about 9.0 percent; recent employment reports suggest it could go lower.

Other Economic Indicators:
The Conference Board's Help-Wanted OnLine (HWOL) data series, a measure of labor demand, declined by 76,200 online ads nationally in November. Ohio declined by 10,300 advertised job vacancies over the month; Ohio has declined by 22,300 ads since June. Ohio's supply/demand rate, the ratio of the number of unemployed to advertised job vacancies, increased to 3.34 in November, but this was below the national supply/demand rate, which decreased slightly to 3.53.

The Conference Board's national Employment Trends Index increased from a revised 102.42 in October to 103.7 in November. The November index is up 6.4 percent from one year ago. There has been acceleration in job growth that may last into the beginning of 2012, but the improvement may be short-lived if the economy slows in coming quarters.

The Conference Board's national Consumer Confidence Index improved from 40.9 in October to 56.0 in November (1985 = 100). The Presentation Situation Index increased from 27.1 to 38.3, and the Expectations Index rose from 50.0 to 67.8. Despite the increase in confidence, 38.2 percent of CCI survey respondents said business conditions were bad, and 42.1 percent said jobs were hard to get.

Data Sources
and
Additional Resource Links

Data Sources and Additional Resources Links

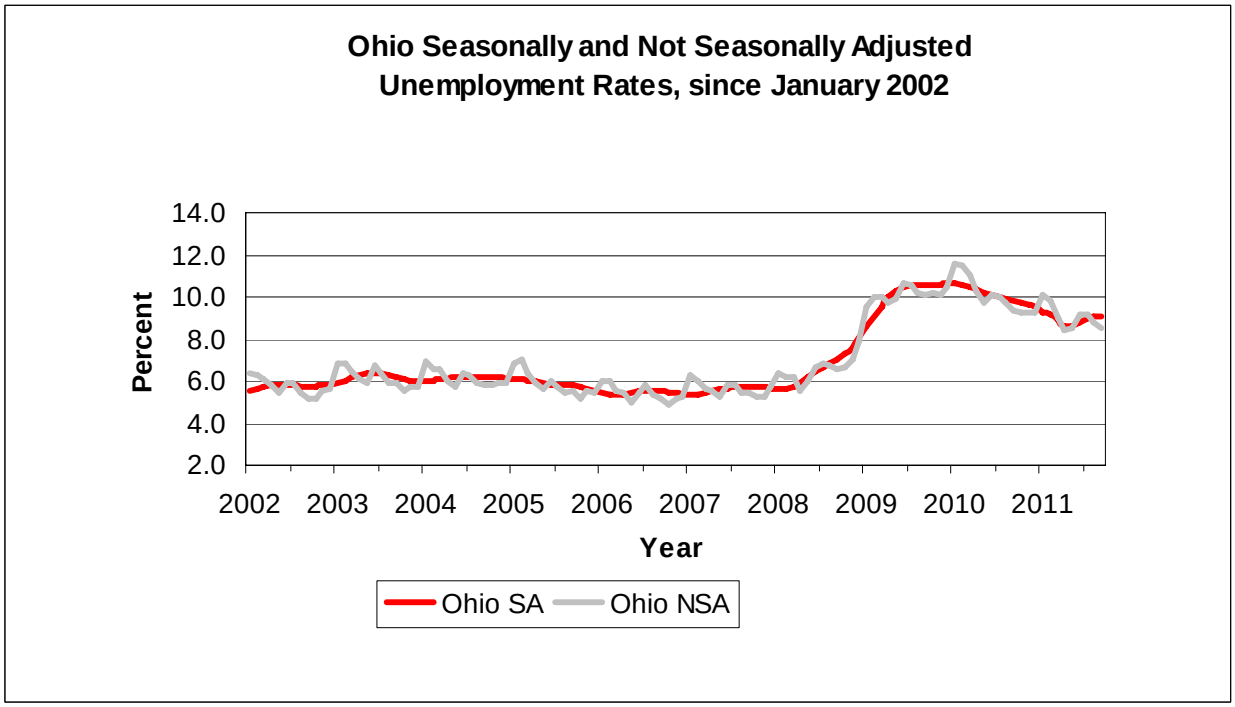
Seasonal Adjustment

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.

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