Ohio workers have increased their education levels. Of the labor force in 1979 just one third (33.6 percent) had some college or a BA compared to well over half (56.3 percent) by 2011. Nearly a quarter of Ohio workers hadn't completed high school in 1979, but now more than 90 percent have.

Workers leave labor force, manufacturing jobs rebound, public jobs lag

Between 2010 and 2011,Ohio's inflation-adjusted median wage declined by 45 cents an hour to $15.20. Real wage loss over the 2000's in Ohio was among the highest in the country (-$1.33 between 2000 and 2011), second only to Michigan (-$1.36).

These are some of the findings of the *State of Working Ohio 2012*, a comprehensive review of the Ohio labor market by Policy Matters Ohio.

"Three years into the recovery we're not making sufficient progress on wages or job growth and we're failing to tap the talents of many of our neighbors," said Amy Hanauer, report author and executive director of Policy Matters. "Ohioworkers and families are not getting what they need from the public or the private sector."

Leaving the labor market

For Black Ohioans, the employment-to-population ratio plummeted to an alarming 48.6 percent in 2011, lower than at any point since 1983. Despite declines in labor force participation (that keep discouraged workers out of the statistic), African Americans in Ohio were unemployed at a distressing rate of 17 percent in 2011, the highest annual rate since 1986.

Other Ohioans also continued to leave the labor force last year – more than 182,000 Ohio workers have left the labor market since the recession began. Male labor force participation is at an all-time low of 69.9 percent, down ten percentage points since 1979, while female labor force participation (58.6 percent) is the lowest since 1995 and overall participation (64.1 percent) the lowest since 1985.

Glimmers of hope in manufacturing, continued losses in public sector

The report also found evidence thatOhio's recovery might begin to strengthen. The overall labor market is adding jobs slowly – it would take more than two years at the rate of last year's growth just to return to pre-2007 levels of employment. But some important sectors and sub-sectors are growing at a much more healthy pace. Manufacturing, led by durable goods manufacturing, which produces things like cars and appliances, climbed from a low of 609,900 jobs in November 2009 to 663,500 jobs in July 2012, a solid 8.8 percent growth over 33 months. Durable goods manufacturing added 47,600 of those positions, an 11.9 percent growth in this subsector. Over the same period, overallOhiojobs grew by just 3.6 percent.

One factor keeping this recovery weak is layoffs of public sector workers in local government. IfOhiohad avoided cuts to local public jobs since the end of the 2007 recession in June 2009, an additional 35,400 Ohioans would be working.

Long-term share of unemployment at all-time high

Annual unemployment fell between 2010 and 2011 and monthly unemployment has been at 7.2 percent the last two months – not healthy, but much better than in 2009 and 2010. Of those unemployed, the share that has been jobless for more than half a year rose to an all-time high of 44.2 percent in 2011, up from 42.4 percent in 2010. The peak prior to that was in 1984 at 30.2 percent.

Tiny and shrinking share of wealth for most of us

Wealth distribution is extremely lopsided, nationally. Of U.S. wealth, the top 1 percent of Americans owned more than one third (35.6 percent) in 2009, and the top 5 percent owned nearly two-thirds (63.5 percent). The bottom 80 percent of Americans own a tiny and shrinking share, down from an already paltry 18.7 percent in 1983 to just 12.8 percent in 2009.

Last year's 45-cent drop in median hourly wage leaves Ohio well below average – tied with Maine for 30th highest median wage among states – at $15.20. The highest earning states – in the $19 to $23 hourly range – have high levels of bachelor degree attainment, more protection of collective bargaining and are diverse northeastern economies with large urban centers. The lowest-wage states with wages from $13.84 to $14.53 have generally lower levels of education, much less unionization, more policies that hinder unions, less urban, and less diverse economies.

Ohio workers have increased their education levels. Of the labor force in 1979 just one third (33.6 percent) had some college or a BA compared to well over half (56.3 percent) by 2011. Nearly a quarter ofOhioworkers hadn't completed high school in 1979, but now more than 90 percent have. These levels remain behind those of the most affluent states likeMassachusettsandConnecticut.

"Our economy would function better if we restored public employment and services, did more to help manufacturing, encouraged education and unionization, and restored smart regulation," Hanauer said.